

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE



January 10, 2020

**Advice Letter 5691-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Lake Almanor Maidu Wetlands Land Donation - Request for Approval  
under Decision D.08-11-043, D.10-08-004, D.03-12-035 and Public Utilities  
Code Section 851**

Dear Mr. Jacobson,

Advice Letter 5691-E is effective as of December 16, 2019

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

November 15, 2019

**Advice 5691-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Lake Almanor – Maidu Wetlands Land Donation - Request for Approval under Decision D.08-11-043, D.10-08-004, D.03-12-035 and Public Utilities Code Section 851**

**Purpose**

Pursuant to the streamlined procedures adopted by the California Public Utilities Commission (“Commission” or “CPUC”) in Decision (D.) 08-11-043 (as modified by D.10-08-004), Pacific Gas and Electric Company (“PG&E”) requests a disposition letter approving PG&E’s donation of fee simple title to approximately 297 acres of land in Plumas County, commonly known as Lake Almanor – Maidu Wetlands (“Property”) to the Maidu Summit Consortium (“MSC”). This donation is being made in the public interest and will protect and preserve the Beneficial Public Values (“BPVs”) on the Property, including the habitat of fish, wildlife and plants, forest resources on the Property, agricultural uses, the scenic viewshed of the Property, outdoor recreation, and identified historic and cultural values by restricting any use of the Property that would significantly impair or interfere with the protection of these values. This donation is in accordance with the terms and conditions specified in the Settlement Agreement and Stipulation that were approved by the Commission in D.03-12-035 (“Stipulation”).

**Background**

Pursuant to the Stipulation, the Pacific Forest and Watershed Lands Stewardship Council (“Stewardship Council”) was established in 2004 to develop a plan to permanently protect, for the benefit of the citizens of California, more than 140,000 acres of watershed lands (“Watershed Lands”) owned by PG&E. This effort is known as PG&E’s Land Conservation Commitment (LCC). PG&E is fulfilling its commitment through fee donation of certain Watershed Lands and/or the conveyance of conservation easements, (or satisfactory assurance in another form) that each parcel will be managed consistent with the purpose of the Land Conservation Commitment. PG&E will not make fee simple donations of lands that contain hydroelectric project features, hydroelectric projects licensed by the Federal Energy Regulatory Commission (“FERC”), or properties whose ownership is otherwise required for utility operations. The Stipulation also includes provisions to

ensure the rights necessary to operate and maintain current and future hydroelectric and associated water delivery facilities are reserved, and the existing agreements for economic uses will be honored.

A detailed description of this proposed donation, which addresses the requirements set forth in Section 12(a) of the Stipulation, is provided in the attached Land Conservation and Conveyance Plan (Attachment A) prepared by the Stewardship Council and approved by their Board of Directors. Land Conservation and Conveyance Plans will be issued serially for all Watershed Lands and together will comprise the Land Conservation Plan Volume III.

### **Transaction Specific Considerations**

To ensure all agreements are fully enforceable and achieve the requirements of the Stipulation, MSC is accepting the donation pursuant to certain restrictions on transfer of Property and agreeing to execute and record a power of termination ("Power of Termination") in favor of PG&E.

In the Power of Termination Agreement, MSC agrees to not convey, grant rights to or in, or otherwise transfer the Property without the prior written consent of PG&E. MSC also agrees not to use the Property as Security for any debt nor shall it encumber the Property with any liens or other financial encumbrances without the prior written approval of PG&E.

The Power of Termination Agreement outlines the steps to be taken by PG&E if it believes MSC has violated or taken steps to violate any of the restrictions on the transfer or encumbrance of the Property or if MSC is dissolved before the transfer of title.

For the complete text of the Power of Termination Agreement see Attachment B.

### **Property Specific Considerations**

In accordance with the streamlined procedure adopted by the Commission in D.08-11-043 (as modified by D.10-08-004), PG&E provides the following information as required by Ordering Paragraph 2:

#### **(1) Identity of the Conservation Property**

The Property, identified as Parcels 373 and 426 (totaling approximately 297 acres of land) on the map included in Attachment A, page 4, is in Plumas County. The Property is approximately 2 miles north of the Town of Chester and about 55 miles east of Red Bluff. The Property is surrounded by privately-owned timber lands and National Forest System Lands managed by Lassen National Forest.

#### **(2) Type of Property Interest Disposition**

Per the Stewardship Council recommendation, PG&E will convey fee simple title to the MSC. MSC will then immediately convey a conservation easement (Attachment C) to the Feather River Land Trust ("FRLT"), which will permanently protect the BPVs on the Property. The Property will be transferred subject to a Grant Deed restriction regarding water use. For the complete text of the Grant Deed, see Attachment D.

The State Board of Equalization estimates the value of the Property is \$351,659 (Attachment E).

A. Property Encumbrances and Uses

There are recorded and unrecorded encumbrances on the Property for roads. There is one recorded encumbrance for phone lines. There are no existing agreements for economic uses on the Property.

B. Public Access

Parcel 373 is accessible by heading northeast on a spur road off of Chester Juniper Lake Road. Parcel 426 is accessible by heading north off of Highway 36 onto what is known as Last Chance Road as it eventually leads to the PG&E operated Last Chance Campground located at the northern tip of Lake Almanor.

Public access to the Property will not be changed as a result of the donation of the Property. For the complete text regarding Public Access please see Attachment C, page 8, section 8.

C. PG&E's Assumption of Liability

Section 12(f) of the Stipulation requires that PG&E hold the donee and/or conservation organizations harmless for hazardous waste or substance liability. Fulfillment of that obligation is reflected in the Environmental Agreements, attached hereto as Attachment F and G.

PG&E conducted an environmental review as part of its diligence in preparation for donation of the Property. The environmental review included an Environmental Site Assessment (ESA). The ESA assessed the past and present uses, ownership, and environmental conditions in order to identify potential issues that present known or possible environmental areas of concern. The ESA included, but was not limited to, a site reconnaissance, interviews, historical and regulatory document review, and limited sampling. No potential environmental issues were identified on the Property.

**(3) Legal Name and Location of Receiving Parties**

Maidu Summit Consortium  
P.O. Box 682  
Chester, CA 96020  
Attn: Executive Director

Feather River Land Trust  
P.O. Box 1826  
75 Court Street  
Quincy, CA 95971  
Attn: Executive Director

**(4) Proposed Uses and Conservation Management Objectives:**

As set forth in the Stipulation, the cornerstone of the Land Conservation Commitment is its requirement that the Watershed Lands be preserved and enhanced for the following broad range of BPVs, which are as follows:

- Protection of the Natural Habitat of Fish, Wildlife, and Plants
- Preservation of Open Space
- Outdoor Recreation by the General Public
- Sustainable Forestry
- Agricultural Uses
- Historic Values

The conservation easement for the Property ensures permanent protection of those BPVs listed in the Stipulation that are present on the Property. Attachment C, Exhibit C provides that the following BPVs are protected on the Property:

A. Protection of the Natural Habitat of Fish, Wildlife, and Plants

The Property is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. The Property is important for nesting and wintering waterfowl, and special status species such as willow flycatcher, sandhill crane, yellow warbler, bald eagle, and osprey are present.

The Property consists of two parcels that are both adjacent to the north basin of Lake Almanor. Parcel One lies west of the reservoir on a relatively level plain; Benner Creek flows through this parcel. Parcel Two lies on the eastern edge of the reservoir; this parcel is adjacent to the shoreline of the reservoir. Mud Creek flows into the reservoir through this parcel, which is dominated by steep slopes and dense conifer forests.

### **CWHR Habitat Types and Special Habitat Elements**

The Property contains the following California Wildlife Habitat Relationship (CWHR) terrestrial habitat types [as such types are defined in "A Guide to Wildlife Habitats of California," prepared for the California Department of Fish and Game, by Kenneth E. Mayer and William F. Laudenslayer, Jr., Editors (1988)]:

The Property is dominated by diverse, mid-successional Sierran Mixed Conifer (SMC) habitat, with Douglas fir (*Pseudotsuga menziesii*), Ponderosa pine (*Pinus ponderosa*), white fir (*Abies concolor*), sugar pine (*Pinus lambertiana*), and incense cedar (*Calocedrus decurrens*) present. Areas were observed on the Property that had Bitterbrush (BBR) and Montane Chaparral (MCP) habitats.

On Parcel One, the western parcel, there are dense stands of Lodgepole Pine (LPN) that are growing in the meadow. The eastern portion of Parcel One consists of Annual Grassland (ASG). Both parcels have areas of Montane Riparian (MRI) habitat along the creeks where Black cottonwood, Bigleaf maple, Willow, Dogwood and Alders grow. Numerous areas on the Property contain dense stands of Aspen (ASP).

### **Wildlife**

1. DEER HERD. The Property's open SMC, MCP and BBR habitats provide summer and migratory habitat for deer.
2. BLACK BEAR. The Property's diversity of understory shrub species within the SMC habitat support black bear.
3. NATIVE BIRD SPECIES. The Property's diverse SMC, MRI, MCP, BBR and ASP habitats, coupled with the extensive wet meadows and shoreline of the reservoir are likely to support a mix of resident and migrant native bird species associated with mid-successional mixed conifer forest within the Feather River Watershed, including western tanager, yellow-rumped warbler, mountain chickadee, dark-eyed junco, and Cassin's vireo. Special status bird species likely to occur on Property include: olive-sided flycatcher, bald eagle, osprey and Cooper's hawk.
4. BALD EAGLE AND OSPREY. The Property's close proximity to Lake Almanor (less than 10 meters at points along the western portion of Parcel Two, and 800 meters along the eastern portion of Parcel One) and SMC species mix that contains co-dominant sugar and Ponderosa pine, provide opportunities for bald eagle and osprey to nest in trees on the Property.

### **B. Preservation of Open Space**

The Property has value as open space by providing a natural and scenic viewshed for the public. Scenic views of Lake Almanor and adjoining public and privately-owned lands are available from the Property, as are views of Lassen Peak, the Caribou wilderness and Lassen Volcanic National Park. The Property affords publicly-important scenery and open space, especially as viewed from State Highway 36.

C. Outdoor Recreation by the General Public

Recreational use of the Property by the public includes birding, hiking, and other passive uses.

D. Sustainable Forestry

The Property includes timbered land supporting conifer species in the Sierran Mixed Conifer habitat containing sugar pine, Douglas fir, Ponderosa Pine, incense cedar and Jeffery Pine.

E. Agricultural Uses

Numerous features were observed on Parcel One associated with historic livestock management, including fences and gates. Wild plant foods, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

F. Historic Resources

The Property contains a number of historic resources. The land underlying Lake Almanor, known as Big Meadow, and which is nearby, is part of the ancestral territory of the Maidu people. The creation of the Lake inundated many sites of cultural significance to the Maidu people; entire villages were flooded.

**(5) Environmental Information**

The proposed transaction constitutes a change in ownership with no proposed changes to land uses; thus, no direct or indirect environmental impacts will occur as a result. Therefore, the transaction does not constitute a "project" under the California Environmental Quality Act (CEQA). Accordingly, as stated in D.99-12-030 (pages 7 and 9), this advice letter process is not subject to review under CEQA.

**PG&E's Review & Finding**

PG&E has reviewed the transaction and documents herein and has determined that the proposed transaction is compliant with requirements of the Stipulation.

Additionally, this transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

Lastly, the Stewardship Council intends to provide funding to satisfy property tax payments in perpetuity for the Property.<sup>1</sup> Upon CPUC approval of fee title donation of the Property, Plumas County will receive a one-time lump sum payment to satisfy property tax in perpetuity for the Property. The County would, in-turn, be required to distribute the funds to the general fund and applicable special districts consistent with the Tax Rate Area in effect for the parcels.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than December 5, 2019, which is 20 days after the date of this submittal. Protests should be mailed to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

---

<sup>1</sup> As stated in Resolution E-4644 the Commission endorses the Stewardship Council 1) Guidelines Regarding Satisfaction of Tax Neutrality, and 2) the Property Tax Neutrality Methodology adopted by the Stewardship Council.



\*\*\*\*\* SERVICE LIST Advice 5691-E \*\*\*\*\*  
**APPENDIX A**

\*\*\*\*\* AGENCIES \*\*\*\*\*

Jonathan Reiger  
Legal Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 355-5596  
jzr@cpuc.ca.gov

Mary Jo Borak  
Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-1333  
bor@cpuc.ca.gov

Robert (Mark) Pocta  
Office of Ratepayer Advocates  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2871  
rmp@cpuc.ca.gov

Michael Rosauer  
Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-2579  
fly@cpuc.ca.gov

Maidu Summit Consortium  
P.O. Box 682  
Chester, CA 96020  
Attn: Executive Director

Feather River Land Trust  
P.O. Box 1826  
75 Court Street  
Quincy, CA 95971  
Attn: Executive Director

Stewardship Council  
Attention: Heidi Krolick, Executive Director  
3300 Douglas Blvd. Ste. 250  
Roseville, CA 95661  
Telephone: (916) 297-6660



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5691-E

Tier Designation: 1

Subject of AL: Lake Almanor – Maidu Wetlands Land Donation - Request for Approval under Decision D.08-11-043, D.10-08-004, D.03-12-035 and Public Utilities Code Section 851

Keywords (choose from CPUC listing): Agreements, Section 851

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.03-12-035, D.08-11-043, D.10-08-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date:

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

# **Attachment A**

## **Land Conservation and Conveyance Plan**

# Final LCCP

January 23, 2019

Updated August 29, 2019



Stewardship  
Council

## Land Conservation and Conveyance Plan

Lands to be Donated to the Maidu Summit Consortium  
at the Lake Almanor (Maidu Wetlands) Planning Unit

## **Executive Summary**

### **Subject**

LCCP Lake Almanor Planning Unit (Maidu Wetlands)  
Land Conservation Plan Identification Numbers (Parcels) 373 and 426 as shown on the map attached as Exhibit 1.

### **Type of Property Interest Disposition**

- Maidu Summit Consortium (MSC) to hold fee simple title to 297 acres within Parcels 373 and 426 of the Lake Almanor planning unit.
- Feather River Land Trust (FRLT) to hold the conservation easement on the 297 acres of Parcels 373 and 426 donated to the MSC.

### **Summary**

297 acres within two parcels (Parcels 373 and 426) will be donated to the MSC and, consistent with the conditions in the Settlement Agreement, the Property will be subject to a perpetual conservation easement granted by the MSC to FRLT. The remaining two acres within Parcel 426 will be retained by PG&E subject to a conservation easement and will be addressed in a separate Land Conservation and Conveyance Plan (LCCP).

Pending California Public Utilities Commission (CPUC) approval, and immediately following PG&E's conveyance of 297 acres within Parcels 373 and 426 to the MSC, the MSC and FRLT will enter into the conservation easement.

The 297 acres in Parcels 373 and 426 to be donated to the MSC are outside the Upper North Fork Feather River Project boundary (FERC #2105) and PG&E has determined this acreage does not need to be retained for existing or future utility operations. Therefore, this acreage is available for donation, subject to PG&E's reserved rights.

This transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

### **Property Location**

The Property subject to this LCCP consists of 297 acres in Plumas County in the Last Chance Marsh area around the northwestern tip of Lake Almanor.

### **Economic Uses and Agreements**

There are recorded and unrecorded encumbrances for roads on the Property to be donated to the MSC. There are no existing agreements for economic uses on the Property to be donated to the MSC in Parcels 373 and 426 of the Lake Almanor planning unit.

Consistent with the Settlement Agreement, PG&E will reserve its rights to maintain and operate existing and future utility facilities on the parcels to be conveyed in fee. The

specific reserved rights are set forth in the grant deed and conservation easement, which can be found in Appendices 2 and 3, respectively.

### **Permanent Protection of the Beneficial Public Values**

The grant deed transferring fee title to the MSC includes a recital that the MSC and PG&E acknowledge that the conveyance, together with the conservation easement transaction being entered into by the MSC and FRLT, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values (BPVs) on the Property as identified in the Land Conservation Plan while allowing the ongoing use of the Property by PG&E for hydroelectric operations, water delivery, and related activities, and acknowledging and honoring the existing third party uses.

### **Conservation Management Objectives to Preserve and/or Enhance the Beneficial Public Values**

The conservation easement for Parcels 373 and 426 within the Lake Almanor planning unit lists the following Beneficial Public Values (BPVs) that are to be protected:

#### **Fish, Plant, and Wildlife Habitat**

The Property is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. The Property is important for nesting and wintering waterfowl, and special status species such as willow flycatcher, sandhill crane, yellow warbler, bald eagle, and osprey are present.

The Property consists of two parcels that are both adjacent to the north basin of Lake Almanor. Parcel One lies west of the reservoir on a relatively level plain; Benner Creek flows through this parcel. Parcel Two lies on the eastern edge of the reservoir; this parcel is adjacent to the shoreline of the reservoir. Mud Creek flows into the reservoir through this parcel, which is dominated by steep slopes and dense conifer forests.

#### **CWHR Habitat Types and Special Habitat Elements**

The Property contains the following California Wildlife Habitat Relationship (CWHR) terrestrial habitat types [as such types are defined in "A Guide to Wildlife Habitats of California," prepared for the California Department of Fish and Game, by Kenneth E. Mayer and William F. Laudenslayer, Jr., Editors (1988)]:

The Property is dominated by diverse, mid-successional Sierra Mixed Conifer (SMC) habitat, with Douglas fir (*Pseudotsuga menziesii*), Ponderosa pine (*Pinus ponderosa*), white fir (*Abies concolor*), sugar pine (*Pinus lambertiana*), and incense cedar (*Calocedrus decurrens*) present. Areas were observed on the Property that had Bitterbrush (BBR) and Montane Chaparral (MCP) habitats.

On Parcel One, the western parcel, there are dense stands of Lodgepole Pine (LPN) that are growing in the meadow. The eastern portion of Parcel One consists of Annual Grassland (ASG). Both parcels have areas of Montane Riparian (MRI)

habitat along the creeks where Black cottonwood, Bigleaf maple, Willow, Dogwood and Alders grow. Numerous areas on the Property contain dense stands of Aspen (ASP).

### **Wildlife**

- a. DEER HERD. The Property's open SMC, MCP and BBR habitats provide summer and migratory habitat for deer.
- b. BLACK BEAR. The Property's diversity of understory shrub species within the SMC habitat support black bear.
- c. NATIVE BIRD SPECIES. The Property's diverse SMC, MRI, MCP, BBR and ASP habitats, coupled with the extensive wet meadows and shoreline of the reservoir are likely to support a mix of resident and migrant native bird species associated with mid-successional mixed conifer forest within the Feather River Watershed, including western tanager , yellow-rumped warbler , mountain chickadee , dark-eyed junco , and Cassin's vireo. Special status bird species likely to occur on Property include: olive-sided flycatcher, bald eagle, osprey and Cooper's hawk.
- d. BALD EAGLE AND OSPREY. The Property's close proximity to Lake Almanor (less than 10 meters at points along the western portion of Parcel Two, and 800 meters along the eastern portion of Parcel One) and SMC species mix that contains co-dominant sugar and Ponderosa pine, provide opportunities for bald eagle and osprey to nest in trees on the Property.

### **Open Space**

The Property has value as open space by providing a natural and scenic viewshed for the public. Scenic views of Lake Almanor and adjoining public and privately-owned lands are available from the Property, as are views of Lassen Peak, the Caribou Wilderness and Lassen Volcanic National Park. The Property affords publicly-important scenery and open space, especially as viewed from State Highway 36.

### **Outdoor Recreation**

Recreational use of the Property by the public includes birding, hiking, and other passive uses.

### **Sustainable Forestry**

The Property includes timbered land supporting conifer species in the Sierran Mixed Conifer habitat containing sugar pine, white fir, Douglas fir, Ponderosa Pine, incense cedar and Jeffrey pine.

### **Agricultural Uses**

Numerous features were observed on Parcel One associated with historic livestock management, including fences and gates. Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs could be cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

### **Historic Resources**

The Property contains a number of historic resources. The land underlying Lake Almanor, known as Big Meadow, and which is nearby, is part of the ancestral territory of the Maidu people. The creation of the Lake inundated many sites of cultural significance to the Maidu people; entire villages were flooded.

### **Tax Neutrality**

The Stewardship Council intends to provide funding to satisfy property tax payments in perpetuity for the Property.

Pending CPUC approval of the fee title donation of the Property, Plumas County will receive a lump sum payment of approximately \$92,246, consistent with the methodology described in the Property Tax Neutrality Methodology adopted on June 27, 2012 and amended most recently on November 15, 2017.

### **Hazardous Waste Disclosure**

PG&E has provided the Lake Almanor Planning Unit Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated June 21, 2010 and updated March 2017, to the MSC and FRLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

### **Consideration of Parcel Split**

Within Parcels 373 and 426, approximately 297 acres are proposed to transfer to the MSC. At closing, the 297 acre Property as well as the remainder of the parcels must comply with the California Subdivision Map Act (Government Code Section 66410, et seq.) as separate legal parcels. Certain exemptions to the Map Act apply to public utilities and/or to governmental entities and may apply to this conveyance.

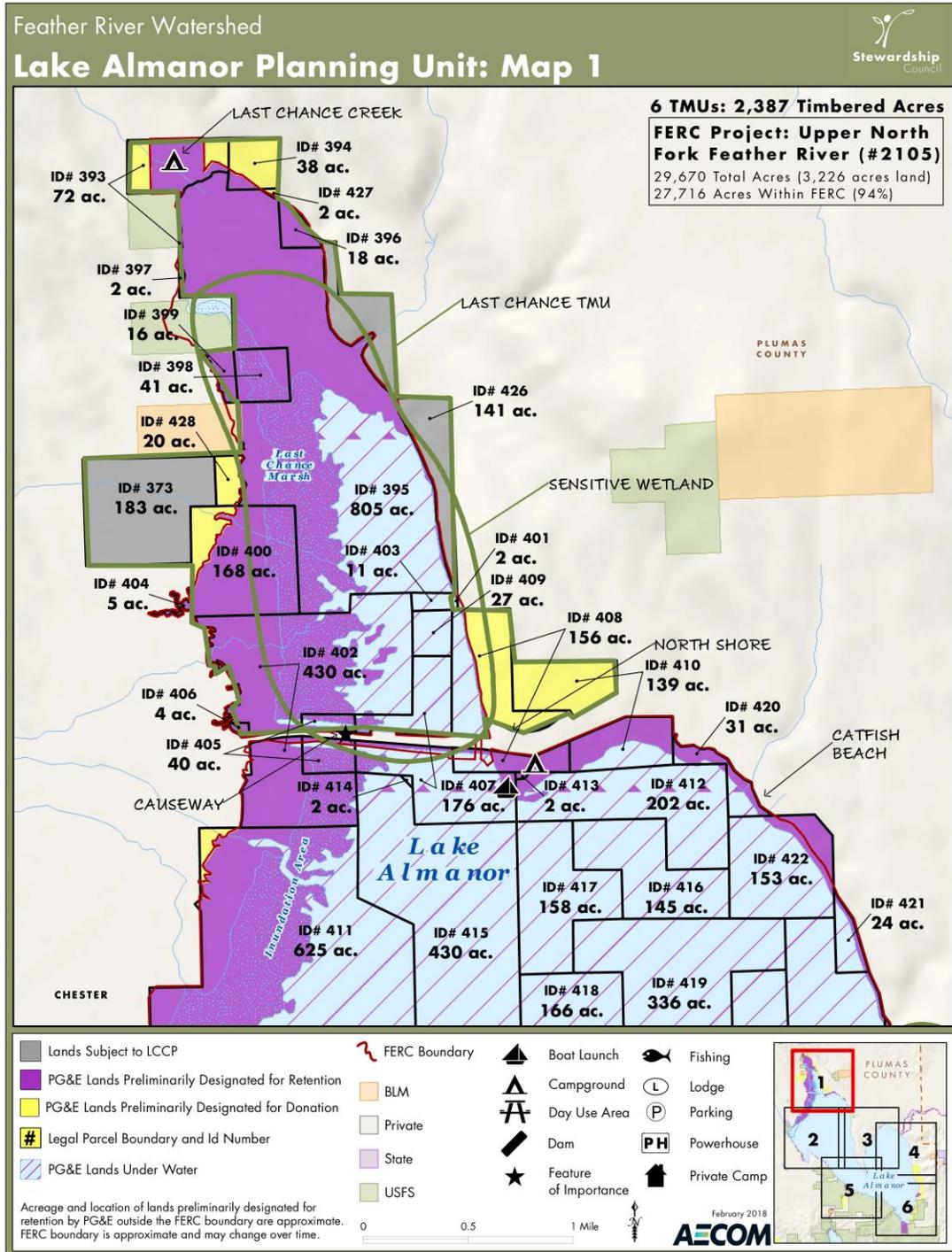
### **Applicable CEQA Exemption(s) or Reason Why Transaction is not a "Project Under CEQA"**

This Lake Almanor planning unit transaction will not result in a direct physical change or a reasonably foreseeable indirect physical change in the environment; therefore, the Stewardship Council does not believe that the transaction is a project under CEQA. In addition, the transfer of land to preserve open space, habitat, or historical resources is

categorically exempt under Section 15325 of the CEQA Guidelines (CFR Title 14, Chapter 3).

While the principal effect of the conservation easement will be to significantly restrict development on the site in perpetuity, the conservation easement reserves to MSC the right to build trails, subject to the limitations in the conservation easement. However, MSC is not proposing to carry out any permitted development or change in use at this time. Instead, at least for the time being, MSC intends to manage the Property as PG&E does presently. If, in the future, the MSC decides to pursue new development or uses that are allowed by the conservation easement, it must first obtain all necessary permits and conduct any necessary CEQA review at that time.

**Exhibit 1. Map of the Property**



## Table of Contents

<b>Executive Summary.....</b>	<b>1</b>
<b>Introduction.....</b>	<b>,</b>
<b>1. Acreage, Existing Economic Uses and Agreements.....</b>	<b>%&amp;</b>
<b>2. Objectives to Preserve and/or Enhance the BPVs.....</b>	<b>1(</b>
<b>3. Recommendations for Conservation Easement and Fee Simple Donation.....</b>	<b>1*</b>
<b>4. Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance the BPVs.....</b>	<b>1,</b>
<b>5. Analysis of Tax and Other Economic and Physical Impacts.....</b>	<b>&amp;\$</b>
<b>6. Hazardous Waste Disclosure.....</b>	<b>&amp;'</b>
<b>7. Consideration of Parcel Split.....</b>	<b>2(</b>
<b>8. Strategy for Physical Measures to Enhance the BPVs.....</b>	<b>2)</b>
<b>9. Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures.....</b>	<b>2*</b>
<b>10. Implementation Schedule for Transactions and Measures.....</b>	<b>2+</b>

## Appendices

Appendix 1. Summary of Public Outreach.....	2,
Appendix 2. Grant Deed.....	' '
Appendix 3. Conservation Easement.....	( %
Appendix 4. Stewardship Council Funding Agreement.....	(
Appendix 5. Property Tax Neutrality Methodology.....	- (
Appendix 6. Settlement Agreement, Appendix E.....	- ,

## Introduction

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) is a private, nonprofit foundation established in 2004 pursuant to a Settlement Agreement and a Stipulation Resolving Issues Regarding the Land Conservation Commitment approved by the California Public Utilities Commission (CPUC) in Decision 03-12-035 (Dec. 18, 2003). The Stewardship Council Board of Directors includes appointees from state and federal agencies, water districts, Native American and rural interests, forest and farm industry groups, conservation organizations, the CPUC, and Pacific Gas and Electric Company (PG&E).

The Stewardship Council has developed a plan to protect more than 140,000 acres of watershed lands (Watershed Lands) currently owned by PG&E for the benefit of the citizens of California. Protecting the Watershed Lands will be accomplished through (1) PG&E's grant of conservation easements to one or more public agencies or qualified conservation organizations so as to protect the natural habitat of fish, wildlife, and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values (collectively the Beneficial Public Values), and in some cases, (2) PG&E's donation of the Watershed Lands in fee to one or more public entities or qualified conservation organizations, whose ownership would be consistent with these conservation objectives.

Located primarily in the Sierra Nevada and Cascade Mountain range watersheds, the Watershed Lands contain some of the most pristine and resource-rich landscapes found in the state. The properties are diverse and geographically remote, located in 21 counties from the northern reaches of the state to the southern end of the Central Valley.

As required by the Settlement and Stipulation, the Stewardship Council prepared a Land Conservation Plan (LCP) to establish a framework for the conservation and/or enhancement of the Watershed Lands, and to ensure the permanent protection of these lands for the benefit of current and future generations of Californians. To address the challenge of a conservation effort of this large scope and unique nature, and to facilitate engagement of a wide range of stakeholders and interested members of the public, the Stewardship Council grouped the Watershed Lands into 47 planning units and established a phased approach to development and implementation of the LCP.

In 2007, the Stewardship Council board adopted Volumes I and II of the LCP:

- **Volume I:** The Land Conservation Framework establishes the overall framework for the LCP, including legal requirements, the planning process, methodologies, public involvement, and relevant regulatory processes.
- **Volume II:** Planning Unit Concepts documents existing conditions and presents management objectives, potential measures, and conceptual plans to preserve and/or enhance the Beneficial Public Values (BPVs) within each planning unit. It also documents existing economic uses.

Volume III, consisting of Land Conservation and Conveyance Plans (LCCPs) to be issued serially and cumulatively, will encompass a series of real estate transaction packages that will detail the specific land conservation and/or disposition requirements for each parcel or parcel cluster. LCCPs represent the Stewardship Council's recommendations for preserving and/or enhancing the BPVs of the Watershed Lands, and are intended to support required regulatory approvals of the land transactions resulting from the Stewardship Council's recommendations. The content of the LCCP spans a number of issues required by the Settlement and Stipulation, such as an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission (FERC) license, FERC license renewal, or other regulatory requirements. In addition, conservation easements will honor existing agreements for economic uses, including consumptive water deliveries, and preserve or enhance reasonable public access to the Watershed Lands.

During the development of LCP Volumes I and II and the LCCPs, the Stewardship Council implemented a public outreach program to ensure local communities, elected representatives, neighboring property owners, and other key stakeholders had many opportunities to engage in the Stewardship Council's effort to preserve and enhance the Watershed Lands. To solicit additional input from the public on potential fee title recipients or conservation easement holders (referred to as donees), the Stewardship Council hosted a series of public information meetings. These meetings were designed to (1) provide an overview and update on the Stewardship Council's Land Conservation Program, (2) outline next steps, timeline, and opportunities for additional public input, and (3) solicit public input on the desired qualifications of potential donees and the future stewardship of the planning units.

Public input that the Stewardship Council received as a result of the public outreach process, including comments on Volume II of the LCP, comments from public information meetings on the selection of donees and other issues, and correspondence received by the Stewardship Council were considered by the Stewardship Council in its evaluation of the potential donees and their land stewardship proposals. In addition to public meetings, the public was given the opportunity to participate in all of the Stewardship Council's public board meetings where decisions were made on fee title and conservation easement donees. Prior to making a decision regarding the disposition of any parcel, the Stewardship Council will provide notice to the Board of Supervisors of the affected county, each affected city, town, and water supply entity, each affected Tribe and/or co-licensee, and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner. A summary of the public outreach process for this subject LCCP, the Lake Almanor planning unit, is provided in Appendix 1. Furthermore, the proposed LCCP will be made available for public review and comment before it is forwarded by the Watershed Planning Committee to the board for its review and approval.

**The Stewardship Council Board of Directors recommends that the Maidu Summit Consortium (MSC) receive 297 acres within two parcels (373 and 426) of the Lake Almanor planning unit in fee and that the Feather River Land Trust (FRLT) hold a conservation easement over the lands recommended for donation to the MSC in these parcels (373 and 426) of the Lake Almanor planning unit.**

Table 1 identifies Stipulation requirements that will be addressed in the LCCP and includes pertinent language from the Stipulation.

**Table 1 Stipulation 12(a) Requirements**

<p><b>(1) Acreage, Existing Economic Uses and Agreements</b>  <i>“Reasonably exact estimates of acreage, by parcel, within or outside licensed project boundaries, and existing economic uses (including all related agreements);”</i></p>
<p><b>(2) Objectives to Preserve and/or Enhance</b>  <i>“Objectives to preserve and/or enhance the BPVs, as defined in the Settlement Agreement, Appendix E, of each individual parcel;”</i></p>
<p><b>(3) Recommendations for Conservation Easement and Fee Simple Donation</b>  <i>“A recommendation for grant of a conservation easement or fee simple donation for each such parcel;”</i></p>
<p><b>(4) Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance BPVs</b>  <i>“A finding that the intended donee of such easement or fee simple has the funding and other capacity to maintain that property interest so as to preserve and/or enhance the BPVs thereof;”</i></p>
<p><b>(5) Analysis of Tax and Other Economic and Physical Impacts</b>  <i>“An analysis of tax and other economic and physical impacts of such disposition strategy, and a commitment by an appropriate entity to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county under the LCC will be ‘tax neutral’ for that county;”</i></p>
<p><b>(6) Hazardous Waste Disclosure</b>  <i>“A disclosure of all known hazardous waste or substance contamination or other such environmental liabilities associated with each parcel;”</i></p>
<p><b>(7) Consideration of Parcel Split</b>  <i>“Appropriate consideration whether to split any parcel which is partly used or useful for operation of PG&amp;E’s and/or a co-licensee’s hydroelectric facilities, where the beneficial public values of the unused part may be enhanced by such split, provided that it is consistent with Section 12(b)(4) of this Stipulation and that, in the event that governmental approval of a parcel split imposes conditions or restrictions on other PG&amp;E property, the decision to accept or reject such conditions will be at PG&amp;E’s sole discretion;”</i></p>
<p><b>(8) Strategy for Physical Measures to Enhance BPVs</b>  <i>“A strategy to undertake appropriate physical measures to enhance the BPVs of individual parcels; provided that no such measure will be in conflict with the provisions of Settlement Agreement paragraph 17(c) and Appendix E paragraph 1;”</i></p>
<p><b>(9) Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures</b>  <i>“A plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures on the applicable management objectives;”</i></p>

**Table 1 Stipulation 12(a) Requirements**

**(10) Implementation Schedule for Transactions and Measures**

*"A schedule for the implementing transactions and measures."*

## **1. Acreage, Existing Economic Uses and Agreements**

### **Acreage and Property Description**

297 acres in Parcels 373 and 426 will be donated to the MSC and, consistent with the conditions in the Settlement Agreement, the Property will be subject to a perpetual conservation easement granted by the MSC to FRLT. The remaining 27 acres within Parcel 426 will be retained by PG&E subject to a conservation easement and will be the subject of a separate LCCP.

Lake Almanor, a 27,000-acre reservoir with 52 miles of shoreline, is the central feature of the planning unit. The reservoir is located in the Almanor basin in Plumas County, adjoining the towns of Chester and Prattville, northeast of the city of Chico. The reservoir is surrounded by conifer forests interspersed with small communities and summer resorts (there are over 1,000 homes adjacent to the shoreline), providing a scenic setting. State highways and county roads pass close to most of the shoreline, providing easy public access and helping to make the area a major regional destination for water-based recreation.

The planning unit contains important habitat for waterfowl and other birds, and several rare plants. Lake Almanor also supports a gradually increasing number of nesting bald eagles and osprey. The California Audubon Society has designated the entire reservoir area an Important Bird Area due to its importance to nesting and wintering waterfowl, but also for a number of special status species such as willow flycatcher, sandhill crane, and yellow warbler.

Water-based recreation is a primary use of Lake Almanor by both visitors and the growing number of area residents. Most use occurs during the summer, when area facilities host many boaters, anglers, campers, and other outdoor enthusiasts. Recreation needs are served by the many public and private facilities dispersed around most areas of the shoreline. The lake is a popular boating area and supports a smallmouth bass and trout fishery.

Parcels 373 and 426 are located within a PG&E Timber Management Unit (TMU) that contains 708 timbered acres. The TMU is currently managed by PG&E under a Recreation and Sustainable Timber Management prescription, meaning that recreation in this area is compatible with timber management. Forest management in designated recreation areas is limited to fuel reduction, hazard tree removal, and improvement of aesthetics. Outside of designated recreation areas, sustainable timber management is emphasized.

No agricultural activities (farming or grazing) occur within the planning unit.

The area now covered by Lake Almanor was once known as Big Meadow, part of the ancestral homeland of the Mountain Maidu tribe of Native Americans, and the location of several Maidu villages. Many cultural sites associated with the Maidu were inundated by

the reservoir, but important sites (including burial sites) still exist on and near the shoreline.

### **Adjacent and Nearby Landowners**

The parcels subject to donation to the MSC are surrounded by private property including privately-owned timber lands, and Bureau of Land Management lands. Private properties must be crossed for vehicles to reach the dirt roads running through both Parcels 373 and 426.

The Stewardship Council notified and invited landowners located within one mile of the subject parcels to provide comment during key phases of the land conservation and conveyance planning process.

### **Existing Economic Uses and Agreements**

There are recorded and unrecorded encumbrances on the Property to be donated to the MSC for roads. There are no existing agreements for economic uses on the Property to be donated to the MSC in Parcels 373 and 426 of the Lake Almanor planning unit.

PG&E's specific reserved rights are set forth in the grant deed and conservation easement, which can be found in Appendices 2 and 3, respectively.

## 2. Objectives to Preserve and/or Enhance the BPVs

The Land Conservation Commitment provides that “PG&E shall ensure that the Watershed Lands it owns... are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values. PG&E will protect these beneficial public values associated with the Watershed Lands... from uses that would conflict with their conservation. PG&E recognizes that such lands are important to maintaining the quality of life of local communities and all the people of California in many ways, and it is PG&E’s intention to protect and preserve the beneficial public values of these lands under the terms of any agreements concerning their future ownership or management.”<sup>1</sup>

The following text lists the objectives for each BPV at the Lake Almanor planning unit that the Stewardship Council board approved in LCP Volume II, as well as a description of how the transaction, as summarized by this LCCP, supports each objective and preserves and/or enhances the BPVs.

The conservation easement will protect the BPVs, subject to PG&E’s hydro and other reserved rights as provided in the conservation easement.

*1. Objective: Preserve and enhance habitat in order to protect special biological resources.*

The conservation easement (Appendix 3) includes as a BPV the protection of natural habitat for fish, wildlife and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act.

*2. Objective: Preserve open space in order to protect natural and cultural resources, viewsheds, and the recreation setting from further development.*

The conservation easement will ensure that no further development will occur unless specifically authorized by the conservation easement and consistent with the BPVs. The MSC proposes to maintain the Property to be donated without significant modifications to the landscape. The current open space values on the Property will remain for the benefit of the public. The conservation easement allows for the building of trails, in a manner designed to minimize adverse impacts to the conservation values. No development is currently proposed.

*3. Objective: Enhance recreational facilities in order to provide additional public access and recreation opportunities.*

The conservation easement allows for public access of low-intensity outdoor recreational and educational activities, including birding, hiking, nature study, and mountain biking.

---

<sup>1</sup> Land Conservation Commitment I.02-04-026, Appendix E, p. 38

*4. Objective: Develop and implement forestry practices in order to contribute to a sustainable forest, preserve and enhance habitat and cultural resources, as well as to ensure appropriate fuel load and fire management.*

The conservation easement will ensure that fire management activities required for compliance with any laws or guidelines, including vegetation management and fuel load reductions, are allowed to continue. The conservation easement allows for the development of a forest management plan, which will focus on the creation, management, and preservation of a healthy forest.

*5. Objective: Identify and manage cultural resources in order to ensure their protection, as well as to support opportunities for public education.*

The conservation easement will protect identified historical and cultural values on the Property to the extent they are protected by state and federal law. The conservation easement includes the purpose of re-establishing a permanent place where cultural practices; traditional Maidu land management; and preservation, enhancement and restoration will be carried out.

### **3. Recommendations for Conservation Easement and Fee Simple Donation**

The Settlement and Stipulation require that the Watershed Lands: (1) be subject to permanent conservation easements restricting development of the Watershed Lands so as to protect and preserve the BPVs, and/or (2) be donated in fee simple to one or more public entities or qualified nonprofit conservation organizations, whose ownership will ensure the protection of these BPVs.

#### **Conservation Easement**

The Settlement Agreement states that “the conservation easements shall provide for the preservation of land areas for the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values and, shall prevent any other uses that will significantly impair or interfere with those values. Conservation easements on the Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements. In addition, conservation easements will honor existing agreements for economic uses, including consumptive water deliveries. The conservation easements shall be donated to and managed by one or more non-profit conservation trustees, qualified conservation organizations or public agencies with the experience and expertise to fully and strictly implement the conservation easements” (Land Conservation Commitment I.02-04-026, Appendix E, pp. 38-39).

For the complete text of the conservation easement, see Appendix 3.

Conservation easements must be donated to nonprofit organizations, Native American tribes, or public agencies that meet the requirements of California Civil Code section 815.3 and possess the experience and capacity to fully and strictly implement the terms of the conservation easement. The Feather River Land Trust (FRLT) will hold the conservation easement over the lands to be donated to the MSC in the Lake Almanor planning unit that are the subject of this LCCP. The qualifications of FRLT are described in Chapter 4.

Accordingly, immediately following PG&E's conveyance of the lands to be donated to the MSC in the Lake Almanor planning unit, the MSC will convey the conservation easement to FRLT.

#### **Retention or Donation of Fee Title**

The Settlement Agreement states that PG&E will not be expected to make fee simple donations of Watershed Lands with hydroelectric project features, and conservation easements and enhancements may not interfere with hydroelectric operations. In general,

PG&E will retain fee title to those Watershed Lands within the boundaries of hydroelectric projects licensed by the FERC, as well as other properties required for continuing and future utility operations. However, these Watershed Lands will be conserved via a conservation easement. See Appendix 6 for a description of PG&E's Land Conservation Commitment.

The 297 acres proposed for donation to the MSC in Parcels 373 and 426 were identified as available for donation, subject to PG&E's reserved rights.

#### **Lands to be Donated by PG&E**

297 acres within two parcels (373 and 426) will be donated to the MSC pending CPUC approval of the Section 851 filing for the transaction. The legal description of the parcels is included in the grant deed, which is provided in Appendix 2. The qualifications and capacity of the MSC to manage the Lake Almanor Property recommended for donation are described in Chapter 4.

The map provided in Exhibit 1 shows all of the land within Parcels 373 and 426 in the Lake Almanor planning unit that will be donated. The map also shows key features in the planning unit and surrounding area, and the ownership of adjacent land.

#### **Lands to be Retained by PG&E**

The remaining 27 acres in Parcel 426 in the Lake Almanor planning unit will be retained by PG&E and will be the subject of a separate LCCP.

#### **4. Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance the BPVs**

##### **Selected Organizations**

At the conclusion of the selection process referenced below, the following organizations were endorsed by the Stewardship Council board on November 19, 2014 and February 16, 2011 respectively:

- The Maidu Summit Consortium (MSC) to hold fee simple title to 297 acres within Parcels 373 and 426.
- Feather River Land Trust (FRLT) to hold a conservation easement over the 297 acres to be donated to the MSC in Parcels 373 and 426.

##### **Capacity of Selected Organizations**

The Stewardship Council board finds that the MSC and FRLT will have the funding and other capacity to maintain the Property interest so as to preserve and/or enhance the BPVs<sup>2</sup>.

###### **A. MSC:**

- The MSC is comprised of nine Mountain Maidu tribes with aboriginal ties to the land within the Lake Almanor planning unit, including federally recognized and petitioning tribes, non-profit organizations, and grassroots groups. The group formed in 2003, and has been operating since that time, acquiring 501(c)(3) nonprofit status from the IRS in 2010.
- The mission of the MSC is the “preservation and protection of Mountain Maidu prehistoric and historic sites, education, consultation, coordination and cooperation with all interests in our homeland, including Native tribes and organizations, industries, natural resource agencies, conservation groups and residents and the conservation, preservation and protection of land and its natural resources and historic sites.”
- The MSC Board consists of nine representatives of member organizations and six alternates, and is served by two staff and 13 volunteers.

###### **B. FRLT:**

- Since 2000, the FRLT has been working to conserve the magnificent lands and waters of the Feather River region.

---

<sup>2</sup> Stipulation, Section 12(a)(4)

- The FRLT has successfully protected over 36,000 acres of private lands that support outstanding biodiversity, waterways, fisheries, recreational and educational opportunities, cultural sites, agricultural lands, and spectacular scenery.
- FRLT has a staff of 10 people and a 7 member board of directors.
- FRLT is a nationally accredited land trust.

### **Donee Selection Process**

The Stewardship Council used a formal multi-step process to solicit and select organizations interested in receiving a donation of Watershed Lands or becoming a conservation easement holder at the Lake Almanor planning unit. The process consisted of the following key steps:

- Organizations were invited to register via the Stewardship Council's Interested Donee Registry and were invited to submit a statement of qualifications (SOQ). The Stewardship Council reviewed the SOQs that were submitted to identify organizations that: (a) were determined to be a qualified nonprofit conservation organization; a federal, state or local governmental entity; or, a recognized tribe; (b) appeared to have sufficient financial and organizational capacity relative to the property interest sought within the planning unit; and, (c) appeared to be capable of satisfying the requirements of the Settlement and Stipulation for receiving a donation of fee title or to hold the conservation easement.
- Organizations interested in a fee title donation were invited to submit a land stewardship proposal ("LSP" or "proposal") describing their capacity and interest in preserving and enhancing the BPVs. The LSPs were posted on the Stewardship Council's website.
- Organizations demonstrating sufficient capacity and determined by the Stewardship Council to be best-suited to receive a donation of property interest (fee or conservation easement) in particular Watershed Lands within a planning unit are being recommended to PG&E to receive fee title and/or conservation easements.

## **5. Analysis of Tax and Other Economic and Physical Impacts**

The Stipulation requires that the LCCP provide “an analysis of tax and other economic and physical impacts of such disposition strategy, and a commitment by an appropriate entity [which may be PG&E, subject to being authorized by the Commission to fully recover in rates any such costs in approving PG&E’s Section 851 application or in another appropriate Commission proceeding, Stewardship Council, donee, or a third party, depending on the individual circumstances] to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county under this Land Conservation Commitment will be ‘tax neutral’ for that county.”

The following sections address the Stewardship Council’s plan for achieving tax neutrality for Plumas County, the county in which the Property is located. The final LCCP submitted for all PG&E Watershed Lands located in Plumas County will address tax neutrality for the totality of all fee title transfers within the county, as required under the Settlement and Stipulation.

### **Stewardship Council Board Policies and Guidelines**

The Stewardship Council board adopted a set of Guidelines Regarding Satisfaction of Tax Neutrality on March 30, 2011, after an opportunity for public comment. Under the guidelines, the Stewardship Council outlined the following overarching assumptions:

1. The Stewardship Council will address property tax neutrality based upon the most current property taxes paid by PG&E on the lands being transferred at the time of the actual transfer of fee title from PG&E to the selected donee.
2. The Stewardship Council’s achievement of property tax neutrality applies to all property taxes that would be distributed directly to County General Funds, School and Fire Districts, Regional Conservation and Water Districts, and any other special districts as defined by the applicable Tax Rate Area.
3. The Settlement and Stipulation direct the Stewardship Council to ensure that the effects of distributions be made tax neutral for the affected counties. Therefore, the Stewardship Council’s property tax neutrality commitment will not apply to any amount of property tax payments that are subject to apportionment by the State of California.

On June 27, 2012, the Stewardship Council board approved an amendment to the property tax neutrality methodology it had adopted on May 2, 2012, after an opportunity for public comment and specific outreach to all potentially affected counties. On June 24, 2015 and January 21, 2016, the Stewardship Council board approved some revisions to that methodology. The methodology establishes a standard payment process when lands are transferred to organizations that are exempt from paying property taxes (see Appendix 5).

On August 14, 2014, the California Public Utilities Commission approved Resolution E-4644. The resolution states that the Commission endorses the Guidelines Regarding Satisfaction of Tax Neutrality and the Property Tax Neutrality Methodology adopted by the Stewardship Council.

As of November 15, 2017, the Stewardship Council board approved further revisions to the property tax neutrality methodology. The revisions established that the County will receive a one-time lump sum payment allocated based upon the applicable Tax Rate Area at the time of the payment. Counties and special districts would then be free to determine the best use of the funds pursuant to the needs of the county or special district, including, if desired, investment in a shared investment pool of the county’s choosing.

**Achieving Property Tax Neutrality**

The Stewardship Council will provide funding to satisfy property tax payments in perpetuity for the Property. After the CPUC has approved the fee title donation of the Property, Plumas County will receive a lump sum payment of approximately \$92,246.

Based on the tax tables, which are current as of the date of this LCCP, the transfer of lands to the MSC is anticipated to result in the reduction of approximately \$3,689 in annual taxes paid to Plumas County (as shown in Table 2 below). If assessed values on the lands recommended for donation change prior to the transfer of the Property, the Stewardship Council will revise the payment calculation.

**Table 2: Property Tax Detail**

Parcel ID	SBE Map Number	Taxes on Acres Transferred
373	135-32-18D-2	\$1,554
426	135-32-18A-2, 135-32-18A-4, 135-32-18-8	\$2,135

Upon receipt of a lump sum payment, Plumas County would, in-turn, be required to distribute the funds to the general fund and applicable special districts consistent with the Tax Rate Area in effect for the parcels.

**Other Economic and Physical Impacts**

The Settlement and Stipulation require an analysis of the physical and economic impacts of each fee title transfer. The transaction agreements for the donation of 297 acres within the Lake Almanor planning unit have not mandated any changes to the physical or economic uses of the lands. The MSC intends to manage the lands in a manner consistent with the current physical and economic uses of the lands. No new activities are proposed that will result in physical impacts. If MSC proposes to undertake or permit new activities on the Property in the future, consistent with the terms of the conservation

easement, and if such activities could have adverse environmental impacts, MSC will obtain all necessary permits and conduct any required CEQA review at that time.

## **6. Hazardous Waste Disclosure**

The Stipulation states that in the transfer of fee title and conveyance of a conservation easement, PG&E will disclose all known hazardous waste, substance contamination, or other such environmental liabilities associated with each parcel and hold the donee harmless.

### **Lands to be Donated by PG&E**

PG&E has provided the Lake Almanor Planning Unit Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated June 21, 2010 and updated March 2017, to the MSC and FRLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

### **Environmental Agreement**

Pending CPUC approval of the transaction, PG&E will execute Environmental Agreements with the MSC and FRLT, satisfying the requirements of Section 12(f) of the Stipulation.

## **7. Consideration of Parcel Split**

To effectuate transfer of the 297 acres identified for donation to the MSC within Parcels 373 and 426, a parcel split is required to comply with the California Subdivision Map Act (Government Code Section 66410, et seq.). Certain exemptions to the Map Act apply to public utilities and/or to governmental entities and may apply to this conveyance.

## **8. Strategy for Physical Measures to Enhance the BPVs**

The Stewardship Council developed and implemented a strategy to identify and undertake appropriate physical measures to enhance the BPVs of the Watershed Lands consistent with Settlement Agreement paragraph 17(c)<sup>3</sup> and Appendix E, paragraph 1.

During the preparation of Volume II of the LCP, a number of potential physical enhancement measures to preserve and/or enhance the BPVs were identified. These measures were identified with public input and were intended to be illustrative in nature and subject to change over time in coordination with the future landowner.

The Stewardship Council has developed a grant program that will fund selected enhancements on the Watershed Lands. It is anticipated that grant funding will be available to accomplish future projects that enhance one or more of the six Beneficial Public Values. Projects may include habitat restoration or physical measures such as developing trails, day use areas, and other public access improvements.

---

<sup>3</sup> Settlement Agreement Paragraph 17(c) states, “PG&E shall fund PG&E Environmental Enhancement Corporation with \$70 million in Cash to cover administrative expenses and the costs of environmental enhancements to the Watershed Lands... provided that no such enhancement may at any time interfere with PG&E’s hydroelectric operations maintenance or capital improvements.”

## **9. Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures**

The Stipulation requires that the LCCP outline a plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures.

The conservation easement holder is required to monitor every conservation easement that it holds to ensure that the landowner is complying with the terms of the easement. The Stewardship Council will enter into a Conservation Easement Funding Agreement (Appendix 4) with each conservation easement holder whereby the holder will receive a monitoring and enforcement endowment from the Stewardship Council to fund its monitoring activities.

To further meet the requirement of monitoring the economic and physical impacts, the Stewardship Council will enter into an agreement with the Sierra Nevada Conservancy (SNC), a state agency, whereby the agency will agree to undertake certain duties designed to monitor the impacts of PG&E's Land Conservation Commitment.

When the Stewardship Council has completed its work, it will be dissolved. Prior to its dissolution, the Stewardship Council expects to prepare a report providing an assessment of any economic and physical impacts resulting from the Land Conservation Commitment as of that time. Stewardship Council's close-out report will include, among other things, the following information:

- How the property tax neutrality requirement was satisfied with regard to each parcel donated to a tax exempt organization.
- A report regarding the enhancements that were funded by the Stewardship Council.

It is anticipated that several years after the dissolution of the Stewardship Council, SNC will prepare a report assessing the physical and economic impacts of the Land Conservation Commitment up until that time. The report is expected to cover the following topics:

- Impact of the Land Conservation Commitment on agreements for economic uses.
- Changes in entities holding conservation easements or fee title.
- Performance of duties by conservation easement holders.

In addition to preparing an assessment report, which will be submitted to the CPUC and PG&E, SNC will serve as a public repository for key transaction documents and other documents pertaining to the Land Conservation Commitment through June 2025.

## **10. Implementation Schedule for Transactions and Measures**

### **Schedule for Transaction**

- CPUC review and approval (2019)
- Close of escrow (2020)
- Stewardship Council release of funds to FRLT per conservation easement funding agreement (2020)

### **Compliance with Local Land Use Planning Requirements**

Future management of the donated Property at the Lake Almanor planning unit is anticipated to comply with all applicable County ordinances and/or General Plan policies.

## Appendix 1: Summary of Public Outreach

### SUMMARY OF PUBLIC OUTREACH PROGRAM

The Stewardship Council established a comprehensive public outreach program to both inform and solicit input from the public on the development and implementation of a plan to permanently protect over 140,000 acres of PG&E watershed lands. A variety of tools and techniques are used to engage the public, including:

- Stewardship Council Website: the website provides background information on the land conservation program and is regularly updated with board meeting agendas and minutes, proposed recommendations, and other announcements.
- Stakeholder Database and E-mailing: regular e-mail notifications are sent directly to individuals and organizations that have signed-up to receive e-mails. The e-mails provide updates on the status of the land conservation program, including pending actions by the board and upcoming public meetings.
- Targeted Newspaper Noticing and Paid Advertisements: newspaper advertisements and notices are placed in local newspapers circulated in the area where a board or public meeting is taking place or in communities that may have an interest in a particular topic on an upcoming meeting agenda.
- News Releases: news releases are issued to statewide and local media outlets at key intervals during the planning process.
- Public Information Meetings and Workshops: public information meetings and workshops are conducted throughout the watershed lands to provide updates and solicit input from interested stakeholders on the land conservation program and individual planning units. In many workshops, public comments were sought on potential measures to protect and enhance the beneficial public values on specific lands as well as the desired qualifications of potential donee organizations. Individuals and organizations unable to attend are provided an opportunity to submit comments in writing and review meeting summaries posted on the web site.
- Notice by Mail of Pending Decisions Regarding the Conveyance of Individual Parcels and Invitation to Comment:
  - Noticing of Affected Governmental Entities: prior to the Watershed Planning Committee forwarding a recommendation to the board that a proposed Land Conservation and Conveyance Plan (LCCP) be adopted by the board, a notice will be mailed to the Board of Supervisors of the affected county; each affected city, town, and water supply entity; and each affected tribe.
  - Noticing of landowners: postcards or letters are sent to all landowners located within one mile of lands that are the subject of a proposed LCCP prior to the Watershed Planning Committee forwarding a recommendation to the board that the proposed LCCP be adopted by the board.
- Individual Meetings with Stakeholders: Over the course of the preparation of Volumes I and II of the Land Conservation Plan (LCP) and the LCCP, Stewardship Council staff met, and communicated via the telephone and email, with a number of stakeholders interested in the Watershed Lands.

## Appendix 1: Summary of Public Outreach

- The Stewardship Council Board of Directors meets five to six times per year, typically on a bimonthly schedule. At the board meetings, the public is invited to directly address the board on an agenda item or on any other matter. The meetings have been held at locations in northern and central California and across the watershed lands to help facilitate public participation. Agendas are available one week prior to meetings, and meeting minutes are posted on the Stewardship Council public website approximately three weeks following those meetings.

### **LAKE ALMANOR PLANNING UNIT PUBLIC OUTREACH**

Highlighted below are the opportunities that have been, or are being, provided for public input on key documents and decisions concerning the Lake Almanor planning unit and the land conservation and conveyance process.

#### **I. PUBLIC REVIEW OF VOLUMES I AND II OF THE LCP**

The Draft Land Conservation Plan Volumes I and II were released in June 2007 for a 60-day public comment period. During this time, the Stewardship Council held ten public meetings to publicize the availability of the Draft LCP and to encourage public comment. These meetings were advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local newspapers, a paid advertisement in local papers, and a postcard sent to all landowners on record that reside within one mile of any PG&E parcel. Comments were received via email, the website, and hardcopy letters. The comments were reviewed, and responded to individually; and the text in the draft LCP was revised as appropriate.

A total of thirteen public comments were submitted concerning the Lake Almanor planning unit during public review of Volumes I and II of the LCP. The public comment emphasized the importance of protection of wildlife areas, unauthorized use, sustainable forestry, impacts from development and recreation.

#### **II. NOTICING OF LANDOWNERS WITHIN ONE MILE**

In the fall of 2006 a postcard was distributed to the approximately 26,000 landowners located within one mile of the exterior boundary of all the parcels to notify and invite comment on Volume I and II of the LCP. A postcard was also sent to notify and invite all landowners located within one mile of the parcels within the Lake Almanor planning unit to a Public Information Meeting that was held in Chester in 2009. In addition, simultaneous with the release of the proposed subject LCCP for public comment, adjacent landowners located within one mile of the subject parcels are noticed by mail 30 days before the Watershed Planning Committee considers forwarding the proposed subject LCCP to the board for final approval.

#### **III. PUBLIC INFORMATION MEETING**

A Public Information Meeting workshop for several planning units in the Feather River Watershed Area was hosted by the Stewardship Council on October 22, 2009, in Chester, California. The meeting concerned four planning units: Butt Valley Reservoir, Humbug Valley, Lake Almanor, and Mountain Meadows Reservoir. Attendees at the workshop included a total of 61 individuals representing a wide

## Appendix 1: Summary of Public Outreach

variety of interests including local and federal governments, community organizations, and community members. The meeting was advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to the local newspaper, and a postcard sent to all landowners on record located within one mile of any PG&E parcel associated with the Lake Almanor planning unit.

The purpose of the workshop was to: (1) provide a review and update on the Stewardship Council's Land Conservation Program; and, (2) solicit additional public input on future stewardship of the four planning units. Stations were set up with maps, other pertinent information, and easels with blank paper. Below is a summary of comments related to the Lake Almanor planning unit that were recorded on the easels and provided on comment cards.

### *Lake Almanor Planning Unit*

- Support for the Lake Almanor Recreation Trail to Chester
- Development of conference center similar to Asilomar (Pacific Grove) at possible locations either near the causeway or near Bailey Creek – emphasis on youth groups focusing on the abundant outdoor activities of the area
- Dock/ramp on east side of lake that would provide public access at no cost
- Extension of the Lake Almanor Recreation Trail is not a priority since it currently does not get use
- Don't want OHV [off highway vehicle] use here
- Limit hunting access along [southwest] shoreline
- Most important - maintain public access for recreation

## **IV. PUBLIC REVIEW OF LAND STEWARDSHIP PROPOSALS**

In November 2010, the Stewardship Council received two Land Stewardship Proposals from organizations interested in being considered for a donation of fee title to certain lands located within the Lake Almanor planning unit. The Maidu Summit Consortium and the County of Plumas prepared and submitted proposals. Each of the organizations prepared and submitted its proposal which was posted on the Stewardship Council's website for public review and comment, and an e-mail was sent to contacts in the Stewardship Council's database to notify them of the postings.

## **V. PUBLIC REVIEW OF LAND CONSERVATION PROGRAM POLICIES & GUIDELINES**

Public comment was sought on policies and guidelines that helped inform the Stewardship Council's land conservation and conveyance process. These documents were provided to the public in advance of being reviewed and endorsed by the Watershed Planning Committee or Fiduciary Committee and forwarded to the board for review and consideration.

### *Land Conservation Program Funding Policy*

The Stewardship Council created a Land Conservation Program Funding Policy to help guide future planning and decision-making regarding funding of the long term management and stewardship of the watershed lands. In June and July, 2009, the draft policy was posted on the Stewardship Council's web site and made available for review and comment to a group of stakeholders consisting of all registered

## Appendix 1: Summary of Public Outreach

potential donees and representatives of the counties in which the watershed lands are located. Two comments were received during the 30-day review and comment period. Both comments were reviewed, and it was determined that neither comment necessitated a change in the draft policy. The Stewardship Council's Board of Directors adopted the policy at a public board meeting in Sonora, Calif. on September 17, 2009.

### *Guidelines for Achieving Property Tax Neutrality*

The Stewardship Council created guidelines for achieving property tax neutrality to describe scenarios when the Stewardship Council will make property tax payments to affected counties as in lieu payments for property taxes that are lost due to the donation of PG&E watershed lands to an entity that is exempt from paying property taxes. The guidelines also defined a set of overarching assumptions regarding property tax neutrality payments. The draft guidelines were posted on the Stewardship Council's web site in December 2010. A notice inviting review and comment on the guidelines was sent to the Stewardship Council's stakeholder database. Additional targeted outreach was performed to inform the affected counties. Nine comments were received during the 60-day review and comment period. After consideration of public comments, the Stewardship Council Board adopted a set of guidelines at its public board meeting on March 30, 2011.

### *Proposed methodology for achieving tax neutrality*

The proposed methodology for achieving tax neutrality on donated lands was e-mailed to all land stakeholders and posted on Stewardship Council's website for public review and comment on January 9, 2012. The deadline for submission of comments was March 9, 2012. The Stewardship Council received one request to extend this deadline, which was granted. By the new deadline March 30, 2012, six comments were received. Upon consideration of the comments received, the Stewardship Council board deferred adoption of the full methodology until the June 27, 2012 board meeting so that the affected counties could be notified of the proposed change to the capitalization rate. No comments were received on the revised capitalization rate. The revised methodology was adopted by the board at its June 27, 2012 meeting.

## **VI. WATERSHED PLANNING COMMITTEE RECOMMENDATIONS OF FEE TITLE AND CONSERVATION EASEMENT DONEES**

Staff recommendations for prospective fee title donees and conservation easement holders that are endorsed by the Watershed Planning Committee are posted on the Stewardship Council's website for public review and comment. The proposed board action is noticed via an e-mail sent to contacts in the Stewardship Council's database. In addition, public board meetings are advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local papers, and an advertisement placed in local newspapers in the area where a board or public meeting is taking place or in communities that may have an interest in a particular topic on an upcoming meeting agenda. The board action taken is also noted in the meeting minutes that are posted on the Stewardship Council's website following each meeting.

## Appendix 1: Summary of Public Outreach

All public comments received by staff concerning the fee and conservation easement recommendations at the Lake Almanor planning unit were provided to the board for consideration at the relevant public board meetings.

### **VII. PUBLIC REVIEW OF THE LAND CONSERVATION AND CONVEYANCE PLANS**

The public is provided an opportunity to review and comment on the proposed Land Conservation and Conveyance Plans (LCCPs), and the comments received are shared with board members prior to the Watershed Planning Committee's forwarding the proposed LCCP to the board for its review and approval. The 30-day public review and comment periods are announced via an e-mail sent to contacts in the Stewardship Council's database, a posting on the Stewardship Council's web site, and an advertisement placed in local newspapers in communities that may have an interest in a particular planning unit. A notice inviting review and comment on the proposed LCCP is also sent to all landowners on record located within one mile of the subject PG&E parcels and to PG&E leaseholders. In addition, a notice is mailed to the board of supervisors of the affected county; each affected city, town, and water supply entity; and each affected tribe and/or co-licensee. After receiving public comment, the Watershed Planning Committee may make revisions to a proposed LCCP prior to forwarding a recommendation to the board.

### **VIII. STEWARDSHIP COUNCIL BOARD OF DIRECTORS MEETINGS**

Proposed LCCPs endorsed by the Watershed Planning Committee are posted on the Stewardship Council's website for additional public review and comment approximately 30 days prior to being considered by the board at a public board meeting. The posting of proposed LCCPs is advertised via an e-mail sent to contacts in the Stewardship Council's database. In addition, public board meetings are advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local papers, and an advertisement placed in local newspapers in the area where a board or public meeting is taking place or in communities that may have an interest in a particular topic on an upcoming meeting agenda. The board action taken is noted in the meeting minutes that are posted on the Stewardship Council's website following each meeting.

All public comments received will be provided to the board. There is also an additional opportunity for public comment at the public board meeting when the board considers approval of the proposed LCCP. Adoption of an LCCP by the board would be the final step in the Stewardship Council's process for selecting donees. The prospective donees are responsible for securing its own internal approvals prior to the transaction being completed. Transactions will be finalized upon LCCP review and transaction approval by the California Public Utilities Commission.

Grant Deed (REV. 7/20/2016)

RECORDING REQUESTED BY AND  
RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
245 Market Street, N10A, Room 1015  
P.O. Box 770000  
San Francisco, California 94177  
**Attention: Land Consultant (LCC)**

Location: City/Uninc \_\_\_\_\_  
Recording Fee \$ \_\_\_\_\_  
Document Transfer Tax \$ \_\_\_\_\_  
 This is a conveyance where the consideration and  
Value is less than \$100.00 (R&T Code §11911).  
 Computed on Full Value of Property Conveyed, or  
 Computed on Full Value Less Liens  
& Encumbrances Remaining at Time of Sale

\_\_\_\_\_  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD

DEED

APN: 011-110-033-000 (portion)

GRANT DEED, RESERVATION OF RIGHTS

I. CONVEYANCE OF FEE

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“**Grantor**”), hereinafter called Grantor, hereby grants, without warranty express or implied, to **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation (“**Grantee**”), hereinafter called Grantee, the real property (“**Property**”), located in the unincorporated area of County of Plumas, State of California, described in Exhibit A attached hereto and made a part hereof.

In connection with such grant, Grantor and Grantee have agreed, for good and valuable consideration, that Grantor shall reserve certain rights, as more fully described in Section III below.

II. RECITALS

A. Grantor is a party to that certain Settlement Agreement (“**Settlement Agreement**”) as modified and approved by the Public Utilities Commission of the State of California (“**CPUC**”) in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

B. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the “Land Conservation Commitment” (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain

Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“**Stipulation**”).

C. The Settlement Agreement and the Stipulation (collectively, “**Governing Documents**”) require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (collectively, “**Watershed Lands**”), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Grantor to convey fee interests and/or conservation easements and to protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the “**Land Conservation Commitment**.”

D. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (“**Stewardship Council**”) was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“**Land Conservation Plan**” or “**LCP**”). The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

E. Grantor has used and continues to use the Property for the purpose of generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”), and for other purposes as described more fully in Section III below (collectively, “**Hydro Project Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” refers to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities, as appropriate, as described more fully in Section III below.

F. Consistent with the terms of the Governing Documents, Grantor and Grantee acknowledge this conveyance, together with the conservation easement (“**Conservation Easement**”) being entered into by Grantee and Feather River Land Trust (“**FRLT**”) concurrently herewith, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values on the Property as identified in the LCP and the conservation easement being entered into while allowing the ongoing use of the Property by Grantor for Hydro Project Activities, and acknowledging and honoring existing third party uses.

### III. PARTIAL ASSIGNMENT OF ACCESS RIGHTS; RESERVATION OF RIGHTS

1. Partial Assignment of Access Rights. Grantor apportions and partially assigns to Grantee:

(a) The right to use a road as reserved in the deed from Pacific Gas and Electric Company to Louise W. McCannel, et al., dated January 20, 1966 and recorded in Volume 172, Page 1283, Official Records of Plumas County.

(b) The right to use a road as set out in the deed from Roseburg Resources Company to Pacific Gas and Electric Company dated August 21, 1986 and recorded in Volume 449, Page 678, Official Records of Plumas County.

The partial assignments made to Grantee in this section III.1 shall collectively be known as the “Access Rights”. Grantee shall use the Access Rights in connection with its use of the Property. Grantee may allow FRLT and any successor to FRLT under the Conservation Easement to utilize the Access Rights.

Grantor reserves unto itself, its successors and assigns, the remaining roadway rights for the purposes necessary and useful to Grantor in the performance by it of its duties to the public.

2. Reserved Rights. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below (collectively, the “**Reserved Rights**”) as Grantor may determine in Grantor's sole discretion exercised in good faith is required for Grantor's continued Hydro Project Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities.

Whenever reasonably practical, Grantor will use reasonable efforts to notify and consult with Grantee in advance of the exercise of the Reserved Rights, and use reasonable efforts to employ methods and practices that will not significantly impair the beneficial public values of the Property. The Reserved Rights are as follows:

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters and the subterranean streams flowing through known and definite channels which are now or hereafter located or flowing upon or abutting the Property. Nothing in this subsection (a) shall prevent Grantee from using reasonable amounts of water on the Property for activities solely intended to preserve and enhance the beneficial public values, provided such activities are conducted in accordance with applicable law. Such use by Grantee may be conducted without notice to the Grantor.

(b) Grantor reserves the permanent right to operate, maintain, repair, alter, replace and expand existing and future Hydroelectric Facilities and associated Water Delivery Facilities, including project replacements and improvements required to meet existing and future water delivery and other requirements for power generation and consumptive water use by existing and future users, compliance with any FERC license, FERC license renewal or other regulatory or legal requirements. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

(1) The right to conduct any and all uses and activities now or at any time in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith in connection with the generation of hydroelectric energy, including, but not limited to the operation, maintenance, repair, alteration, replacement and expansion of existing Hydroelectric Facilities and associated Water Delivery Facilities, and the construction, operation, maintenance, repair, alteration, replacement and expansion of new Hydroelectric Facilities and associated Water Delivery Facilities; and

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water; and

(3) The right to conduct any and all uses and activities currently or in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with any applicable FERC license or other regulatory or legal requirements, including any amendments thereto and replacements thereof, and with applicable regulations and orders of the FERC or other regulatory agencies; and

(4) The right to conduct any and all uses and activities now or at any time hereafter deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with the Federal Power Act (Title 16 United States Code, Chapter 12) and any successor statute (the "FPA"); and

(5) The right to decommission all or any portion of existing and future Hydroelectric Facilities and associated Water Delivery Facilities in accordance with any applicable license issued by the FERC.

(c) Grantor further reserves to itself the following permanent rights with respect to the foregoing Reserved Rights:

(1) The right of ingress to and egress over and across the Property by means of roads and lanes thereon, if such there be, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantee and to use said roads, lanes, or routes to provide access to any of Grantor's easements and facilities on lands adjacent to the Property; and

(2) The right, from time to time, to install, maintain and use gates in all fences which now or shall hereafter cross the Property; and

(3) The right, from time to time, to trim or to cut down any and all trees, brush or other vegetation now or hereafter on the Property which now or hereafter in the opinion of Grantor may interfere with or be a hazard to any of the Hydroelectric Facilities and associated Water Delivery Facilities located on the Property or adjacent to the Property, or as Grantor deems necessary to comply with applicable state or federal regulations; and

(4) The right, from time to time, to trim and cut down and clear away any and all trees, brush and other vegetation on the Property (A) for purposes of disease or insect control or otherwise as necessary or appropriate for prudent land management (i.e., not motivated by commercial benefit), and/or (B) for other vegetation management operations, including but not limited to forest fuel reduction projects, thinning of tree stands and meadow restoration projects. The foregoing may include the use of mastication machines and pesticide use to control trees, brush and other vegetation and/or insects.

3. Required Exercise. An exercise of Grantor's Reserved Rights shall be "required" (as used in the preceding Section III.1) where Grantor determines in its sole discretion exercised in good faith that such exercise is necessary to fulfill requirements or directives of any one or more of the following: (a) the CPUC or the FERC; (b) other local, state or federal governmental entities; (c) any applicable law, ordinance, rule or regulation of any local, state or federal governmental entity; (d) any third party agreement entered into by Grantor in good faith or by which Grantor is bound; or (e) professional engineering and design standards governing the ownership, maintenance, and/or operation of the Hydroelectric Facilities and associated Water Delivery Facilities.

#### IV. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed and Reservation of Rights (“**Grant Deed**”) is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) applicable zoning and use laws, ordinances, rules and regulations of any municipality, township, county, state or other governmental agency or authority; (c) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (d) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions which are recorded or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor’s obligations under the FPA, without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

#### V. MISCELLANEOUS

1. If any provision of this Grant Deed shall be unenforceable or invalid, the same shall not affect the remaining provisions hereof and to this end the provisions hereof are intended to be and shall be severable.

2. The real property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.

3. The California Public Utilities Commission, in Decision No. \_\_\_\_\_, has approved transfer of the Property under State of California Public Utilities Code Section 851.

4. This Grant Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. The Recitals in Section II above are hereby incorporated into this Grant Deed.

*[SIGNATURES FOLLOW ON NEXT PAGE]*

IN WITNESS WHEREOF, the parties have executed and delivered this Grant Deed and Reservation of Rights as of \_\_\_\_\_.

GRANTOR:

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Grantee accepts, acknowledges, and agrees to the terms of this Grant Deed.**

GRANTEE:

**MAIDU SUMMIT CONSORTIUM,**  
a California nonprofit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

**LEGAL DESCRIPTION OF PROPERTY**

**[Follows this page]**

RECORDING REQUESTED BY AND )

Exhibit Draft: 8-5-19

WHEN RECORDED MAIL TO: )

Feather River Land Trust )

Attn: Shelton Douthit, Executive Director )

P.O. Box 1826 )

75 Court Street )

Quincy, CA 95971 )

Space Above Line for Recorder's Use Only

**CONSERVATION EASEMENT DEED**

**(Lake Almanor – Maidu Wetlands)**

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date"), by MAIDU SUMMIT CONSORTIUM, a California nonprofit public benefit corporation ("MSC" or "Grantor"), in favor of FEATHER RIVER LAND TRUST, a California nonprofit public benefit corporation ("FRLT" or "Grantee") (MSC and FRLT are sometimes referred to herein individually as "Party" and collectively as "Parties"), with reference to the following facts, circumstances, and terms:

**RECITALS**

A. **The Property.** Grantor is the fee title owner of a parcel of real property containing approximately 183 acres west of Last Chance Marsh, and a parcel of real property containing approximately 114 acres on the east side of Last Chance Marsh, collectively known by the Maidu people as Maidu Wetlands, located in the County of Plumas, State of California, and both parcels are legally described and depicted in **Exhibit A** attached hereto and incorporated herein by this reference ("Property").

B. **FRLT's Nonprofit Status.** FRLT is a California nonprofit public benefit corporation, exempt from federal income taxation under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, as amended ("IRC"), and qualified to acquire and hold conservation easements pursuant to California Civil Code section 815.3. FRLT is dedicated to conserving the land and waters of the Feather River region and stewarding its ecological, cultural, and educational values for current and future generations.

C. **Grantor's Status.** The Property is owned in fee by MSC, a California nonprofit public benefit corporation exempt from federal income taxation under IRC section 501(c)(3). MSC is composed of representatives from exclusively Mountain Maidu groups. MSC is dedicated to land and water protection and stewardship throughout the Maidu homeland, in accordance with principles of Traditional Ecological Knowledge ("TEK"). TEK is the accumulation of thousands of years of understanding the interactions of people and the natural environment, gained by native people with intimate knowledge of their local environment, who depend on the sustainable use and management of natural resources for their survival. TEK is handed down through generations by cultural transmission. TEK is adapted to changing conditions in order to maintain historic continuity of resource use and protection.

D. **Transfer of Property to MSC.** Pacific Gas and Electric Company, a California corporation ("PG&E"), transferred to MSC the fee interest in the Property in accordance with that certain Grant Deed, being recorded in the Official Records of the County of Plumas, immediately prior to the recording hereof ("Grant Deed"), attached hereto as **Exhibit B** and incorporated herein by reference, subject to: (1) PG&E's reservation of certain rights in and to the Property, as set forth in the Grant Deed (referred to herein as the "PG&E Reserved Rights" in some instances and as "PG&E's Reserved Rights" in other instances); and (2) those legally-enforceable third-party rights to use the Property in effect as of the Effective Date, as listed on **Exhibit C** attached hereto and incorporated herein by this reference, true and complete copies of which have been provided to, and reviewed and accepted by, Grantee ("Express Third-Party Uses").

E. **Grantor's Relationship to the Property.** The mission of the Grantor is to contribute to the understanding and management of the Earth according to Mountain Maidu TEK and practices by supporting and enhancing Maidu cultural and physical connections to land and water. Grantor asserts that protection of the Conservation Values (as defined below), as required by this Conservation Easement, is consistent with traditional Maidu land management practices and principles. Grantor acquired the Property for the purpose of re-establishing a permanent place where Maidu cultural practices; traditional Maidu land management; and preservation, enhancement and restoration of native plant and wildlife habitats will be carried out.

F. **Governing Documents.** PG&E transferred fee title to the Property to MSC in connection with PG&E's implementation of the "Land Conservation Commitment," provided for in the following documents (collectively, "Governing Documents") and described more fully below: (i) that certain Settlement Agreement as modified and approved by the Public Utilities Commission of the State of California in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and (ii) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("Stipulation").

02898.357 4839-3559-2050.1

## Appendix 3: Conservation Easement

G. **Beneficial Public Values.** The Governing Documents require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, "Watershed Lands"), are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, "Beneficial Public Values"). The Property is included in these Watershed Lands. The Land Conservation Commitment constitutes the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents. The Stipulation provides that conservation easements for Watershed Lands will preserve or enhance reasonable public access.

H. **The Property's Beneficial Public Values.** The Property includes the specific Beneficial Public Values identified on **Exhibit D** attached hereto and incorporated herein by this reference (collectively, "Conservation Values").

I. **PG&E Reserved Rights.** In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission license or license renewal or other regulatory requirements.

J. **Continued Economic Uses.** The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.

K. **Land Conservation Commitment.** Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation ("Stewardship Council"), was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California ("Land Conservation Plan"). The Land Conservation Plan includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Property.

L. **California Civil Code Section 815 et seq.** The Legislature of the State of California, as set forth in California Civil Code section 815 *et seq.*, has found and declared it to be the public policy and in the public interest of this state to encourage the preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment and the

above-described public policy purposes, Grantor desires to grant a conservation easement over the Property to Grantee.

M. **Preservation and Protection in Perpetuity.** Grantor and Grantee each desire through this Conservation Easement to ensure the permanent protection of the Conservation Values on the Property, subject to PG&E's Reserved Rights and the Express Third-Party Uses. Specifically, the Parties desire to ensure that the Conservation Values on the Property will be preserved and protected in perpetuity as provided herein, and that uses of the Property that are inconsistent with these Conservation Values will be prevented or corrected.

### **GRANT OF CONSERVATION EASEMENT AND AGREEMENTS**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including California Civil Code section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property, subject to and in accordance with the terms, covenants, and conditions of this Conservation Easement.

1. **Conservation Purposes.** The purposes of this Conservation Easement are to protect and preserve in perpetuity the Conservation Values of the Property by restricting any use of the Property that will significantly impair the Conservation Values ("Conservation Purposes"). Subject to the following terms and conditions, Grantor intends that it will use the Property in accordance with Maidu land management principles and practices based on TEK, and Grantor will confine uses of the Property to activities that are consistent with the Conservation Purposes and the terms of this Conservation Easement. As used herein, the terms "impair" or "impairment" mean to diminish in quantity, quality, value, strength or viability. As used in this Conservation Easement, the terms "significant" or "significantly", when used with "impair" or "impairment", respectively, mean a greater than negligible adverse impact or an impact for more than a transient period.

Grantor and Grantee acknowledge that the Governing Documents reflect the intention of the Parties thereto (a) to honor Express Third-Party Uses and (b) to continue to permit beneficial uses of the Property that preserve and/or enhance the Conservation Values. It is intended that this Conservation Easement shall allow uses on the Property that are consistent with the protection and preservation of each of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more other Conservation Values, Grantor and Grantee understand that achieving the Conservation Purposes requires the preservation and protection, on balance, of all the Conservation Values existing on the Property, to the maximum extent possible. The Parties recognize that in protecting

02898.357 4839-3559-2050.1

and/or enhancing one or more of the Conservation Values, another Conservation Value may be impaired, but the Parties intend that this shall not be a permanent occurrence, or a reason to prioritize one Conservation Value over another. The Parties shall balance on an aggregate basis the Conservation Values on the whole Property whenever possible.

2. **Land Management Plan.** Grantor's management of the Property shall be subject to a Land Management Plan prepared for the Property, as amended from time to time in accordance with this Conservation Easement ("Management Plan"). The Management Plan will be designed to provide for Grantor's adaptive management of the Property in a manner consistent with the Conservation Purposes (as defined below) and the terms of this Conservation Easement, and set forth the forest management plan component as defined in Section 16 of Exhibit E. The Management Plan shall be approved by Grantor in writing after written notice to and consultation with Grantee under Section 10(a) below. Grantor may amend the Management Plan at any time after written notice to and consultation with Grantee. The Management Plan shall not replace, modify, or amend any of the terms, covenants or conditions of this Conservation Easement. The Conservation Easement shall govern if there are any inconsistencies between it and the Management Plan. The initial Management Plan shall be completed within one year of close of escrow, or as soon thereafter as practicable.

3. **Rights Conveyed to Grantee.**

(a) **Rights of Grantee.** To accomplish the Conservation Purposes, Grantor hereby grants and conveys the following rights to Grantee:

(1) **Right to Preserve and Protect.** Grantee shall have the right to preserve and protect in perpetuity the Conservation Values of the Property in a manner consistent with the terms of this Conservation Easement. Grantee, in its sole and absolute discretion, shall have the right to prevent by any lawful means any activity on or use of the Property that is or may be a violation of the terms of this Conservation Easement, and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity undertaken by Grantor or under Grantor's control that constitutes a violation of the terms of this Conservation Easement.

(2) **Right of Access to Inspect, Monitor and Enforce.** Grantee shall have the right to access and enter upon the Property using any easement or right of way appurtenant to the Property in order to exercise the following rights: (a) inspect the Property once annually to determine whether Grantor is in compliance with the terms of this Conservation Easement, provided that such Grantee provides written notice to Grantor at least thirty (30) days prior to the annual inspection, and that Grantor shall have the option to be present during any compliance monitoring; (b) exercise the rights which are granted to

## Appendix 3: Conservation Easement

Grantee herein; and (c) enforce the terms of this Conservation Easement, in accordance with Section 11 of this Conservation Easement, including without limitation, the right to restore the Conservation Values, provided, that such access and entry will be made in a manner that will not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor and any occupant(s) or user(s) of the Property pursuant to the terms of this Conservation Easement. Grantee shall schedule a date and time for the annual compliance monitoring visit that is reasonably acceptable to Grantor. The right of access to inspect and monitor shall not be assigned by Grantee without the prior express written approval of the Grantor; provided, however, that Grantee may authorize entry of its consultants to the extent they are assisting the Grantee in its monitoring obligations or other activities authorized by this Conservation Easement. Nothing in this section shall be construed to authorize entry by members of the public for any purpose. Notice under this section shall include the names, titles and affiliations of persons who will conduct the inspections and, for those persons who are not employees of Grantee, their qualifications.

(3) **Right of Immediate Entry.** Grantee, in its sole and absolute discretion, shall have the right to immediately enter the Property where it is determined that urgent action is necessary to prevent, terminate, or mitigate a significant impairment of the Conservation Values. If Grantee determines such immediate entry is necessary, Grantee need not provide Grantor with prior notice; provided, however, Grantee shall provide Grantor with telephonic or other comparable notice at the time of entry, to be followed by a written notice of entry within three (3) business days after such immediate entry.

4. **Prohibited Uses of the Property.** Except for any use or activity that is expressly permitted in this Conservation Easement, any activity on or use of the Property that is inconsistent with the Conservation Purposes of this Conservation Easement is prohibited. Grantor and Grantee agree that **Exhibit E**, attached hereto and incorporated herein by this reference, sets forth both the permitted and prohibited uses of the Property by Grantor, Grantor's agents, Grantee, and/or third parties under Grantor's control on the Property. In entering into this Conservation Easement, Grantor understands and acknowledges that uses prohibited by the terms of this Conservation Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be dedicated partially or entirely to such prohibited uses. Grantor and Grantee intend that any such changes will not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement. The inability of Grantor, or its successors or assigns, to carry out any or all the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, will not impair the validity, force and effect of this Conservation Easement or be considered grounds for its termination, extinguishment, or modification.

5. **Grantor's Duties.** To the extent Grantor has or reasonably should have knowledge of actual or anticipated unauthorized third party use of the Property that violates or would violate the terms of this Conservation Easement, Grantor shall undertake all reasonable actions to prevent such unauthorized use.

6. **Grantor's Reserved Rights and Permitted Uses of Property; PG&E's Reserved Rights.**

(a) **Rights of Ownership.** Grantor reserves to itself all rights of ownership of the Property. Grantor shall confine its use of the Property to those permitted activities and uses, and to such other activities and uses of the Property as are both: (1) consistent with the Conservation Purposes; and (2) not prohibited under the terms of this Conservation Easement. The permitted uses and activities set forth on **Exhibit E** are presumed to be consistent with the Conservation Purposes and are expressly permitted by the Grantee, but **Exhibit E** is not an exclusive list of such uses and activities. Uses and activities that are prohibited in **Exhibit E** are inconsistent with the Conservation Purposes.

(b) **PG&E Reserved Rights.** All rights and obligations of Grantor and Grantee under this Conservation Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Conservation Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. In the event PG&E notifies Grantor of PG&E's intention to exercise any of the PG&E Reserved Rights, Grantor shall notify Grantee, in writing, of such intention within five (5) days of Grantor's receipt of such notification.

7. **Express Third-Party Uses.** **Exhibit C** describes the Express Third-Party Uses of the Property permitted with the express agreement of Grantor. Grantor retains the right to maintain, renew, decline to renew, or replace all such agreements memorializing Express Third-Party Uses ("Third-Party Use Agreements") and to engage in all activities reasonably required to comply with Grantor's obligations with respect to the Express Third-Party Uses, subject to the following conditions:

(a) **Increases in Intensity or Expansion of Location or Size or Change in Third-Party Use.** Subject to existing Third-Party Use Agreements, any (i) increase in the intensity, (ii) expansion of the location or size, or (iii) change in the use, of any of the Express Third-Party Uses, whether through a new agreement or an amendment to an existing agreement, that Grantor determines in consultation with Grantee under Section 10(a), are likely to significantly impair the Conservation Values shall not be allowed.

(b) **Renewal or Replacement of Third-Party Use Agreements.** All Third-Party Use Agreements existing as of the Effective Date are identified on **Exhibit C**. As Third-Party Use Agreements are renewed or replaced (either with the

existing user or a new user), Grantor, in consultation with Grantee, shall include contractual provisions to bring the continuation of the Express Third-Party Uses and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

(c) **Enforcement of Third-Party Use Agreements.** If Grantor or Grantee discovers any default or breach under a Third-Party Use Agreement that significantly impairs the Conservation Values (and if Grantee makes such discovery, Grantee gives Grantor written notice thereof), Grantor shall use reasonable efforts to enforce or otherwise remedy such violation, at Grantor's sole expense.

8. **Public Access.**

(a) **Informal Uses and Public Access.** Grantor and Grantee recognize the Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities ("Informal Uses"). Grantor and Grantee further recognize that access to the Property is inherent or may be inherent in the enjoyment of the Conservation Values and the Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Grantor shall allow public access to the Property that is substantially consistent with the public access existing on the Effective Date. Grantor reserves the right to make and enforce reasonable regulations to control, limit, or, exclude Informal Uses and public access. Grantor shall not allow any Informal Use or any public access that significantly impairs the Conservation Values.

(b) **New or Increased Public Access.** If Grantor desires to allow new public access or Informal Uses or an expansion of public access or Informal Uses on the Property, Grantee's advance written approval is required in accordance with Section 10(b), which approval shall not be unreasonably withheld, conditioned or delayed.

(c) **Liability Limitation.** Notwithstanding Section 8(a) and Section 8(b) above, Grantor and Grantee claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

(d) **Periodic Review of Informal Uses.** As part of Grantee's annual compliance monitoring: (i) Grantor and Grantee shall meet and confer to discuss the known Informal Uses and public access conducted on the Property for the purpose of Grantee's assessment of Grantor's compliance with the requirements set forth above in this section; and (ii) with respect to Informal Uses allowed by Grantor on the Property in accordance with Section 8(a) above, Grantor and Grantee shall meet and confer, and include recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure the preservation of the Conservation Values.

9. **Compliance with Applicable Law.** This Conservation Easement describes certain rights held by Grantor, Grantee, PG&E, and third parties, as well as permitted uses that are presumed to be consistent with the Conservation Purposes of the Conservation Easement. Nothing in this Conservation Easement requires Grantor, Grantee, PG&E, or third parties to exercise these rights. Nor does this Conservation Easement provide Grantor, Grantee, PG&E, or third parties with regulatory approval to undertake any action described as a retained right or permitted use. Prior to undertaking any action to exercise these rights, Grantor, Grantee, PG&E, and third parties shall obtain all necessary permits and comply with all applicable laws, including the California Environmental Quality Act (“CEQA”), Public Resources Code sections 21000 et seq.

10. **Consultation and Approval Processes.**

(a) **Consultation.** Whenever this Conservation Easement requires one Party to consult with the other Party, the Party with the obligation to seek consultation shall provide the other Party with a written request to consult. The Parties shall seek to meet in person within thirty (30) days of the receipt of the consultation request, unless the Parties agree, or this Conservation Easement provides otherwise. For purposes of this Conservation Easement, consultation means the meaningful and timely process of meeting in good faith to exchange adequate information and discuss, understand, and consider the views of the other Party and to seek, wherever feasible, to reach agreement. If the Parties are unable to reach agreement and Grantee believes the proposed activity would violate the terms of this Conservation Easement, Grantee may issue a Notice of Breach pursuant to Section 11. If no response to the request to consult is received within thirty (30) days of its receipt, the requesting Party shall have no obligation to consult.

(b) **Approval.** Whenever this Conservation Easement requires the approval of the Grantee (“Approval”) for a proposed action or activity (“Proposed Activity”), Grantor shall provide Grantee a written notice requesting the Approval at least thirty (30) days before the commencement of the Proposed Activity. The notice shall set forth in detail all material facts of the Proposed Activity and the following provisions shall then be applicable:

(1) **Additional Information.** Grantee may request additional information concerning the Proposed Activity within thirty (30) days after the notice is given. Grantor shall provide any supplemental information to Grantee within thirty (30) days of Grantee’s request.

(2) **Objection Notice.** Grantee shall review the notice promptly and give Grantor prompt written notice of any objections based on Grantee’s assessment that the Proposed Activity is reasonably likely to violate the terms of the Conservation Easement. If Grantee objects it shall advise Grantor how, if at all, the Proposed Activity could be modified to be consistent with the Conservation Purposes and the terms of the Conservation Easement.

(3) **Written Approval.** Grantor shall not, and shall not have the right to, commence or conduct the Proposed Activity until and unless it receives the written approval of Grantee, and only in the manner approved, unless the Proposed Activity is deemed approved pursuant to Section 10(b)(4) below.

(4) **Agreement Deadline for Proposed Activity.** The Proposed Activity shall be deemed to have been approved if no objection has been given within ninety (90) days after Grantee's receipt of the notice of the Proposed Activity and all supplemental information requested by Grantee pursuant to Section 10(b)(1) above.

(5) **Limitations on Approval.** No actual or deemed approval to, or acquiescence in or failure to object to, any given Proposed Activity shall constitute: (i) agreement or consent to, or approval of, any aspect of the Proposed Activity which was not disclosed in the Grantor's notice (including any supplemental information, as noted above), or any subsequent action or activity of the same or any different nature; or (ii) agreement or consent to, or approval of, any activity or use which is prohibited by the terms of this Conservation Easement, or any other alteration of the terms of this Conservation Easement.

11. **Enforcement and Remedies.**

(a) **Procedures Upon Violation.** If a party hereto ("Non-Breaching Party") determines there is a breach of the terms of this Conservation Easement or that a breach is threatened, written notice of such breach ("Notice of Breach") and a demand for corrective action sufficient to cure the breach shall be given in accordance with Section 23 by the Non-Breaching Party to the party allegedly breaching this Conservation Easement ("Breaching Party"). Within fourteen (14) days after receipt of the Notice of Breach, the Parties shall meet at a location in Plumas County or as otherwise agreed by the Parties to discuss the circumstances of the alleged or threatened breach and to attempt to agree on appropriate corrective action. If the Parties are unable to agree on corrective action within thirty (30) days after such meeting, then the Non-Breaching Party may, at its election, deliver a further written notice to the Breaching Party to demand reasonable corrective action to cure the breach ("Notice of Violation"). If a violation is not cured within thirty (30) days after receipt of the Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and there is failure to begin the cure within the 30-day period or failure to continue diligently to complete the cure, the Non-Breaching Party may commence litigation in accordance with Section 11(b) below. For purposes of this Section 11(a), the Non-Breaching Party can be either the Grantee or Grantor.

(b) **Litigation.** If the Parties are not able to resolve a dispute under Section 11(a) above, the Non-Breaching Party may bring an action at law or equity in a court of competent jurisdiction to enforce compliance with the terms of this Conservation Easement, to recover damages to which the Non-Breaching Party may be entitled for

## Appendix 3: Conservation Easement

violation of the terms of this Conservation Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages or any other form of relief required to achieve the restoration of the Property to the condition it existed prior to any violation. To the extent that Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach, excluding fees described in Section 12, all such damages recovered by Grantee shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary in this Conservation Easement, in no event shall the Breaching Party be liable to the Non-Breaching Party for, and the Parties each hereby waive their right to, any indirect, special, punitive or consequential damages resulting from the Breaching Party's breach of this Conservation Easement, whether foreseeable or unforeseeable. For purposes of this Section 11(b), a Non-Breaching Party can be either the Grantee or Grantor.

(c) **Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Conservation Easement, and the Non-Breaching Party determines that irreparable harm would result if the Non-Breaching Party were required to complete the process set forth in Section 11(a), the Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently. The Non-Breaching Party agrees to make a good faith effort to immediately provide notice to the Breaching Party of the circumstances requiring urgent action to prevent or mitigate any significant impairment to the Conservation Values. For purposes of this Section 11(c), a Non-Breaching Party can be either Grantee or Grantor.

(d) **Remedies at Law Inadequate.** The Parties agree that remedies at law for any violation of the terms of this Conservation Easement are inadequate and that the Non-Breaching Party shall be entitled to the injunctive relief described in this section, in addition to such other relief to which it may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, provided the other legal requirements for injunctive relief are met. The Non-Breaching Party's remedies shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code section 815 *et seq.* For purposes of this Section 11(d), a Non-Breaching Party can be either Grantee or Grantor.

12. **Costs of Enforcement.** The non-prevailing party in litigation to enforce the terms of this Conservation Easement shall pay to the prevailing party any costs and attorneys' fees awarded by the court.

13. **Grantee Discretion.** Enforcement of the terms of this Conservation Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any violation of any

02898.357 4839-3559-2050.1

term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee of such violation or of any subsequent violation of the same or any other term of this Conservation Easement or of any of Grantee's rights under this Conservation Easement.

14. **Acts Beyond Grantor's Control.** Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property or impairment of the Conservation Values resulting from (a) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, climate change, earth movement, diseases affecting biological features of the Property, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or impairment to the Conservation Values resulting from such causes; (b) acts by Grantee or its employees, consultants, agents, contractors, board of directors, or representatives; or (c) acts by third parties over whom Grantor has no control, provided Grantor has fulfilled its obligations under Section 5. Should impairment to the Conservation Values occur as a result of (a) or (c), Grantor and Grantee shall consult to determine an appropriate, reasonable response to address the conditions.

15. **Costs and Liabilities.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Except as set forth in Section 17, Grantor agrees that Grantee shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use by Grantor permitted by this Conservation Easement. Any activity or use shall be undertaken in accordance with all applicable federal, state, and local statutes, ordinances, rules, regulations, orders and requirements.

16. **Taxes; No Liens.** Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred because of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement as provided in Section 25(m)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

17. **Hold Harmless.** Grantor shall hold harmless and indemnify Grantee and its directors, officers, and employees and the successors and assigns (each an "Indemnified Party" and, collectively, "Indemnified Parties") from and against any and all

02898.357 4839-3559-2050.1

### Appendix 3: Conservation Easement

liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), proximately caused by the occupancy or use of the Property by Grantor or its directors, officers, employees, or agents, unless due solely to the negligence of the Grantee or any of such Grantees' officers, employees or agents. If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from an Indemnified Party seeking indemnification under this section, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party.

Grantee shall hold harmless and indemnify Grantor and its directors, officers, and employees, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by to the entry onto or use of the Property by Grantee or its officers, employees, or agents, unless due solely to the negligence of the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents, by reason of such claim, Grantee shall, at the election of and upon written notice from the Grantor, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

18. **Insurance.** Grantor shall procure, carry, and maintain in effect throughout the term of this Conservation Easement, the insurance specified in **Exhibit F**, which is incorporated herein by reference; provided, however, that Grantee reserves the right to periodically review and reasonably modify the insurance requirements specified in **Exhibit F** to be generally consistent with the practices of prudent charitable organizations that hold similar property interests. All insurance shall be written on forms and with insurance carriers acceptable to Grantee in its commercially reasonable judgment. Prior to recordation of this Conservation Easement, Grantor shall provide Grantee with evidence of insurance coverage satisfying the requirements of this section and **Exhibit F**. Grantor is responsible for causing its agents and contractors entering the Property to comply with the insurance requirements of this section and **Exhibit F** at all relevant times. Grantor shall indemnify, protect, defend, and hold harmless Grantee against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and reasonable experts' fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the failure of Grantor or its agents or contractors to comply with the insurance requirements of this section and **Exhibit F**.

19. **Extinguishment.** If circumstances arise in the future that render the Conservation Purposes impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

02898.357 4839-3559-2050.1

20. **Condemnation.** If all or part of the Property is taken by the exercise of the power of eminent domain by a public, corporate, or other authority, whether permanent or temporary, or if the Property is sold in lieu of condemnation, so as to abrogate the restrictions imposed by the Conservation Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking or sale to recover the full value of the Property taken or sold and all incidental or direct damages resulting therefrom. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined below, it being expressly agreed that the Conservation Easement constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds.

Pursuant to California Civil Code §815.2(a), this Conservation Easement constitutes a real property interest immediately vested in Grantee. It is acknowledged by the Parties that the purposes of establishing the value of this property right and enforcing the rights of Grantee with respect thereto is to prevent a private windfall. That being the case, the Parties stipulate that, for the purpose of determining the ratio for proportionate value of each party's respective interest in the Property at the time of termination or extinguishment of the Conservation Easement, the value of the Conservation Easement shall be the difference between (a) the fair market value of the fee interest in the Property at the time of termination, as if unencumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements), and (b) the fair market value of the Property at the time of termination, as encumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements). The values shall be determined by an appraisal prepared by a qualified appraiser familiar with appraising conservation easements jointly selected by Grantor and Grantee. The cost of the appraisal shall be paid out of proceeds in proportion to the recoveries of Grantor and Grantee. There shall be no restriction on Grantor's or Grantee's use of proceeds received pursuant to this Section.

21. **Transfer of Conservation Easement.**

(a) **Voluntary Assignment.** In the event that Grantee decides to assign its interest under this Conservation Easement, Grantee shall only assign such interest to an organization that is: (i) qualified to hold a conservation easement under section 815.3 of the California Civil Code; (ii) experienced in holding and monitoring conservation easements on properties similar to the Property; (iii) willing and financially able to assume all of the responsibilities imposed on Grantee under this Conservation

02898.357 4839-3559-2050.1

Easement; and (iv) approved in advance by Grantor, which approval shall not be unreasonably withheld. Grantee shall give preference to any qualifying organization that has experience in holding and monitoring conservation easements on properties owned by Indian Tribes or tribal organizations. Before assigning its interest under this Conservation Easement, Grantee shall provide Grantor and the Sierra Nevada Conservancy (“SNC”) with written notice of such intention to transfer (“Transfer Notice”) and shall consult with Grantor, and SNC pursuant to Section 10(a). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria set forth in this section. In consultation with Grantor, Grantee shall allow SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria specified in this section. If SNC does not approve the proposed assignee, SNC shall provide Grantee with the reasons behind such decision.

(b) **Involuntary Assignment.** If Grantee ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with Grantor, select an assignee that meets all the designation criteria specified in subsection (a) above. If SNC is unable to identify an assignee that meets all of the designation criteria specified in subsection (a) above, that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of Grantee (or its successor in interest hereunder), as Grantee hereunder during any period that a successor assignee for Grantee is not yet in place.

(c) **Conditions of Assignment.** As conditions to any assignment of this Conservation Easement, Grantee and/or the SNC shall: (i) require the assignee to expressly agree in writing to assume Grantee’s obligations hereunder; and (ii) ensure that assignee has the resources to fulfill its obligations under the Conservation Easement.

(d) **Successor to SNC.** Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section to another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

## 22. **Transfer of Property.**

(a) **Transfer of Property to Third-Party.** Except for any transfer of the Property pursuant to the Power of Termination (as defined in Section 22(b) below), Grantor shall not transfer the Property without the prior written approval of Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. Grantor shall give written notice to Grantee of the intent to transfer the interest at least ninety (90) days prior to the date of such transfer. Grantor agrees to incorporate the terms of

### Appendix 3: Conservation Easement

this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Except for a transfer in accordance with the Power of Termination, Grantee shall have the right to prevent subsequent transfers in which prospective transferees are not given actual notice of the terms, covenants, conditions and restrictions of this Conservation Easement. The failure of Grantor or Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

(b) **Power of Termination.** Grantor has granted to PG&E a power of termination in the Property in accordance with California Civil Code section 885.010, et seq. pursuant to that certain Restriction on Transfer of Property and Power of Termination Agreement dated as of \_\_\_\_\_, recorded in the Official Records of the County of Plumas, concurrently with the recordation of this Conservation Easement ("**Power of Termination**"), attached hereto as **Exhibit G** and incorporated herein by reference. In the event the fee title to the Property transfers to PG&E (or its designee) pursuant to the Power of Termination, PG&E (or its designee) shall take fee title subject to this Conservation Easement, in accordance with section 2.5 of the Power of Termination.

23. **Notices.** Any notice, demand, request, consent, approval, or other communication that either Party desires or is required to give to the other shall be in writing and be delivered: (a) personally; (b) by reliable overnight courier that guarantees next-day delivery; or (c) by first class United States mail, postage fully prepaid, and addressed as follows:

To Grantor: Maidu Summit Consortium  
P.O. Box 682  
Chester, CA 96020  
Attn: Executive Director

To FRLT: Feather River Land Trust  
P.O. Box 1826  
75 Court Street  
Quincy, CA 95971  
Attn: Executive Director

To SNC: Sierra Nevada Conservancy  
11521 Blocker Drive, Suite 205  
Auburn, CA 95603  
Attn: Executive Director

or to such other address as either Party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or

02898.357 4839-3559-2050.1

delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

24. **Amendment.** This Conservation Easement may be amended only upon the written agreement of Grantor and Grantee. Any such amendment shall be consistent with the Conservation Purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Plumas County.

25. **Additional Provisions.**

(a) **Baseline Documentation Report.** Grantor and Grantee each acknowledge that certain biological and other physical attributes of the Property particularly relevant to the Conservation Easement are further documented in a written inventory of such attributes ("Baseline Documentation Report"), which has been prepared by a competent natural resource professional familiar with the Property and approved in writing by Grantor and Grantee. Grantor and Grantee acknowledge they each have a copy of the Baseline Documentation Report, as approved by them. The Parties agree that the Baseline Documentation Report contains an accurate representation of such attributes of the Property at the time that this Conservation Easement is recorded, and is intended to serve as an objective, though non-exclusive, source of baseline information for monitoring compliance with the terms of the Conservation Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the biological or physical condition of the Property, the Parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

(b) **Grantor's Advice of Legal Counsel.** Grantor and Grantee acknowledge and stipulate that Grantee has advised Grantor that it cannot provide, nor has provided, Grantor with legal or tax advice at any time respecting the Conservation Easement. Grantor and Grantee further acknowledge that Grantee has advised Grantor to seek legal counsel in the negotiation and execution of this Conservation Easement and that Grantor has done so. Grantor has retained legal counsel, which decision was made in Grantor's sole discretion.

(c) **Controlling Law.** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such State, with venue in Plumas County.

(d) **Liberal Construction.** Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the Conservation Purposes of this Conservation Easement in perpetuity, and to effectuate the policy and purpose of California Civil Code section 815 *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the

### Appendix 3: Conservation Easement

Conservation Purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(e) **Severability.** If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(f) **Entire Agreement.** This instrument sets forth the entire agreement of the Parties with respect to the Conservation Easement and supersedes all prior written or oral discussions, negotiations, understandings, or agreements of the Parties relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 24.

(g) **No Forfeiture.** Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's fee title in and to the Property in any respect.

(h) **Successors.** The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the Parties and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

(i) **Termination of Rights and Obligations.** A Party's rights and obligations under this Conservation Easement terminate upon transfer of the Party's interest in the Conservation Easement or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

(j) **Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(k) **Hazardous Materials Liability.**

(1) Grantor represents and warrants that it has no actual knowledge or has not received actual notice of any Hazardous Materials (as defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 17 of this Conservation Easement, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any and all Claims arising from or connected with any Hazardous Materials or

02898.357 4839-3559-2050.1

### Appendix 3: Conservation Easement

underground storage tanks present, alleged to be present, released in, from, or about, the Property at any time, except any Hazardous Materials placed, disposed or released by Grantee or their employees, officers, agents, consultants or representatives. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (as defined below). If any action or proceeding is brought against any of the Indemnified Parties because of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party.

(3) Despite any contrary provision of this Conservation Easement, the Parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed to create in or give to Grantee any of the following:

(A) The obligations or liability of an “owner” or “operator,” as those terms are defined and used in Environmental Laws (as defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, et seq.; hereinafter, “CERCLA”); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws (as defined below); or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor’s ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term “Hazardous Materials” includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, et seq.; hereinafter “RCRA”); the Hazardous Materials Transportation Act (49 U.S.C. section 6901, et seq.; hereinafter “HTA”); the Hazardous Waste Control Law (Health & Safety Code section 25100, et seq., hereinafter “HCL”); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Safety Code section 25300, et seq.; hereinafter “HSA”), and in the

### Appendix 3: Conservation Easement

regulations adopted pursuant to them, or any other applicable Environmental Laws that define Hazardous Materials now in effect or enacted after the Effective Date.

(5) The term “Environmental Laws” includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, or local statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee that all activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(l) **Warranty.** Grantor represents and warrants to Grantee that Grantor is the sole owner of fee simple title to the Property; that the Property is not subject to any other conservation easement; and, other than those exceptions expressly listed in **Exhibit H**, attached hereto and incorporated herein by this reference, there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a written, recorded subordination agreement approved by Grantee.

(m) **Additional Easements.** Grantor shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), or grant, transfer, abandon, or relinquish (each a “Transfer”) any mineral, air, or water right, or any water associated with the Property, without first obtaining the written approval of Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. This section shall not limit the provisions of Section 3 nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 22. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to Grantee.

(n) **Recording.** Grantee shall record this Conservation Easement in the Official Records of Plumas County, and Grantee may re-record this Conservation Easement at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

(o) **Exhibits.** The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference in this Conservation Easement:

EXHIBIT A – Legal Description of Property and Map of the Property

EXHIBIT B – Form of Grant Deed

## Appendix 3: Conservation Easement

EXHIBIT C – Express Third-Party Uses and Third-Party Use Agreements

EXHIBIT D – Conservation Values

EXHIBIT E – Grantor’s Use of the Property

EXHIBIT F– Insurance Requirements

EXHIBIT G – Power of Termination

EXHIBIT H – Encumbrances

Appendix 3: Conservation Easement

**IN WITNESS WHEREOF** Grantor and Grantee have executed this Conservation Easement as of the day and year first above written.

**GRANTOR:**

MAIDU SUMMIT CONSORTIUM

By: \_\_\_\_\_

Name: Kenneth Holbrook

Title: Executive Director

Date: \_\_\_\_\_

**GRANTEE:**

FEATHER RIVER LAND TRUST

By: \_\_\_\_\_

Name: Shelton Douthit

Title: Executive Director

Date: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the

02898.357 4839-3559-2050.1

Appendix 3: Conservation Easement

instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

EXHIBIT A

Legal Description of the Property and Map of the Property

[Follows this page]

02898.357 4839-3559-2050.1

EXHIBIT B  
Form of Grant Deed  
[Follows this page]

02898.357 4839-3559-2050.1

Appendix 3: Conservation Easement

EXHIBIT C

Express Third-Party Uses and Third-Party Use Agreements

Cooperative Agreement between Sierra Pacific Industries and Pacific Gas and Electric Company, dated XXX.

02898.357 4839-3559-2050.1

EXHIBIT D

Conservation Values

In addition to the general description of the Conservation Values expressly included in the Recitals of the Conservation Easement Deed, the particular Conservation Values of the Property include, without limitation, the following:

1. **Fish, Plant, and Wildlife Habitat**

The Property is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. The Property is important for nesting and wintering waterfowl, and special status species such as willow flycatcher, sandhill crane, yellow warbler, bald eagle, and osprey are present.

The Property consists of two parcels that are both adjacent to the north basin of Lake Almanor. Parcel One lies west of the reservoir on a relatively level plain; Benner Creek flows through this parcel. Parcel Two lies on the eastern edge of the reservoir; this parcel is adjacent to the shoreline of the reservoir. Mud Creek flows into the reservoir through this parcel, which is dominated by steep slopes and dense conifer forests.

**CWHR Habitat Types and Special Habitat Elements**

The Property contains the following California Wildlife Habitat Relationship (CWHR) terrestrial habitat types [as such types are defined in "A Guide to Wildlife Habitats of California," prepared for the California Department of Fish and Game, by Kenneth E. Mayer and William F. Laudenslayer, Jr., Editors (1988)]:

The Property is dominated by diverse, mid-successional Sierra Mixed Conifer (SMC) habitat, with Douglas fir (*Pseudotsuga menziesii*), Ponderosa pine (*Pinus ponderosa*), white fir (*Abies concolor*), sugar pine (*Pinus lambertiana*), and incense cedar (*Calocedrus decurrens*) present. Areas were observed on the Property that had Bitterbrush (BBR) and Montane Chaparral (MCP) habitats.

On Parcel One, the western parcel, there are dense stands of Lodgepole Pine (LPN) that are growing in the meadow. The eastern portion of Parcel One consists of Annual Grassland (ASG). Both parcels have areas of Montane Riparian (MRI) habitat along the creeks where Black cottonwood, Bigleaf maple, Willow, Dogwood and Alders grow. Numerous areas on the Property contain dense stands of Aspen (ASP).

**Wildlife**

- a. DEER HERD. The Property's open SMC, MCP and BBR habitats provide summer and migratory habitat for deer.

- b. BLACK BEAR. The Property's diversity of understory shrub species within the SMC habitat support black bear.
- c. NATIVE BIRD SPECIES. The Property's diverse SMC, MRI, MCP, BBR and ASP habitats, coupled with the extensive wet meadows and shoreline of the reservoir are likely to support a mix of resident and migrant native bird species associated with mid-successional mixed conifer forest within the Feather River Watershed, including western tanager , yellow-rumped warbler , mountain chickadee , dark-eyed junco , and Cassin's vireo. Special status bird species likely to occur on Property include: olive-sided flycatcher, bald eagle, osprey and Cooper's hawk.
- d. BALD EAGLE AND OSPREY. The Property's close proximity to Lake Almanor (less than 10 meters at points along the western portion of Parcel Two, and 800 meters along the eastern portion of Parcel One) and SMC species mix that contains co-dominant sugar and Ponderosa pine, provide opportunities for bald eagle and osprey to nest in trees on the Property.

## **2. Open Space**

The Property has value as open space by providing a natural and scenic viewshed for the public. Scenic views of Lake Almanor and adjoining public and privately-owned lands are available from the Property, as are views of Lassen Peak, the Caribou Wilderness and Lassen Volcanic National Park. The Property affords publicly-important scenery and open space, especially as viewed from State Highway 36.

## **3. Outdoor Recreation**

Recreational use of the Property by the public includes birding, hiking, and other passive uses.

## **4. Sustainable Forestry**

The Property includes timbered land supporting conifer species in the Sierran Mixed Conifer habitat containing sugar pine, white fir, Douglas fir, Ponderosa Pine, incense cedar and Jeffrey pine.

## **5. Agricultural Uses**

Numerous features were observed on Parcel One associated with historic livestock management, including fences and gates. Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs could be cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

**6. Historic Resources**

The Property contains a number of historic resources. The land underlying Lake Almanor, known as Big Meadow, and which is nearby, is part of the ancestral territory of the Maidu people. The creation of the Lake inundated many sites of cultural significance to the Maidu people; entire villages were flooded.

EXHIBIT E

Grantor's Use of the Property

The following uses of the Property are permitted or prohibited, as indicated below. Permitted uses are deemed to be consistent with the Conservation Purposes and do not require approval by the Grantee, unless otherwise indicated. Prohibited uses are deemed to be inconsistent with the Conservation Purposes and may not be authorized by the Grantee. Grantor agrees that all permitted uses shall be carried out in conformance with applicable local, state, and federal laws, including the California Environmental Quality Act ("CEQA"), and the terms of this Conservation Easement.

- 1. Subdivision and Partitioning:** Any legal or de facto division, subdivision, lot creation, or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35), is prohibited. Notwithstanding that, as of the Effective Date, the Property is comprised of separate legal parcels, the terms and conditions of this Conservation Easement will apply to the Property as a whole, and the Property will not be transferred or otherwise conveyed except as a whole, intact, single piece of real estate; neither Grantor nor Grantor's personal representative, successors, or assigns will transfer or otherwise convey any portion of the Property that constitutes less than the entire fee interest in the Property, except for leasehold interests. The existence of separate legal parcels as of the Effective Date shall not be interpreted to permit any use or activity on a separate legal parcel that would not have been permitted on such parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Upon prior written notification to the Grantee, the Grantor may execute one or more lot-line adjustments that may involve the boundary of the Property, provided, however, that no part of the Property is removed or divided from the Property as a whole.
- 2. Development Rights:** Except as specifically permitted by this **Exhibit E**, the exercise of any development rights associated with the Property is prohibited, including, without limitation, the right to construct apartment houses; multi-family dwellings; mobile homes; house-trailers; permanent tent facilities or similar structures; golf courses; casinos and gaming facilities; underground tanks; billboards, or street lights. All development rights that are now or hereafter allocated to, implied, reserved or inherent in the Property are assigned, granted, deeded and/or otherwise transferred to and/or vested in and/or otherwise placed under the sole and absolute control and discretion of Grantee in perpetuity and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described or to any other property nor used for the purpose of calculating permissible lot yield of the Property or any other Property.
- 3. Commercial Uses:** Except as specifically permitted by this **Exhibit E**, commercial uses on the Property are prohibited, including but not limited to livestock feedlots; gravel mining; commercial hotels; casinos and gaming facilities; retail outlets;

## Appendix 3: Conservation Easement

retail gas station; commercial wind farms; commercial fish hatcheries; golf courses; billboards; cannabis cultivation; and commercial cultivation of native plants.

4. **Construction of Structures:** Except as specifically permitted in this **Exhibit E**, construction of structures for any purpose is prohibited anywhere on the Property.

**5. Roads:** Grantor may maintain, repair, or replace existing roads on the Property, taking care to ensure that any such activities are consistent with the current footprint and level of improvement of such roads. Grantor shall have the right to limit or prohibit access to existing nonpublic roads, provided such actions are consistent with existing rights of way and/or easements on the Property, and further, that such actions are consistent with Section 3 and Section 8 of this Conservation Easement. Grantor may upgrade existing roads within the same footprint of such roads, subject to consultation with the Grantee pursuant to Section 10 (a) of this Conservation Easement. Grantor may construct new roads for management uses authorized by this Conservation Easement. In accordance with Section 10 of this Conservation Easement, the location, design, and construction of such new roads shall be approved by Grantee, which approval shall not be unreasonably withheld. Any other alteration of the surface or general topography of the Property for the purpose of construction, improvement or replacement of roads for motorized vehicles of any type or for the purpose of paving such roads is prohibited.

**6. Fences and Gates:** Grantor may construct, place and erect fencing and gates only as necessary for permitted uses of the Property, or as necessary to protect and maintain the Maidu cemetery that is adjacent to the Property. The construction and installation of fencing and gates shall not significantly impair the Conservation Values and shall not interfere with the public access requirements set forth in Section 8 of this Conservation Easement. In the event of destruction or deterioration of any fences and gates, whether existing at the date hereof or constructed subsequently in accordance with the provisions of this Conservation Easement, Grantor may maintain, remove and/or replace such fencing and gates with replacements of substantially the same size.

**7. Trails:** Grantor may construct and maintain trails (defined as any definable route less than ten (10) feet in width, not including curbs, cuts or fills) for recreational and educational purposes, and for use by pedestrians, horses and mules, and bicycles. Notwithstanding any other provision in this Conservation Easement to the contrary, Grantor may grant an easement to the County of Plumas for use of the Property as a trail corridor to connect to the Almanor Recreation Trail or for other purposes. The dimensions and materials for such a trail shall be consistent with those of the Almanor Recreation Trail. Grantor may use motorized vehicles on trails for management and exercise of Maidu traditional cultural practices, provided such use does not significantly impair the Conservation Values. Otherwise, motorized vehicles are prohibited on trails. The following requirements for the construction and maintenance of such new trails shall apply: (a) the trail shall be located, to the extent possible, in the path of a trail or road existing on the Effective Date, as defined in the Baseline Documentation Report; (b) the trail shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage; (c) the trail shall be otherwise installed in a manner to avoid unnecessary tree removal, grading and other land disturbance, but allowing for selective brush removal; and (d) prior to construction of trails, Grantor shall submit to Grantee a qualified scientist's opinion that the proposed trail construction will

02898.357 4839-3559-2050.1

not impact any cultural resources, special status, endangered or threatened plant or animal species, or their habitats, listed in the Baseline Documentation Report, or any other such cultural resources or designated plant or animal species or habitats identified at the time of the proposed construction. Grantor shall consult with Grantee regarding construction of trails under Section 10(a) of this Conservation Easement, but Grantee's approval shall not be required, Section 8(b) of this Conservation Easement notwithstanding.

**8. Recreational Uses:** Subject to and without limiting the requirements of Section 8 of this Conservation Easement, including the prior approval of Grantee as required under Section 8(b) of this Conservation Easement, Grantor may make the Property available for low-intensity outdoor recreational and educational activities, including hiking, nature study, and mountain biking. Hunting or fishing by the public shall not be allowed. Grantor may impose a reasonable charge for these activities, provided that any financial gain is dedicated to the not-for-profit mission of the Grantor. Camping by members of the public shall not be allowed. Grantor may enter into agreements with third parties for delivery of such commercial recreational and educational activities. Notwithstanding any other provision herein to the contrary, any increase in the intensity of use, expansion of the location or size of use, or change in use whether through a Third-Party Use Agreement or Grantor's use of the Property requires prior approval of Grantee in accordance with Section 8(b) of this Conservation Easement, which approval shall not be unreasonably withheld, delayed or conditioned.

**9. Traditional Activities:** Grantor may propagate, restore, maintain, or gather vegetation, plants, nuts, seeds or other natural materials related to the Mountain Maidu's traditional culture on the Property. Private and/or public Mountain Maidu traditional recreational, spiritual, cultural, and educational activities shall be permitted on the Property, including but not limited to, ceremonies, dances, games, and knowledge sharing workshops. The Grantor may authorize Maidu people to hunt on the property, consistent with state law. Grantor shall conduct its cultural activities in a manner that does not significantly impair the Conservation Values, and Grantor intends to manage the Property in accordance with Maidu land management principles and practices based on TEK as specifically described in the Management Plan.

**10. Water Resources:** As necessary and appropriate to carry out the uses permitted by this Conservation Easement, Grantor may, after obtaining any necessary state permits, develop, enhance and maintain water resources on the Property for habitat restoration, water consumption in connection with permitted uses, and permitted recreation uses, provided that such activities are consistent with and do not violate PG&E's Reserved Rights and do not significantly impair the Conservation Values. Permitted uses include, without limitation, the construction, repair, and maintenance of ponds and irrigation systems; installation and maintenance of wells, and the development of water capture and delivery facilities, including but not limited to water lines and access roads or trails to water facilities consistent with Section 5 and Section 7 of this **Exhibit E**. Water may be exported off the Property for immediate fire control

02898.357 4839-3559-2050.1

response or wildfire emergency. Other than as permitted in this section, the manipulation, impoundment, or alteration of any natural swale, natural water course, non-human constructed channel, wetland, stream-bank, vernal pool, perennial spring, water circulation, or any other body of water are prohibited.

**11. Water and Mineral Rights:** The transfer, encumbrance, sale, lease, severance, or other separation of the mineral or water rights for the Property by Grantor is prohibited without the prior approval of Grantee in accordance with Section 10(b) of this Conservation Easement, which Grantee may withhold in its absolute discretion. The following are also prohibited: changing the place or purpose of use of any water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any groundwater from wells that are in existence or may be constructed in the future on the Property. Nothing herein restricts the right of Grantor to enter into sales, purchases, leases, exchanges, and other transactions in water rights, such as forbearance agreements or the use of Water Code section 1707, with a government agency or nonprofit organization for wildlife, ecological enhancement purposes, or other in-stream Conservation Values, subject to the sole discretion and prior written approval of Grantee under Section 10(b) of this Conservation Easement, provided that any such transfer does not significantly impair other Conservation Values of this Conservation Easement.

**12. Air Rights:** The transfer, encumbrance, sale, lease, severance or other separation of the air rights attached to the Property by Grantor is prohibited without the prior approval of Grantee in accordance with Section 10(b) of this Conservation Easement, which Grantee may withhold in its absolute discretion. Grantor shall not use or authorize others to use the airspace above the Property for commercial or private aviation, including but not limited to, airplane flights, ultralight flights; hang gliding; glider flights; rotor craft flights; balloon flights; airship flights; and light sport airplane flights. Grantor may use unmanned aerial vehicles for management or monitoring purposes, but shall not authorize others to use such airspace above the Property for that purpose. Grantee may use unmanned aerial vehicles for monitoring purposes, provided Grantee notifies Grantor in writing of such intended use thirty (30) days in advance of each flight.

**13. Natural Resource Management:** Grantor may protect, restore, enhance and maintain the natural resources on the Property, including, without limitation, stabilization of banks and soils, vegetation management; fire control and the enhancement of biodiversity, all, in accordance with sound, generally accepted practices such as prescriptive grazing, prescriptive burning, harvesting, thinning, planting and brush removal, provided such activities do not significantly impair the Conservation Values. The intentional introduction of non-native tree or other plant species is prohibited.

02898.357 4839-3559-2050.1

Grantor may remove or control invasive, non-native plant species or feral, non-native animal species, using techniques that minimize harm to native wildlife and plants, provided such activities do not significantly impair the Conservation Values. Grantor may restore beaver habitat on the water courses on the Property, provided such activities do not significantly impair the Conservation values.

**14. Refuse and Hazardous Materials:** The dumping, deposit, permanent storage and/or disposal of refuse, soil, trash, contaminated soil, waste, bio-solids, debris, sewer sludge, agrichemicals, herbicides, pesticides, or any other dangerous, toxic, hazardous or unsightly materials on the Property is prohibited.

**15. Minerals:** Grantor may not explore for or extract minerals on the Property, provided that notwithstanding the foregoing, Grantor may remove existing rocks from the Property to be used for the purpose of blocking off roads on the Property, and for other purposes on the Property approved by the Grantee under Section 10(b) of this Conservation Easement, which approval shall not be unreasonably withheld, conditioned or delayed. Grantor may further remove gravel for the purposes of building permitted structures and/or maintaining permitted roads on the Property. No removal of rocks may occur within 50' slope distance of any perennial or ephemeral watercourse, as such term is defined in the California Forest Practice Rules 2013, Title 14 California Code of Regulations, Chapter 4 Article 1, 895.1, as amended. Erosion control and drainage structures are not considered "man-made watercourses" under this Conservation Easement. Other than as permitted by this section, the filling, dumping, excavating, draining, dredging, mining, hydraulic fracturing, drilling, removing or exploring for or extracting minerals, loam, soil, sands, hydrocarbons, gravel, rocks or other similar material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose are prohibited.

**16. Forest Management:**

(a) **Permitted Forestry Practices:** The Grantor reserves the right to harvest, cut or remove trees and vegetation for the following purposes and to use or sell the timber products resulting from such activities, all in accordance with the forest management component of the Management Plan ("Forest Management Plan Component"):

- (i) for firewood for use on the Property and for direct, personal use by members of the Maidu community outside the Property, provided such use does not significantly impair the Conservation Values;
- (ii) for the removal of trees and milling of lumber to be used by Grantor for construction purposes on the Property as permitted by this Conservation Easement, in connection with which Grantor may make use of a portable sawmill on the Property;

### Appendix 3: Conservation Easement

- (iii) to prevent, mitigate and/or respond to any natural disaster (such as wildfire, insect and disease outbreak, drought or wind damage), including the salvage and removal of dead, dying, or diseased timber; and the creation of fuel breaks;
- (iv) for the purposes of public or personal safety on the Property;
- (v) to promote the health and sustainability of the Property's natural resources, to restore and maintain an ecologically appropriate mix of overstory and understory vegetation and to control invasive and non-native vegetation, with the goal of old growth and black oak establishment and management;
- (vi) to reduce or manage fuel loads, favor or maintain specific native vegetation types, or otherwise promote forest health by prescriptive burns and fire management activities including but not limited to grazing by goats or other herbivores;
- (vii) for wildlife habitat restoration or management; and
- (viii) for the removal of trees in connection with the clearing of areas for structures as permitted by this Conservation Easement.

Grantor further may carry out forest management activities not expressly set forth above, provided, however, that all such activities are conducted in a manner that is consistent with the Conservation Purposes and other terms and conditions of this Conservation Easement. Snags shall be retained for wildlife habitat benefits and shall not be intentionally removed, except for reasons of public safety or adherence to the objectives of the Management Plan, and in accordance with the requirements of the California Forest Practice Act and Rules.

(b) **Forest Management Planning**: The Forest Management Component of the Management Plan shall be prepared and approved by a Registered Professional Forester or by an equivalent professional who is reasonably acceptable to Grantee. The goals of the Forest Management Component of the Management Plan shall be to create, manage and preserve a healthy and vigorous forest with sustainable stands of native tree species; to manage the forest to improve resilience to drought and pests; to reduce build-up of fuels that create risks of catastrophic fire; and to create and maintain a full and balanced variety of stand species, ages and characteristics; and to manage the forest to enhance wildlife as determined by Grantor. The Forest Management Component of the Management Plan will identify objectives to protect and enhance resources, including cultural resources. Planning will investigate the potential for a traditional demonstration management area to educate the public about Native American traditional ecological practices used in the area.

(c) **Timber Harvest Plans:** Except for actions to mitigate threat(s) to public or personal safety, any permit applications associated with proposed Timber Harvest Plans shall be submitted to Grantee for review and consultation under Section 10(a) of this Conservation Easement at least 30 days prior to the submission of the application to the California Department of Forestry and Fire Protection (“Cal Fire”). Grantor shall notify Grantee immediately of any proposed actions to be taken on an emergency basis to protect public or personal safety. If review of the proposed Timber Harvest Plan by Cal Fire results in modifications to the proposed Timber Harvest Plan, Grantor shall further consult with Grantee in accordance with Section 10(a) of this Conservation Easement.

(d) **Reports:** Grantor shall submit to Grantee a report on harvest levels and their impact, if any, on the Conservation Purposes and Conservation Values of the Property every ten (10) years. Grantee and the Grantor may agree that the report can be deferred beyond the ten-year period.

**17. Fire Management:** Fire protection and suppression activities shall be permitted on the Property, provided such activities do not significantly impair the Conservation Values. Except where Grantor is required to take emergency action to protect public or personal safety, Grantor shall consult with Grantee under Section 10(a) of this Conservation Easement before undertaking any fire management activities under this section. Where Grantor is required to take emergency action to protect public or personal safety, such action shall be carried out in a manner designed to minimize impacts on the Conservation Values.

**18. Carbon Rights:** Grantor hereby reserves for itself and its successors and assigns all carbon rights and the right to sell carbon rights that are part of and appurtenant to the Property for forest-based carbon storage occurring by virtue of the forest management and other restrictions established herein starting as of the Effective Date. For the purposes of this Conservation Easement, carbon rights and carbon as described herein are rights that currently exist or may come to exist in the future and are associated with the absorption by plants of carbon dioxide from the atmosphere and its conversion to carbon stored in trees and plants on the Property or stored in wood products extracted pursuant to forest management activities permitted herein, and trees and other vegetation and associated roots, surface duff and organic elements in the soil on the Property;

**19. Agriculture:** Ranching and commercial and non-commercial production of agricultural crops is limited to (1) the planting and harvesting of native plants as may become viable for Grantor in the future; (2) other ranching and agricultural activities which do not significantly impair the Conservation Values; provided any and all such uses are approved in advance by Grantee in accordance with Section 10(b) of this Conservation Easement, which approval shall not be unreasonably withheld, conditioned or delayed; and (3) as otherwise permitted by this Conservation Easement. Other than as permitted by this Section 19, the plowing, disking, cultivation, ripping,

02898.357 4839-3559-2050.1

## Appendix 3: Conservation Easement

planting, sowing, irrigation, or any other conversion of the Property to crops, orchards, vineyards, or any other agricultural use or disturbance of the Property and its native vegetation are prohibited. Intentional seeding, planting, or introduction of exotic or non-native plant species are prohibited.

**20. Vehicle Use:** Grantor may authorize the use of motorized vehicles on designated roadways for the recreational uses permitted in Section 8 of this **Exhibit E**. Except as permitted in Section 8 of this **Exhibit E**, commercial recreational vehicle use is prohibited. Grantor shall take reasonable and practicable actions to ensure that all vehicles use only designated roads, and that unauthorized third parties are prevented from using motorized vehicles on the Property, provided, however, that Grantor shall not be responsible for injuries or changes to the Property caused by such uses beyond Grantor's control. In no event shall any all-terrain vehicles, off-road vehicles, or off-highway vehicles, including without limitation four-wheelers, three-wheelers, snowmobiles, and/or motorcycles be used off designated roadways, except when used by Grantor for management or to exercise Maidu traditional cultural practices, provided such uses do not significantly impair the Conservation Values. Grantor shall consult with Grantee about its vehicle use on the Property in accordance with Section 10(a) of this Conservation Easement.

## Appendix 3: Conservation Easement

02898.357 4839-3559-2050.1

EXHIBIT F

Insurance Requirements

Grantor shall procure, carry, and maintain at all times the following insurance coverage:

1. Workers' Compensation and Employers' Liability:
  - a. Workers' compensation insurance or self-insurance indicating compliance with any applicable labor codes, laws, or statutes.
  - b. Employers' liability insurance shall not be less than **one hundred thousand dollars (\$100,000)** for injury or death each accident.
  
2. Commercial General Liability:
  - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
  - b. The limit shall not be less than **one million dollars (\$1,000,000)** each occurrence and **two million dollars (\$2,000,000)** aggregate for bodily injury, property damage, and personal injury.
  - c. Coverage shall add as additional insureds Grantee, their directors, officers, employees, and volunteers with respect to liability arising out of work performed by or for Grantor, and Coverage shall be endorsed to specify that Grantor's insurance is primary.
  
3. Business Auto:
  - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, Code 1 "any auto".
  - b. The limit shall not be less than **one million dollars (\$1,000,000)** each accident for bodily injury and property damage.
  
4. Additional Insurance Provisions:
  - a. Upon change in carrier or coverage, or otherwise upon request of either Grantee, Grantor shall furnish Grantee with certificates of insurance and endorsements of all required insurance for Grantor.
  - b. The documentation shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantee.

### Appendix 3: Conservation Easement

- c. Upon request by Grantee, not to exceed once annually, Grantor shall furnish Grantee with complete copies of its policies, the policies of its agents or contractors, or both.

EXHIBIT G

Power of Termination

[Follows this page]

EXHIBIT H  
Encumbrances

1. An easement to maintain and use existing roads for incidental purposes, as granted to Roseburg Resources Company, in deed recorded October 28, 1986, in Book 449, page 672, official records.



**Conservation Easement Funding Agreement  
Lake Almanor Planning Unit (Maidu Wetlands) -  
Lands Donated to Maidu Summit Consortium**

This Conservation Easement Funding Agreement (“**Agreement**”) is entered into as of the Effective Date (defined below) by and between the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation (the “**Stewardship Council**”) and the Feather River Land Trust (“**FRLT**”), a California nonprofit public benefit corporation (“**Grantee**”) with reference to the following facts:

A. The Stewardship Council was created to oversee the “**Land Conservation Commitment**” described in (1) that certain Settlement Agreement among Pacific Gas and Electric Company (“**PG&E**”), PG&E Corporation, and the California Public Utilities Commission (the “**Commission**”) as modified and approved by the Commission in its Opinion and Order of December 18, 2003 (Decision 03-12-035) (the “**Settlement Agreement**”); and (2) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the “**Stipulation**”).

B. Pursuant to the Settlement Agreement and Stipulation, certain lands owned by PG&E at the time of the Settlement (the “**PG&E Watershed Lands**”) are to be conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The Stewardship Council is charged with developing a Land Conservation Plan for the protection and enhancement of the PG&E Watershed Lands.

C. Grantee is a publicly-supported, tax exempt nonprofit organization, qualified under Section 501(c)(3) of the Internal Revenue Code (“**IRC**”), whose primary purpose is to preserve, protect or enhance, land in its natural scenic, historical agricultural, forested or open space condition or use and conserve natural areas for aesthetic, scientific, charitable and educational purposes. Grantee is eligible to hold a conservation easement pursuant to California Civil Code Section 815.3.

D. Feather River Land Trust has agreed to accept perpetual conservation easements over PG&E Watershed Lands that are subject to PG&E’s Land Conservation Commitment at the Bucks Lake, Butt Valley, Humbug Valley, Lake Almanor and Mountain Meadows planning units (“**the Watershed Properties**”).

E. In connection with the Land Conservation Commitment, Grantee has agreed to accept a perpetual conservation easement created pursuant to California Civil Code Section 815 *et seq.* (the “**Conservation Easement**”) over a portion of the PG&E Watershed Lands that will be transferred by PG&E to the Maidu Summit Consortium consisting of approximately 297 acres of real property located in the County of Plumas, State of California, indicated by all or a portion of parcels 373 and 426, commonly referred to as “Lake Almanor (Maidu Wetlands)”, on the drawing attached as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the “**Property**”).



F. In consideration of Grantee's agreement to accept the Conservation Easement and assume the duties and obligations of the easement holder, the Stewardship Council has agreed to provide funding to Grantee in the amounts and subject to the terms and conditions described below.

**NOW, THEREFORE**, the Stewardship Council and Grantee agree as follows:

1. Effective Date. This Agreement shall become effective upon the recording of the Conservation Easement in favor of Grantee in the Official Records of Plumas County (the "**Effective Date**"). It is understood and agreed that if for any reason whatsoever the recording of the Conservation Easement does not occur on or before January 31, 2021, this Agreement shall be of no further force or effect and the parties shall thereupon be released from any obligations under this Agreement.

2. Grant Amount and Payment Terms. Effective upon the Effective Date, the Stewardship Council grants **One Hundred Thirty-Eight Thousand Two Hundred Dollars (\$138,200)** (the "**Grant Funds**") to Grantee. The Grant Funds shall be payable to Grantee within thirty (30) days of the Effective Date. Grantee will use the Grant Funds for the purposes described in this Agreement and for no other purpose without the prior written consent of the Stewardship Council. The Stewardship Council reserves the right to require the total or partial return of Grant Funds in the event Grantee fails to comply with the terms and conditions of this Agreement.

3. Grant Restrictions. The use of the Grant Funds shall be restricted as follows:

a. No less than Sixty-Four Thousand One Hundred Dollars (\$64,100) of the Grant Funds shall be deposited into a non-wasting endowment restricted solely for the purpose of funding Grantee's costs for the stewardship and monitoring of conservation easements on the Watershed Properties (the "**Endowment Monitoring and Stewardship Funds**"). The types of allowable expenditures of these funds are described in Sections 5 and 6 below.

b. Ten Thousand Dollars (\$10,000) of the Grant Funds shall be restricted to the legal defense and enforcement of conservation easements held by Grantee, including, but not limited to, the conservation easements established on the Watershed Properties (the "**Defense and Enforcement Funds**"). The types of allowable expenditures of these funds is described in Section 8 below.

c. The remainder of the Grant Funds shall be restricted for the purpose of funding Grantee's costs for the stewardship and monitoring of any conservation easements held by Grantee, including but not limited to the conservation easements on the Watershed Properties (the "**General Monitoring and Stewardship Funds**"). Grantee may use the General Monitoring and Stewardship Funds to monitor any of its conservation easements as long as Grantee meets its obligations as described in Section 5 below.



4. Grant Deposit Requirements.

a. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the Endowment Monitoring and Stewardship Funds into an account which shall be restricted solely for the purpose of funding Grantee's costs for the stewardship and monitoring of conservation easements on the Watershed Properties and shall be treated as a non-wasting endowment such that only earnings on the principal of the Endowment Monitoring and Stewardship Funds can be used by Grantee to cover the costs and expenses detailed in Sections 5 and 6 below for any Watershed Property conservation easement.

b. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the General Monitoring and Stewardship Funds and the Defense and Enforcement Funds into an account which shall be restricted to the stewardship, monitoring, and legal defense or enforcement of the conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property. This account is not required to be non-wasting. Notwithstanding the right of Grantee to deposit the Monitoring and Stewardship Funds and the Defense and Enforcement Funds into a single account, the use of each type of funds is restricted as provided in Section 3 above.

c. The requirement to provide evidence of deposit will be satisfied when Grantee submits to the Stewardship Council the form attached as **Exhibit B**.

5. Conservation Easement Monitoring. From and after the Effective Date, Grantee agrees to conduct regular monitoring of the Property to ensure compliance with the terms of the Conservation Easement. Grantee shall conduct on-site monitoring of the Property not less than annually to assess compliance with the terms and conditions of the Conservation Easement and note any material changes to the Property compared to the base-line documentation report and prior monitoring reports. Upon written request, the Stewardship Council or its designee shall be permitted to accompany the Grantee on its monitoring visits and to receive a copy of any monitoring report prepared by Grantee. Permissible uses of the Endowment Monitoring and Stewardship Funds shall include, but not be limited to:

a. Regular on-site inspection and monitoring to ensure that the terms of conservation easements on the Watershed Properties are being met;

b. Recordkeeping and preparation of reports, notices of violation, any written consent to be submitted to the fee title owner of the property which is subject to the easement, and other documentation related to the conservation easement and the Watershed Property;

c. Payments for staff, consultants and attorney time necessary to carry out Grantee's stewardship responsibilities with regard to the conservation easements on the Watershed Properties;



d. Communications with the fee title owner of the Watershed Property which is subject to the easement regarding the provisions of the conservation easement and planned or completed activities on the lands to be performed or allowed by the fee title owner or a licensee/lessee;

e. Responding to any inquiries or concerns raised by entities that have leases or licenses on the Watershed Property or other stakeholders who have an interest in ensuring the beneficial public values are protected.

f. Payment of premiums charged for General Liability insurance coverage on the Property.

6. Defense and Enforcement Funds. Grantee shall be permitted to use the Defense and Enforcement Funds for the following purposes:

a. To make direct expenditures of attorneys' fees, costs and disbursements incurred in connection with proceedings to enforce and/or defend the provisions of a conservation easement against legal challenge, including any claims by third parties;

b. To "pool" funds for legal expenses to enforce and/or defend against legal challenge conservation easements held by the Grantee, including without limitation the Conservation Easement on the Property;

c. To pay premiums into a Conservation Defense Insurance Program offered through the Land Trust Alliance, or other nationally-recognized conservation organization of which Grantee is a member for the enforcement and defense of conservation easements held by member organizations, or to cover deductibles related to such insurance.

7. Grant Report. Grantee agrees to submit to the Stewardship Council and/or its designee the following grant Status Reports pursuant to this Agreement. The initial Status Report shall be submitted to the Stewardship Council by the third quarter of the 2021 calendar year and include data up to the date of the initial Status Report. The final Status Report shall be submitted to the Stewardship Council or its designee on or before December 31, 2023. The due dates of the initial and final Status Reports can be changed by the Stewardship Council or its designee with at least 60 days written notice to Grantee. The Stewardship Council or its designee shall notify Grantee in a timely manner of the form and content of each Status Report, which shall include, at a minimum:

a. Copies of annual monitoring reports pertaining to the Conservation Easement for years selected by the Stewardship Council or its designee;



b. A statement as to whether any violations of the Conservation Easement were observed during the reporting period, and the outcome of any action taken to correct such violation;

c. A statement as to whether any amendments to the Conservation Easement were approved during the reporting period, with copies of any such amendments included in the Status Reports;

d. A statement as to whether fee title of the property was conveyed, the date of such conveyance, and the identity of the transferee; and

e. A report providing an accounting of how the Grant Funds have been invested or expended in furtherance of the purposes of this Agreement.

8. Records. Grantee will indicate the Grant Funds separately on its books of account, and maintain such records in accordance with generally accepted accounting principles. Grantee shall additionally maintain written records including the base-line documentation report, the Deed of Conservation Easement, any amendments to the Conservation Easement, other transaction documents, and copies of monitoring reports, notices to the landowner, and other communications pursuant to the Conservation Easement in accordance with the practices generally accepted in the land trust community.

9. Inspection. The Stewardship Council or its designee shall have the right to inspect the books and records of Grantee and evaluate Grantee's use of Grant Funds, so long as (i) such inspection or evaluation occurs during regular business hours; (ii) such inspection or evaluation does not unreasonably interfere with Grantee's regular operations; and (iii) the Stewardship Council or its designee provides at least three (3) days prior notice of any such inspection or evaluation.

10. Assignment and Transfer of Funds. Grantee shall not assign its interest under the Conservation Easement except in accordance with the provisions of the Conservation Easement relating to permitted assignments. In the event that Grantee assigns its interest under the Conservation Easement to a successor conservation easement holder ("**Assignee**"), Grantee shall transfer all Grant Funds in its possession to Assignee and require that Assignee and assume all of Grantee's obligations under this agreement.

11. Publicity. The Stewardship Council may include information regarding this Agreement and Grantee in its periodic public reports, press releases, or other public communications.

12. Representations and Warranties. Grantee warrants and represents that it is a tax exempt organization under Section 501(c)(3) of the IRC, and is not a private foundation as defined in section 509(a) of the IRC or is an exempt operating foundation described in Section 4940(d)(2) of the IRC. Grantee further represents and warrants that it shall not use the Grant Funds to attempt to influence legislation or otherwise carry out lobbying activities within the meaning of Sections 501(h), 4911, 4945(d)(1) or 4945(e) of the IRC. No part of the Grant



Funds may be used to attempt to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive. No part of the Grant Funds may be used for purposes other than charitable, scientific, literary, or educational purposes within the meaning of IRC Section 501(c)(3).

Grantee does not knowingly employ individuals or contribute funds to organizations found on any terrorist-related list prepared by the U.S. Government, the United Nations, or the European Union, including the Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals List, the Department of Justice's Terrorist Exclusion List, or the list attached to Executive Order 13224. Should any change occur with respect to the preceding sentence, Grantee will notify the Stewardship Council within 7 days of such change.

13. Indemnification. Grantee hereby agrees to indemnify, defend, and hold harmless the Stewardship Council, and the Stewardship Council's past, present and future officers, directors, and employees, from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that they may incur or suffer and that result from, or are related to, the receipt and use of the Grant Funds by Grantee.

14. Limit of Stewardship Council Obligations. The Stewardship Council's obligations under this Agreement shall under no circumstances exceed the Grant Funds amount set forth in Section 2 above.

15. Assignment. This Agreement may not be assigned by the Grantee in whole or in part except as provided in Section 12 above. The Stewardship Council may assign its rights and delegate its obligations under this Agreement to a third party at the Stewardship Council's sole discretion. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit and burden of the parties and their respective heirs, successors and assigns.

16. Amendment; Entire Agreement. This Agreement may not be amended or modified except by written instrument signed by both parties. This Agreement constitutes the entire understanding of the parties concerning the subject matter hereof, and supersedes any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein.

17. Governing Law. This Agreement shall be governed by the laws of the State of California.

18. Counterparts. This Agreement may be executed in counterparts which together shall constitute a single agreement.

***[Signature page follows]:***



**Pacific Forest and Watershed Lands Stewardship Council,**  
a California Nonprofit Public Benefit Corporation

By: \_\_\_\_\_

Title: Heidi Krolick, Executive Director

Date: \_\_\_\_\_

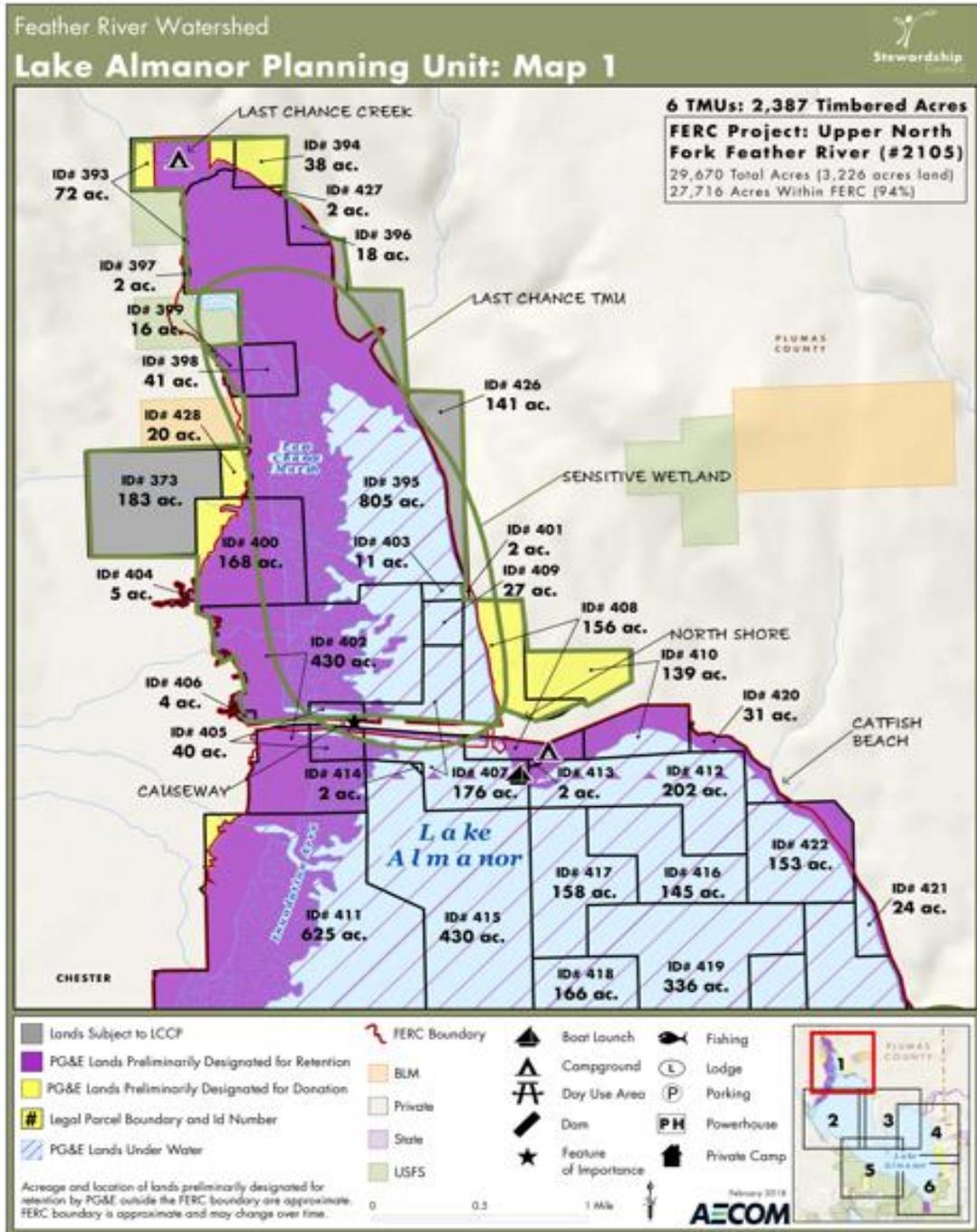
**Feather River Land Trust**  
a California Nonprofit Public Benefit Corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**  
**Map 1, Lake Almanor Planning Unit**  
**(Maidu Wetlands)**





**EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT**

**Evidence of Grant Fund Deposit and Restriction of Use Certification**

<b>Date:</b>	<b>Planning Unit/Property Title:</b> Lake Almanor (Maidu Wetlands)
<b>Grantee Name:</b> Feather River LT	<b>Grantee Address:</b>

<b>*Date of Deposit of Grant Funds:</b>		<b>Amount Deposited:</b>
<b>Bank Name:</b>	<b>Account Name:</b>	<b>Account #:</b>
<b>Certification of Deposit of Grant Funds and Restricted Use of Monitoring of Conservation Easement Funds</b>		
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of General Monitoring and Stewardship Funds as set forth in Section 3c and 5 of the Grant Agreement.		
<b>Name:</b>	<b>Title:</b>	
<b>Signature:</b>	<b>Date:</b>	

<b>*Date of Deposit of Grant Funds:</b>		<b>Amount Deposited:</b>
<b>Bank Name:</b>	<b>Account Name:</b>	<b>Account #:</b>
<b>Certification of Deposit of Monitoring and Stewardship Endowment Funds in Non-Wasting Endowment</b>		
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted solely for the purpose of funding Grantee's costs for the stewardship and monitoring of conservation easements on the Watershed Properties and shall be treated as a non-wasting endowment as set forth in Section 3a of the Grant Agreement.		
<b>Name:</b>	<b>Title:</b>	
<b>Signature:</b>	<b>Date:</b>	

For third section, see page 2



**EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT – Page 2**

<b>*Date of Deposit of Grant Funds:</b>		<b>Amount Deposited:</b>	
<b>Bank Name:</b>	<b>Account Name:</b>	<b>Account #:</b>	
<b>Certification of Deposit of Grant Funds and Restricted Use of Defense &amp; Enforcement Funds</b>			
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of the Defense and Enforcement Funds as set forth in Section 6 of the Grant Agreement.			
<b>Name:</b>		<b>Title:</b>	
<b>Signature:</b>		<b>Date:</b>	

**Return to:**  
 Stewardship Council  
 3300 Douglas Boulevard, Suite 250  
 Roseville, CA 95661  
**Phone:** (916) 297-6660

**\*Please include a copy of the bank statement referencing the above deposit.**

## PROPERTY TAX NEUTRALITY METHODOLOGY

---

### INTRODUCTION

The Settlement Agreement<sup>1</sup> and Stipulation<sup>2</sup> that established the Land Conservation Commitment require that the Land Conservation Plan being developed by the Stewardship Council provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county will be “tax neutral” for each county. Section 4.3 of Volume I of the Land Conservation Plan (LCP) adopted by the Stewardship Council in November 2007 described the Stewardship Council’s potential strategies and anticipated approach to achieving property tax neutrality at a programmatic level.

More recently, on September 17, 2009, the Stewardship Council adopted a funding policy. This policy further clarified the Stewardship Council’s approach to property tax neutrality and identified several potential vehicles to achieving this requirement. On March 30, 2011, the Stewardship Council adopted a set of guidelines which describe scenarios in which the Stewardship Council will make property tax payments to affected counties and further defined a set of overarching assumptions regarding property tax neutrality payments.

Table 1 in Appendix A lists the estimated acreage and estimated annual property taxes associated with PG&E watershed lands which have been recommended by the Stewardship Council Board of Directors for donation. The estimated total tax liability that would be subject to tax neutrality will depend upon the total acreage actually transferred, and the types of organizations receiving fee title to the lands. No PG&E watershed lands will be recommended for donation in counties that are not listed in Table 1.

### PURPOSE OF PROPOSED METHODOLOGY

The purpose of this methodology is to establish a standard payment process when lands are transferred to organizations that are exempt from paying property taxes. The following methodology will be applied to all counties which experience a loss in property tax revenues due to a recommended donation of fee title as part of the Stewardship Council’s Land Conservation Commitment.

### DETERMINING TAX NEUTRALITY PAYMENT AMOUNT

Following the Stewardship Council approval of a fee-title donation, the Stewardship Council will work with the affected county to calculate the payment amount for inclusion in the Stewardship Council’s Land Conservation and Conveyance Plan (LCCP).

1. Using the legal description and/or survey of lands identified for transfer to an organization which is exempt from paying property taxes, the Stewardship Council and PG&E will prepare an estimate of the annual taxes on lands to be donated. If assessed values on the lands recommended for donation change prior to the transfer of land, the

---

<sup>1</sup> *Opinion Modifying the Proposed Settlement Agreement of Pacific Gas & Electric Company, PG&E Corporation and the Commission Staff, and Approving the Modified Settlement Agreement*, December 18, 2003:

[http://www.stewardshipcouncil.org/documents/Settlement\\_Agreement.pdf](http://www.stewardshipcouncil.org/documents/Settlement_Agreement.pdf)

<sup>2</sup> *Stipulation Resolving Issues Regarding the Land Conservation Commitment*, September 25, 2003:

[http://www.stewardshipcouncil.org/documents/Stipulation\\_Agreement.pdf](http://www.stewardshipcouncil.org/documents/Stipulation_Agreement.pdf)

Stewardship Council will revise the payment calculation included in the proposed tax neutrality funding agreement prior to its execution by the parties.

2. The reduction in annual taxes caused by the donation of acres to organizations exempt from property tax will constitute the “Annual Base Value” for the funding calculation.
3. The County will receive a one-time lump sum payment The Stewardship Council will provide a draft funding agreement for county review and approval using the Annual Base Value and payment option. The draft funding agreement is expected to include, among other items, the following acknowledgements by the county:
  - a. Payment by the Stewardship Council satisfies the tax neutrality requirement as specified in the Settlement and Stipulation for the subject fee-title donation.
  - b. The county has issued (or will not reasonably withhold) a Welfare Tax Exemption for the new landowner, if required.
  - c. The county will agree to distribute the lump-sum payment to the applicable special districts as dictated in the relevant Tax Rate Area at the time of payment. In consideration for the additional administrative responsibility of the county to set up the process to allocate payments to special districts, the Stewardship Council will make a \$3,000 payment to the county for county’s anticipated costs to perform such activities for the first fee title donation of lands in the county. Said payment will be made at the time the Stewardship Council makes its lump-sum tax neutrality payment. For subsequent fee title donations, if a county expects to incur more than \$3,000 in costs to perform such activities, then it shall make a request to the Stewardship Council for increased funding no later than 60 days following the recording of the grant deed for each additional fee title donation or the execution of a tax neutrality funding agreement, whichever comes later. The Stewardship Council will review each funding request and provide the county with sufficient funds to cover all reasonable anticipated costs.
4. The Stewardship Council will fund the settlement amount according to the terms of the tax neutrality funding agreement as described in number 3 above no later than 60 days following the recording of the grant deed for the fee title donation or the execution of a tax neutrality funding agreement, whichever comes later.

### ***Lump-sum payment***

Lump-sum payments in satisfaction of property tax neutrality would be calculated based upon the net present value of the Annual Base Value at the time that lands are removed from the property tax rolls. The lump-sum payment will be calculated using a discounted cash flows analysis for perpetual payment streams, otherwise known as a Capitalization Rate (Cap Rate).

The Cap Rate calculation requires an assumption of a long-term rate of return on comparable investments, and a long-term inflation rate. In order to develop a Cap Rate for a lump-sum payment, the Stewardship Council considered multiple long-term inputs, including long term equity and fixed income returns (Dow Jones Industrial Average, S&P 500, U.S. Treasury,

Appendix 5: Tax Neutrality Methodology

Adopted 06/27/2012  
 Amended 06/24/2015  
 Amended 01/21/2016  
 Amended 11/15/2017

CalPERS), weighted average borrowing costs for subject counties, and discount rate assumptions for pension and other post-employment benefits.

Based upon the analysis described above, **the Stewardship Council is offering counties a Cap Rate of 4.0%** to be used in the calculation of a lump-sum payment in satisfaction of property tax neutrality. The calculation for arriving at a lump-sum payment is as follows:

$$\text{Lump Sum Value} = \text{Annual Base Value} \div 4.0\%$$

The following table provides an example of the application of the Cap Rate to various Annual Base Values:

Annual Base Value	\$500	\$1,000	\$5,000	\$10,000
Lump Sum at 4.0%	\$12,500	\$25,000	\$125,000	\$250,000

Lump-sum payments would be allocated based upon the applicable Tax Rate Area at the time of payment. The Stewardship Council envisions making these lump-sum payments as unrestricted payments in lieu of property taxes, subject to the distribution method described in section 4.c above. Counties and special districts would be free to determine the best use of the funds pursuant to the needs of the county or special district, including, if desired investment in a shared investment pool of the county’s choosing.

**Appendix A**

Estimated acreage and property taxes associated with PG&E watershed lands which have been recommended by the Stewardship Council Board of Directors for donation.

**Table 1**

**Table 1 – Estimated Property Taxes From Land Available for Donation<sup>3</sup>**

County	Lands Available for Donation	Total Taxes (Annual)	Total Taxes (Lump)
Alpine	410	2,948	\$73,691
Amador	2,040	\$8,577	\$214,431
Butte	N/A	\$0	\$0
Calaveras	60	\$53	\$1,320
El Dorado	N/A	\$0	\$0
Fresno	267	\$2,413	\$60,334
Kern	N/A	\$0	\$0
Lake	986	\$31,844	\$796,090
Lassen	N/A	\$0	\$0
Madera	220	\$10,271	\$256,770
Mariposa	N/A	\$0	\$0
Mendocino	797	\$17,011	\$425,289

## Appendix 5: Tax Neutrality Methodology

*Adopted 06/27/2012  
 Amended 06/24/2015  
 Amended 01/21/2016  
 Amended 11/15/2017*

Merced	N/A	\$0	\$0
Nevada	1,867	\$13,150	\$328,758
Placer	2,683	\$46,794	\$1,169,882
Plumas	3,278	\$40,873	\$1,021,828
San Luis Obispo	N/A	\$0	\$0
Shasta	23,386	\$89,727	\$2,243,172
Tehama	151	\$45	\$1125
Tulare	N/A	\$0	\$0
Tuolumne	868	\$360	\$9,9009
Yuba	41	\$530	\$13,256
<b>Total</b>	<b>\$37,054</b>	<b>\$264,597</b>	<b>\$6,614,955</b>

<sup>a</sup> This acreage includes lands within parcels that cross county boundaries

I.02-04-026

**APPENDIX E**  
**LAND CONSERVATION COMMITMENT**

**STATEMENT OF PURPOSE**

PG&E shall ensure that the Watershed Lands it owns and Carizzo Plains are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values. PG&E will protect these beneficial public values associated with the Watershed Lands and Carizzo Plains from uses that would conflict with their conservation. PG&E recognizes that such lands are important to maintaining the quality of life of local communities and all the people of California in many ways, and it is PG&E's intention to protect and preserve the beneficial public values of these lands under the terms of any agreements concerning their future ownership or management.

PG&E Environmental Enhancement Corporation will develop a plan for protection of these lands for the benefit of the citizens of California. Protecting such lands will be accomplished through either (1) PG&E's donation of conservation easements to one or more public agencies or qualified conservation organizations consistent with these objectives, or (2) PG&E's donation of lands in fee to one or more public entities or qualified conservation organizations, whose ownership would be consistent with these conservation objectives.

-

**COMMITMENTS**

1. PG&E Shall Place Permanent Conservation Easements on or Donate Watershed Lands: The Watershed Lands and Carizzo Plains shall (1) be subject to permanent conservation easements restricting development of the lands so as to protect and preserve their beneficial public values, and/or (2) be donated in fee simple to one or more public entities or qualified non-profit conservation organizations, whose ownership will ensure the protection of these beneficial public values. PG&E will not be expected to make fee simple donations of Watershed Lands that contain PG&E's or a joint licensee's hydroelectric project features. In instances where PG&E has donated land in fee, some may be sold to private entities subject to conservation easements and others, without significant public interest value, may be sold to private entities with few or no restrictions.

The conservation easements shall provide for the preservation of land areas for the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values and, shall prevent any other uses that will significantly impair or interfere with those values. Conservation easements on the Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and

**I.02-04-026**

future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements. In addition, easements will honor existing agreements for economic uses, including consumptive water deliveries. The conservation easements shall be donated to and managed by one or more non-profit conservation trustees, qualified conservation organizations or public agencies with the experience and expertise to fully and strictly implement the conservation easements.

2. Process For Development of the Conservation Easements and Land Donation Plan: PG&E will work with PG&E Environmental Enhancement Corporation and the Commission in the development and implementation of the conservation easements and land donation plan. PG&E Environmental Enhancement Corporation will recommend to PG&E (1) conservation objectives for the properties, including identification of conservation values, (2) criteria for ultimate disposition of the properties, (3) conservation easements guidelines, and (4) land disposition plans.
  
3. Reporting Responsibilities: PG&E Environmental Enhancement Corporation will prepare a report to the Commission within 18 months of the Effective Date describing the status of the conservation easement and land disposition plan. PG&E Environmental Enhancement Corporation will make the report available to the public upon request. Every two years following the first report, PG&E Environmental Enhancement Corporation will prepare a report to the Commission on the implementation of the conservation easement and land disposition plan.

## **Attachment B**

### **Power of Termination Agreement**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

**PACIFIC GAS AND ELECTRIC COMPANY**  
**245 Market Street, N10A, Room 1015**  
**P.O. Box 770000**  
**San Francisco, California 94177**  
**Attention: Land Consultant(LCC)**

LD #: \_\_\_\_\_

**RESTRICTION ON TRANSFER OF PROPERTY AND  
POWER OF TERMINATION AGREEMENT  
(Lake Almanor Planning Unit - Maidu Wetlands)**

THIS RESTRICTION ON TRANSFER OF PROPERTY AND POWER OF TERMINATION AGREEMENT (this "**Agreement**") is made and entered into as of \_\_\_\_\_, 20\_\_ (the "**Effective Date**") by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**PG&E**"), and MAIDU SUMMIT CONSORTIUM, a California non-profit corporation ("**MSC**"), with reference to the following facts:

**RECITALS**

A. PG&E is the owner of approximately [REDACTED] acres of real property located in Plumas County, State of California, as more particularly described in the attached Exhibit A (the "**Property**").

B. PG&E is a party to that certain Settlement Agreement (the "**Settlement Agreement**") as modified and approved by the Public Utilities Commission of the State of California (the "**Commission**") in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

C. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the "**Stipulation**").

D. The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses;

and historic values. The obligations of PG&E to convey conservation easements and protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the "**Land Conservation Commitment**."

E. In furtherance of the Land Conservation Commitment, concurrently with the execution of this Agreement, PG&E shall convey to MSC fee title to the Property, and MSC shall immediately grant to Feather River Land Trust, a California nonprofit corporation a permanent conservation easement pursuant to Section 815.3 of the California Civil Code (the "**Conservation Easement**").

F. PG&E has used and, in accordance with the Governing Documents and the Land Conservation Commitment, will continue to use the Property for the purpose of generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission ("**FERC**"), and for other purposes as described more fully in the grant deed to MSC (collectively, "**Hydro Project Activities**"). Additionally, PG&E has used and continues to use the Property to erect, construct, reconstruct, replace, remove, operate, inspect, maintain and use facilities of the type hereinafter specified for the transformation, transmission and distribution of electric energy and for communication purposes (collectively "**Electric Activities**").

G. Section 12(b), clause (4) of the Stipulation provides that the Land Conservation Commitment does not expand or limit PG&E's obligations or rights of others in FERC relicensing proceedings or otherwise under Part I of the Federal Power Act (the "**FPA**"), and that any land disposition that would result in the creation of FPA Section 4(e) authority in PG&E relicensing proceedings would be inconsistent with such provision.

H. PG&E and MSC recognize that certain Transfers (as defined below) could result in the creation of FPA Section 4(e) authority in a federal agency and/or diminish, impair or prohibit PG&E's ability to maintain and exercise its reserved Hydro Project Activities and/or Electric Activities.

I. In consideration of PG&E's conveyance of the Property to MSC, to affirmatively enable permanent implementation of the Governing Documents and the Land Conservation Commitment with respect to the Property and in order to preserve and protect PG&E's rights under the Land Conservation Commitment with respect to the Property, MSC desires to enter into this Agreement and to hereby grant to PG&E a power of termination, as contemplated by California Civil Code Section 885.010, exercisable by PG&E upon any Transfer.

## **AGREEMENT**

In consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to California Civil Code §885.010 et seq., PG&E and MSC further hereby agree as follows:

### **1. Restrictions on the Transfer of the Property.**

1.1 MSC shall not engage in, agree to engage in or permit to occur any Transfer, whether voluntary or involuntary, by operation of law or otherwise, without the prior written consent in each instance of PG&E, which may be withheld in its sole discretion. A "**Transfer**" means any of the following: (a) any conveyance, sale, assignment, lease, license or other transfer of any interest of MSC in the Property or any portion thereof; (b) any pledge, mortgage, hypothecation, deed of trust or other lien or other encumbrance of MSC's interest in the Property or any portion thereof; (c) any Dissolution Event; (d) any Bankruptcy Event; or (e) enter into or permit to be entered into any agreement or arrangement to do any of the foregoing. A "**Dissolution Event**" means the dissolution of MSC as validly existing legal entity, either directly or by operation of law. A "**Bankruptcy Event**" means the commencement of any bankruptcy proceeding with respect to MSC. For the avoidance of doubt, any transfer of the Property by a receiver appointed by a court that has jurisdiction over the dissolution or any such other winding up proceedings in respect of MSC pursuant to Sections 6510-6721 of the California Corporations Code shall be a Transfer. Additionally, any conveyance, sale, assignment, lease, pledge, mortgage, hypothecation, encumbrance or transfer deemed to be such by operation of Law shall also be deemed to be a Transfer.

1.2 Any attempted Transfer in violation of this Section 1 shall be void and of no force or effect. Consent by PG&E to a Transfer shall not relieve MSC from the obligation to obtain PG&E's consent to any other Transfer. Nothing in this Section 1 shall prevent MSC from maintaining, renewing, or replacing all agreements, including leases, licenses or other agreements that validly exist as of the date of recordation of this Agreement.

1.3 Without limiting any of the other provisions of this Agreement, MSC shall give PG&E written notice of any contemplated Transfer at least ninety (90) days prior to any Transfer.

### **2. Power of Termination.**

2.1 **Grant of Power of Termination.** MSC hereby irrevocably grants to PG&E a perpetual power of termination (the "**Power of Termination**") within the meaning of California Civil Code Section 885.010. Upon any Transfer, without the prior written consent of PG&E, which may be withheld in its sole discretion, PG&E may, at its election, terminate the fee simple interest of MSC (or any successor in interest to MSC) in and to the Property, and PG&E shall have the right to reenter and take possession of the Property and all improvements thereon and to revest in PG&E the estate of MSC in

the Property. In accordance with California Civil Code Section 885.010(b), the Power of Termination shall constitute an interest in and to the Property.

**2.2** Notice of Intent to Preserve. In accordance with California Civil Code Section 885.030(a), PG&E shall have the right, from time to time, to record in the Official Records of Plumas County, California, a notice of intent to preserve the Power of Termination in order to prevent the expiration of the Power of Termination.

**2.3** Violation. If PG&E believes in its sole discretion that a Transfer other than a Dissolution Event or Bankruptcy Event has occurred or is about to occur, PG&E may provide written notice to MSC of such action (the “**Potential Violation Notice**”). Within thirty (30) days of Receipt of the Potential Violation Notice by MSC, PG&E and MSC shall meet and confer in good faith to seek a resolution of the matter. If the parties are unable to resolve the matter through good faith efforts within ninety (90) days of Receipt of the Potential Violation Notice, PG&E shall provide written notice to MSC of such violation (the “**Violation Notice**”) and, upon delivery in accordance with Section 4 hereof (“**Receipt**”) of the Violation Notice, all right, title, and interest in the Property shall automatically vest in PG&E. PG&E shall record its exercise of this Power of Termination in the Official Records of Plumas County, California. PG&E shall have no obligations under this Section 2.3 with respect to a Dissolution Event.

**2.4** PG&E Designee. Notwithstanding the foregoing, in connection with PG&E's exercise of the Power of Termination, PG&E may designate in writing any person or entity, including but not limited to, an entity owned by PG&E, to take title to the Property on behalf of PG&E.

**2.5** Conservation Easement Not Affected. If PG&E exercises the Power of Termination, it shall take fee title to the Property subject to the Conservation Easement.

**3.** Equitable Relief. If circumstances require immediate action to prevent or mitigate a violation of this Agreement, or to mitigate the damage that may be suffered by PG&E as a result of a violation of this Agreement, PG&E may proceed immediately to seek an injunction to stop or prevent the violation, temporarily or permanently.

**4.** Notices. **[Note: Always confirm PG&E's notices addresses are current.]** Any notice or other communication required or permitted under this Agreement shall be in writing and shall be either personally delivered or transmitted by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx, UPS, or Airborne Express, addressed to the parties as follows:

If to PG&E:

If by registered or certified mail, return receipt requested:

Director, Land Management  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code N10A  
San Francisco, CA 94177  
Re: Land Conservation Commitment

With a copy to:

Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120  
Attn: Managing Counsel, Commercial and Transactions  
(Real Estate)  
Re: Land Conservation Commitment

If by personal delivery or overnight courier:

Director, Land Management  
Pacific Gas and Electric Company  
245 Market Street, Room 1051  
San Francisco, CA 94105  
Re: Land Conservation Commitment

With a copy to:

Law Department  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B30A  
San Francisco, CA 94105  
Attn: Managing Counsel, Commercial and Transactions  
(Real Estate)  
Re: Land Conservation Commitment

If to Grantee: If by registered or certified mail, return receipt requested:

Maidu Summit Consortium  
289 Main Street, Suite 7  
P.O. Box 682  
Chester, CA 96020  
Attn: Kenneth C. Holbrook, Executive Director

If by personal delivery or overnight courier:

Maidu Summit Consortium  
289 Main Street, Suite 7  
Chester, CA 96020  
Attn: Attn: Kenneth C. Holbrook, Executive Director

The date of any notice or communication shall be deemed to be the date of receipt if delivered personally, or the date of the receipt or refusal of delivery if transmitted by mail or overnight courier. Either party may change the address for notice by giving notice to the other party in accordance with this Section 4.

## **5. General Provisions.**

**5.1 Benefit and Burden.** This Agreement provided herein shall run with and burden the Property. All obligations, terms, conditions, and restrictions imposed by this Agreement shall be deemed covenants and restrictions running with the land, shall be effective limitations on the use of the Property from the date of recordation of this Agreement, and shall bind MSC and all its successors and assigns. This Agreement shall benefit PG&E and its successors and assigns.

**5.2 Governing Laws.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

**5.3 Successors and Assigns.** The provisions of this Agreement shall bind and inure to the benefit of the successors and assigns of MSC and PG&E, whether voluntary or involuntary.

**5.4 Severability.** If any term or provision of this Agreement is determined to be invalid, illegal, or incapable of being enforced by any rule or law or if any court renders a final judgment declaring that any term or provision of this Agreement is invalid, illegal, or incapable of being enforced, all other terms and provisions of this Agreement shall remain in full force and effect, and to this end the provisions of this Agreement are intended to be and shall be severable.

**5.5 Term.** This Agreement is perpetual and irrevocable.

**5.6 Amendment.** No change, modification, or amendment of this Agreement shall be valid unless made in writing, signed by both MSC and PG&E, and recorded in the official records of Plumas County, California.

**5.7 Further Assurances.** Each party hereto agrees to execute and deliver to the other party such further documents or instruments as may be necessary or appropriate in order to carry out the intentions of the parties as contained in this Agreement.

**5.8 Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the Power of Termination, and supersedes all prior discussions, negotiations, understandings, or agreements relating to this Agreement, all of which are merged herein.

**5.9 Attorneys' Fees.** In the event that any party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory, injunctive or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding, including appeals, remands and any other subsequent proceeding (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

**5.10 Incorporation of Recitals.** All Recitals are incorporated herein by this reference.

**5.11 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event of a discrepancy between counterparts, the recorded Agreement shall be controlling.

IN WITNESS WHEREOF, PG&E and MSC mutually agree to the terms and covenants set forth above, as of the Effective Date.

MAIDU SUMMIT CONSORTIUM,  
a California non-profit corporation

By: \_\_\_\_\_

[INSERT NAME]

[INSERT TITLE]

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

PROPERTY DESCRIPTION

[Follows this page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

# **Attachment C**

## **Conservation Easement**

RECORDING REQUESTED BY AND )

Exhibit Draft: 8-5-19

WHEN RECORDED MAIL TO: )

Feather River Land Trust )

Attn: Shelton Douthit, Executive Director )

P.O. Box 1826 )

75 Court Street )

Quincy, CA 95971 )

Space Above Line for Recorder's Use Only

**CONSERVATION EASEMENT DEED**

**(Lake Almanor – Maidu Wetlands)**

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date"), by MAIDU SUMMIT CONSORTIUM, a California nonprofit public benefit corporation ("MSC" or "Grantor"), in favor of FEATHER RIVER LAND TRUST, a California nonprofit public benefit corporation ("FRLT" or "Grantee") (MSC and FRLT are sometimes referred to herein individually as "Party" and collectively as "Parties"), with reference to the following facts, circumstances, and terms:

**RECITALS**

A. **The Property.** Grantor is the fee title owner of a parcel of real property containing approximately 183 acres west of Last Chance Marsh, and a parcel of real property containing approximately 114 acres on the east side of Last Chance Marsh, collectively known by the Maidu people as Maidu Wetlands, located in the County of Plumas, State of California, and both parcels are legally described and depicted in **Exhibit A** attached hereto and incorporated herein by this reference ("Property").

B. **FRLT's Nonprofit Status.** FRLT is a California nonprofit public benefit corporation, exempt from federal income taxation under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, as amended ("IRC"), and qualified to acquire and hold conservation easements pursuant to California Civil Code section 815.3. FRLT is dedicated to conserving the land and waters of the Feather River region and stewarding its ecological, cultural, and educational values for current and future generations.

C. **Grantor's Status.** The Property is owned in fee by MSC, a California nonprofit public benefit corporation exempt from federal income taxation under IRC section 501(c)(3). MSC is composed of representatives from exclusively Mountain Maidu groups. MSC is dedicated to land and water protection and stewardship throughout the Maidu homeland, in accordance with principles of Traditional Ecological Knowledge ("**TEK**"). TEK is the accumulation of thousands of years of understanding the interactions of people and the natural environment, gained by native people with intimate knowledge of their local environment, who depend on the sustainable use and management of natural resources for their survival. TEK is handed down through generations by cultural transmission. TEK is adapted to changing conditions in order to maintain historic continuity of resource use and protection.

D. **Transfer of Property to MSC.** Pacific Gas and Electric Company, a California corporation ("**PG&E**"), transferred to MSC the fee interest in the Property in accordance with that certain Grant Deed, being recorded in the Official Records of the County of Plumas, immediately prior to the recording hereof ("**Grant Deed**"), attached hereto as **Exhibit B** and incorporated herein by reference, subject to: (1) PG&E's reservation of certain rights in and to the Property, as set forth in the Grant Deed (referred to herein as the "**PG&E Reserved Rights**" in some instances and as "**PG&E's Reserved Rights**" in other instances); and (2) those legally-enforceable third-party rights to use the Property in effect as of the Effective Date, as listed on **Exhibit C** attached hereto and incorporated herein by this reference, true and complete copies of which have been provided to, and reviewed and accepted by, Grantee ("**Express Third-Party Uses**").

E. **Grantor's Relationship to the Property.** The mission of the Grantor is to contribute to the understanding and management of the Earth according to Mountain Maidu TEK and practices by supporting and enhancing Maidu cultural and physical connections to land and water. Grantor asserts that protection of the Conservation Values (as defined below), as required by this Conservation Easement, is consistent with traditional Maidu land management practices and principles. Grantor acquired the Property for the purpose of re-establishing a permanent place where Maidu cultural practices; traditional Maidu land management; and preservation, enhancement and restoration of native plant and wildlife habitats will be carried out.

F. **Governing Documents.** PG&E transferred fee title to the Property to MSC in connection with PG&E's implementation of the "**Land Conservation Commitment**," provided for in the following documents (collectively, "**Governing Documents**") and described more fully below: (i) that certain Settlement Agreement as modified and approved by the Public Utilities Commission of the State of California in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and (ii) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("**Stipulation**").

G. **Beneficial Public Values.** The Governing Documents require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, "Watershed Lands"), are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, "Beneficial Public Values"). The Property is included in these Watershed Lands. The Land Conservation Commitment constitutes the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents. The Stipulation provides that conservation easements for Watershed Lands will preserve or enhance reasonable public access.

H. **The Property's Beneficial Public Values.** The Property includes the specific Beneficial Public Values identified on **Exhibit D** attached hereto and incorporated herein by this reference (collectively, "Conservation Values").

I. **PG&E Reserved Rights.** In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission license or license renewal or other regulatory requirements.

J. **Continued Economic Uses.** The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.

K. **Land Conservation Commitment.** Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation ("Stewardship Council"), was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California ("Land Conservation Plan"). The Land Conservation Plan includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Property.

L. **California Civil Code Section 815 et seq.** The Legislature of the State of California, as set forth in California Civil Code section 815 *et seq.*, has found and declared it to be the public policy and in the public interest of this state to encourage the preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment and the

above-described public policy purposes, Grantor desires to grant a conservation easement over the Property to Grantee.

M. **Preservation and Protection in Perpetuity.** Grantor and Grantee each desire through this Conservation Easement to ensure the permanent protection of the Conservation Values on the Property, subject to PG&E's Reserved Rights and the Express Third-Party Uses. Specifically, the Parties desire to ensure that the Conservation Values on the Property will be preserved and protected in perpetuity as provided herein, and that uses of the Property that are inconsistent with these Conservation Values will be prevented or corrected.

## **GRANT OF CONSERVATION EASEMENT AND AGREEMENTS**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including California Civil Code section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property, subject to and in accordance with the terms, covenants, and conditions of this Conservation Easement.

1. **Conservation Purposes.** The purposes of this Conservation Easement are to protect and preserve in perpetuity the Conservation Values of the Property by restricting any use of the Property that will significantly impair the Conservation Values ("Conservation Purposes"). Subject to the following terms and conditions, Grantor intends that it will use the Property in accordance with Maidu land management principles and practices based on TEK, and Grantor will confine uses of the Property to activities that are consistent with the Conservation Purposes and the terms of this Conservation Easement. As used herein, the terms "impair" or "impairment" mean to diminish in quantity, quality, value, strength or viability. As used in this Conservation Easement, the terms "significant" or "significantly", when used with "impair" or "impairment", respectively, mean a greater than negligible adverse impact or an impact for more than a transient period.

Grantor and Grantee acknowledge that the Governing Documents reflect the intention of the Parties thereto (a) to honor Express Third-Party Uses and (b) to continue to permit beneficial uses of the Property that preserve and/or enhance the Conservation Values. It is intended that this Conservation Easement shall allow uses on the Property that are consistent with the protection and preservation of each of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more other Conservation Values, Grantor and Grantee understand that achieving the Conservation Purposes requires the preservation and protection, on balance, of all the Conservation Values existing on the Property, to the maximum extent possible. The Parties recognize that in protecting

and/or enhancing one or more of the Conservation Values, another Conservation Value may be impaired, but the Parties intend that this shall not be a permanent occurrence, or a reason to prioritize one Conservation Value over another. The Parties shall balance on an aggregate basis the Conservation Values on the whole Property whenever possible.

2. **Land Management Plan.** Grantor's management of the Property shall be subject to a Land Management Plan prepared for the Property, as amended from time to time in accordance with this Conservation Easement ("Management Plan"). The Management Plan will be designed to provide for Grantor's adaptive management of the Property in a manner consistent with the Conservation Purposes (as defined below) and the terms of this Conservation Easement, and set forth the forest management plan component as defined in Section 16 of Exhibit E. The Management Plan shall be approved by Grantor in writing after written notice to and consultation with Grantee under Section 10(a) below. Grantor may amend the Management Plan at any time after written notice to and consultation with Grantee. The Management Plan shall not replace, modify, or amend any of the terms, covenants or conditions of this Conservation Easement. The Conservation Easement shall govern if there are any inconsistencies between it and the Management Plan. The initial Management Plan shall be completed within one year of close of escrow, or as soon thereafter as practicable.

3. **Rights Conveyed to Grantee.**

(a) **Rights of Grantee.** To accomplish the Conservation Purposes, Grantor hereby grants and conveys the following rights to Grantee:

(1) **Right to Preserve and Protect.** Grantee shall have the right to preserve and protect in perpetuity the Conservation Values of the Property in a manner consistent with the terms of this Conservation Easement. Grantee, in its sole and absolute discretion, shall have the right to prevent by any lawful means any activity on or use of the Property that is or may be a violation of the terms of this Conservation Easement, and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity undertaken by Grantor or under Grantor's control that constitutes a violation of the terms of this Conservation Easement.

(2) **Right of Access to Inspect, Monitor and Enforce.** Grantee shall have the right to access and enter upon the Property using any easement or right of way appurtenant to the Property in order to exercise the following rights: (a) inspect the Property once annually to determine whether Grantor is in compliance with the terms of this Conservation Easement, provided that such Grantee provides written notice to Grantor at least thirty (30) days prior to the annual inspection, and that Grantor shall have the option to be present during any compliance monitoring; (b) exercise the rights which are granted to

Grantee herein; and (c) enforce the terms of this Conservation Easement, in accordance with Section 11 of this Conservation Easement, including without limitation, the right to restore the Conservation Values, provided, that such access and entry will be made in a manner that will not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor and any occupant(s) or user(s) of the Property pursuant to the terms of this Conservation Easement. Grantee shall schedule a date and time for the annual compliance monitoring visit that is reasonably acceptable to Grantor. The right of access to inspect and monitor shall not be assigned by Grantee without the prior express written approval of the Grantor; provided, however, that Grantee may authorize entry of its consultants to the extent they are assisting the Grantee in its monitoring obligations or other activities authorized by this Conservation Easement. Nothing in this section shall be construed to authorize entry by members of the public for any purpose. Notice under this section shall include the names, titles and affiliations of persons who will conduct the inspections and, for those persons who are not employees of Grantee, their qualifications.

(3) **Right of Immediate Entry.** Grantee, in its sole and absolute discretion, shall have the right to immediately enter the Property where it is determined that urgent action is necessary to prevent, terminate, or mitigate a significant impairment of the Conservation Values. If Grantee determines such immediate entry is necessary, Grantee need not provide Grantor with prior notice; provided, however, Grantee shall provide Grantor with telephonic or other comparable notice at the time of entry, to be followed by a written notice of entry within three (3) business days after such immediate entry.

4. **Prohibited Uses of the Property.** Except for any use or activity that is expressly permitted in this Conservation Easement, any activity on or use of the Property that is inconsistent with the Conservation Purposes of this Conservation Easement is prohibited. Grantor and Grantee agree that **Exhibit E**, attached hereto and incorporated herein by this reference, sets forth both the permitted and prohibited uses of the Property by Grantor, Grantor's agents, Grantee, and/or third parties under Grantor's control on the Property. In entering into this Conservation Easement, Grantor understands and acknowledges that uses prohibited by the terms of this Conservation Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be dedicated partially or entirely to such prohibited uses. Grantor and Grantee intend that any such changes will not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement. The inability of Grantor, or its successors or assigns, to carry out any or all the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, will not impair the validity, force and effect of this Conservation Easement or be considered grounds for its termination, extinguishment, or modification.

5. **Grantor's Duties.** To the extent Grantor has or reasonably should have knowledge of actual or anticipated unauthorized third party use of the Property that violates or would violate the terms of this Conservation Easement, Grantor shall undertake all reasonable actions to prevent such unauthorized use.

6. **Grantor's Reserved Rights and Permitted Uses of Property; PG&E's Reserved Rights.**

(a) **Rights of Ownership.** Grantor reserves to itself all rights of ownership of the Property. Grantor shall confine its use of the Property to those permitted activities and uses, and to such other activities and uses of the Property as are both: (1) consistent with the Conservation Purposes; and (2) not prohibited under the terms of this Conservation Easement. The permitted uses and activities set forth on **Exhibit E** are presumed to be consistent with the Conservation Purposes and are expressly permitted by the Grantee, but **Exhibit E** is not an exclusive list of such uses and activities. Uses and activities that are prohibited in **Exhibit E** are inconsistent with the Conservation Purposes.

(b) **PG&E Reserved Rights.** All rights and obligations of Grantor and Grantee under this Conservation Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Conservation Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. In the event PG&E notifies Grantor of PG&E's intention to exercise any of the PG&E Reserved Rights, Grantor shall notify Grantee, in writing, of such intention within five (5) days of Grantor's receipt of such notification.

7. **Express Third-Party Uses.** **Exhibit C** describes the Express Third-Party Uses of the Property permitted with the express agreement of Grantor. Grantor retains the right to maintain, renew, decline to renew, or replace all such agreements memorializing Express Third-Party Uses ("Third-Party Use Agreements") and to engage in all activities reasonably required to comply with Grantor's obligations with respect to the Express Third-Party Uses, subject to the following conditions:

(a) **Increases in Intensity or Expansion of Location or Size or Change in Third-Party Use.** Subject to existing Third-Party Use Agreements, any (i) increase in the intensity, (ii) expansion of the location or size, or (iii) change in the use, of any of the Express Third-Party Uses, whether through a new agreement or an amendment to an existing agreement, that Grantor determines in consultation with Grantee under Section 10(a), are likely to significantly impair the Conservation Values shall not be allowed.

(b) **Renewal or Replacement of Third-Party Use Agreements.** All Third-Party Use Agreements existing as of the Effective Date are identified on **Exhibit C**. As Third-Party Use Agreements are renewed or replaced (either with the

existing user or a new user), Grantor, in consultation with Grantee, shall include contractual provisions to bring the continuation of the Express Third-Party Uses and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

(c) **Enforcement of Third-Party Use Agreements.** If Grantor or Grantee discovers any default or breach under a Third-Party Use Agreement that significantly impairs the Conservation Values (and if Grantee makes such discovery, Grantee gives Grantor written notice thereof), Grantor shall use reasonable efforts to enforce or otherwise remedy such violation, at Grantor's sole expense.

## 8. **Public Access.**

(a) **Informal Uses and Public Access.** Grantor and Grantee recognize the Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities ("Informal Uses"). Grantor and Grantee further recognize that access to the Property is inherent or may be inherent in the enjoyment of the Conservation Values and the Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Grantor shall allow public access to the Property that is substantially consistent with the public access existing on the Effective Date. Grantor reserves the right to make and enforce reasonable regulations to control, limit, or, exclude Informal Uses and public access. Grantor shall not allow any Informal Use or any public access that significantly impairs the Conservation Values.

(b) **New or Increased Public Access.** If Grantor desires to allow new public access or Informal Uses or an expansion of public access or Informal Uses on the Property, Grantee's advance written approval is required in accordance with Section 10(b), which approval shall not be unreasonably withheld, conditioned or delayed.

(c) **Liability Limitation.** Notwithstanding Section 8(a) and Section 8(b) above, Grantor and Grantee claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

(d) **Periodic Review of Informal Uses.** As part of Grantee's annual compliance monitoring: (i) Grantor and Grantee shall meet and confer to discuss the known Informal Uses and public access conducted on the Property for the purpose of Grantee's assessment of Grantor's compliance with the requirements set forth above in this section; and (ii) with respect to Informal Uses allowed by Grantor on the Property in accordance with Section 8(a) above, Grantor and Grantee shall meet and confer, and include recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure the preservation of the Conservation Values.

9. **Compliance with Applicable Law.** This Conservation Easement describes certain rights held by Grantor, Grantee, PG&E, and third parties, as well as permitted uses that are presumed to be consistent with the Conservation Purposes of the Conservation Easement. Nothing in this Conservation Easement requires Grantor, Grantee, PG&E, or third parties to exercise these rights. Nor does this Conservation Easement provide Grantor, Grantee, PG&E, or third parties with regulatory approval to undertake any action described as a retained right or permitted use. Prior to undertaking any action to exercise these rights, Grantor, Grantee, PG&E, and third parties shall obtain all necessary permits and comply with all applicable laws, including the California Environmental Quality Act (“CEQA”), Public Resources Code sections 21000 et seq.

10. **Consultation and Approval Processes.**

(a) **Consultation.** Whenever this Conservation Easement requires one Party to consult with the other Party, the Party with the obligation to seek consultation shall provide the other Party with a written request to consult. The Parties shall seek to meet in person within thirty (30) days of the receipt of the consultation request, unless the Parties agree, or this Conservation Easement provides otherwise. For purposes of this Conservation Easement, consultation means the meaningful and timely process of meeting in good faith to exchange adequate information and discuss, understand, and consider the views of the other Party and to seek, wherever feasible, to reach agreement. If the Parties are unable to reach agreement and Grantee believes the proposed activity would violate the terms of this Conservation Easement, Grantee may issue a Notice of Breach pursuant to Section 11. If no response to the request to consult is received within thirty (30) days of its receipt, the requesting Party shall have no obligation to consult.

(b) **Approval.** Whenever this Conservation Easement requires the approval of the Grantee (“Approval”) for a proposed action or activity (“Proposed Activity”), Grantor shall provide Grantee a written notice requesting the Approval at least thirty (30) days before the commencement of the Proposed Activity. The notice shall set forth in detail all material facts of the Proposed Activity and the following provisions shall then be applicable:

(1) **Additional Information.** Grantee may request additional information concerning the Proposed Activity within thirty (30) days after the notice is given. Grantor shall provide any supplemental information to Grantee within thirty (30) days of Grantee’s request.

(2) **Objection Notice.** Grantee shall review the notice promptly and give Grantor prompt written notice of any objections based on Grantee’s assessment that the Proposed Activity is reasonably likely to violate the terms of the Conservation Easement. If Grantee objects it shall advise Grantor how, if at all, the Proposed Activity could be modified to be consistent with the Conservation Purposes and the terms of the Conservation Easement.

(3) **Written Approval.** Grantor shall not, and shall not have the right to, commence or conduct the Proposed Activity until and unless it receives the written approval of Grantee, and only in the manner approved, unless the Proposed Activity is deemed approved pursuant to Section 10(b)(4) below.

(4) **Agreement Deadline for Proposed Activity.** The Proposed Activity shall be deemed to have been approved if no objection has been given within ninety (90) days after Grantee's receipt of the notice of the Proposed Activity and all supplemental information requested by Grantee pursuant to Section 10(b)(1) above.

(5) **Limitations on Approval.** No actual or deemed approval to, or acquiescence in or failure to object to, any given Proposed Activity shall constitute: (i) agreement or consent to, or approval of, any aspect of the Proposed Activity which was not disclosed in the Grantor's notice (including any supplemental information, as noted above), or any subsequent action or activity of the same or any different nature; or (ii) agreement or consent to, or approval of, any activity or use which is prohibited by the terms of this Conservation Easement, or any other alteration of the terms of this Conservation Easement.

## 11. **Enforcement and Remedies.**

(a) **Procedures Upon Violation.** If a party hereto ("Non-Breaching Party") determines there is a breach of the terms of this Conservation Easement or that a breach is threatened, written notice of such breach ("Notice of Breach") and a demand for corrective action sufficient to cure the breach shall be given in accordance with Section 23 by the Non-Breaching Party to the party allegedly breaching this Conservation Easement ("Breaching Party"). Within fourteen (14) days after receipt of the Notice of Breach, the Parties shall meet at a location in Plumas County or as otherwise agreed by the Parties to discuss the circumstances of the alleged or threatened breach and to attempt to agree on appropriate corrective action. If the Parties are unable to agree on corrective action within thirty (30) days after such meeting, then the Non-Breaching Party may, at its election, deliver a further written notice to the Breaching Party to demand reasonable corrective action to cure the breach ("Notice of Violation"). If a violation is not cured within thirty (30) days after receipt of the Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and there is failure to begin the cure within the 30-day period or failure to continue diligently to complete the cure, the Non-Breaching Party may commence litigation in accordance with Section 11(b) below. For purposes of this Section 11(a), the Non-Breaching Party can be either the Grantee or Grantor.

(b) **Litigation.** If the Parties are not able to resolve a dispute under Section 11(a) above, the Non-Breaching Party may bring an action at law or equity in a court of competent jurisdiction to enforce compliance with the terms of this Conservation Easement, to recover damages to which the Non-Breaching Party may be entitled for

violation of the terms of this Conservation Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages or any other form of relief required to achieve the restoration of the Property to the condition it existed prior to any violation. To the extent that Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach, excluding fees described in Section 12, all such damages recovered by Grantee shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary in this Conservation Easement, in no event shall the Breaching Party be liable to the Non-Breaching Party for, and the Parties each hereby waive their right to, any indirect, special, punitive or consequential damages resulting from the Breaching Party's breach of this Conservation Easement, whether foreseeable or unforeseeable. For purposes of this Section 11(b), a Non-Breaching Party can be either the Grantee or Grantor.

(c) **Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Conservation Easement, and the Non-Breaching Party determines that irreparable harm would result if the Non-Breaching Party were required to complete the process set forth in Section 11(a), the Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently. The Non-Breaching Party agrees to make a good faith effort to immediately provide notice to the Breaching Party of the circumstances requiring urgent action to prevent or mitigate any significant impairment to the Conservation Values. For purposes of this Section 11(c), a Non-Breaching Party can be either Grantee or Grantor.

(d) **Remedies at Law Inadequate.** The Parties agree that remedies at law for any violation of the terms of this Conservation Easement are inadequate and that the Non-Breaching Party shall be entitled to the injunctive relief described in this section, in addition to such other relief to which it may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, provided the other legal requirements for injunctive relief are met. The Non-Breaching Party's remedies shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code section 815 *et seq.* For purposes of this Section 11(d), a Non-Breaching Party can be either Grantee or Grantor.

12. **Costs of Enforcement.** The non-prevailing party in litigation to enforce the terms of this Conservation Easement shall pay to the prevailing party any costs and attorneys' fees awarded by the court.

13. **Grantee Discretion.** Enforcement of the terms of this Conservation Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any violation of any

term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee of such violation or of any subsequent violation of the same or any other term of this Conservation Easement or of any of Grantee's rights under this Conservation Easement.

14. **Acts Beyond Grantor's Control.** Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property or impairment of the Conservation Values resulting from (a) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, climate change, earth movement, diseases affecting biological features of the Property, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or impairment to the Conservation Values resulting from such causes; (b) acts by Grantee or its employees, consultants, agents, contractors, board of directors, or representatives; or (c) acts by third parties over whom Grantor has no control, provided Grantor has fulfilled its obligations under Section 5. Should impairment to the Conservation Values occur as a result of (a) or (c), Grantor and Grantee shall consult to determine an appropriate, reasonable response to address the conditions.

15. **Costs and Liabilities.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Except as set forth in Section 17, Grantor agrees that Grantee shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use by Grantor permitted by this Conservation Easement. Any activity or use shall be undertaken in accordance with all applicable federal, state, and local statutes, ordinances, rules, regulations, orders and requirements.

16. **Taxes; No Liens.** Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred because of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement as provided in Section 25(m)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

17. **Hold Harmless.** Grantor shall hold harmless and indemnify Grantee and its directors, officers, and employees and the successors and assigns (each an "Indemnified Party" and, collectively, "Indemnified Parties") from and against any and all

liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), proximately caused by the occupancy or use of the Property by Grantor or its directors, officers, employees, or agents, unless due solely to the negligence of the Grantee or any of such Grantees' officers, employees or agents. If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from an Indemnified Party seeking indemnification under this section, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party.

Grantee shall hold harmless and indemnify Grantor and its directors, officers, and employees, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by to the entry onto or use of the Property by Grantee or its officers, employees, or agents, unless due solely to the negligence of the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents, by reason of such claim, Grantee shall, at the election of and upon written notice from the Grantor, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

18. **Insurance.** Grantor shall procure, carry, and maintain in effect throughout the term of this Conservation Easement, the insurance specified in **Exhibit F**, which is incorporated herein by reference; provided, however, that Grantee reserves the right to periodically review and reasonably modify the insurance requirements specified in **Exhibit F** to be generally consistent with the practices of prudent charitable organizations that hold similar property interests. All insurance shall be written on forms and with insurance carriers acceptable to Grantee in its commercially reasonable judgment. Prior to recordation of this Conservation Easement, Grantor shall provide Grantee with evidence of insurance coverage satisfying the requirements of this section and **Exhibit F**. Grantor is responsible for causing its agents and contractors entering the Property to comply with the insurance requirements of this section and **Exhibit F** at all relevant times. Grantor shall indemnify, protect, defend, and hold harmless Grantee against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and reasonable experts' fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the failure of Grantor or its agents or contractors to comply with the insurance requirements of this section and **Exhibit F**.

19. **Extinguishment.** If circumstances arise in the future that render the Conservation Purposes impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

20. **Condemnation.** If all or part of the Property is taken by the exercise of the power of eminent domain by a public, corporate, or other authority, whether permanent or temporary, or if the Property is sold in lieu of condemnation, so as to abrogate the restrictions imposed by the Conservation Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking or sale to recover the full value of the Property taken or sold and all incidental or direct damages resulting therefrom. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined below, it being expressly agreed that the Conservation Easement constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds.

Pursuant to California Civil Code §815.2(a), this Conservation Easement constitutes a real property interest immediately vested in Grantee. It is acknowledged by the Parties that the purposes of establishing the value of this property right and enforcing the rights of Grantee with respect thereto is to prevent a private windfall. That being the case, the Parties stipulate that, for the purpose of determining the ratio for proportionate value of each party's respective interest in the Property at the time of termination or extinguishment of the Conservation Easement, the value of the Conservation Easement shall be the difference between (a) the fair market value of the fee interest in the Property at the time of termination, as if unencumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements), and (b) the fair market value of the Property at the time of termination, as encumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements). The values shall be determined by an appraisal prepared by a qualified appraiser familiar with appraising conservation easements jointly selected by Grantor and Grantee. The cost of the appraisal shall be paid out of proceeds in proportion to the recoveries of Grantor and Grantee. There shall be no restriction on Grantor's or Grantee's use of proceeds received pursuant to this Section.

21. **Transfer of Conservation Easement.**

(a) **Voluntary Assignment.** In the event that Grantee decides to assign its interest under this Conservation Easement, Grantee shall only assign such interest to an organization that is: (i) qualified to hold a conservation easement under section 815.3 of the California Civil Code; (ii) experienced in holding and monitoring conservation easements on properties similar to the Property; (iii) willing and financially able to assume all of the responsibilities imposed on Grantee under this Conservation

02898.357 4839-3559-2050.1

Easement; and (iv) approved in advance by Grantor, which approval shall not be unreasonably withheld. Grantee shall give preference to any qualifying organization that has experience in holding and monitoring conservation easements on properties owned by Indian Tribes or tribal organizations. Before assigning its interest under this Conservation Easement, Grantee shall provide Grantor and the Sierra Nevada Conservancy (“SNC”) with written notice of such intention to transfer (“Transfer Notice”) and shall consult with Grantor, and SNC pursuant to Section 10(a). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria set forth in this section. In consultation with Grantor, Grantee shall allow SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria specified in this section. If SNC does not approve the proposed assignee, SNC shall provide Grantee with the reasons behind such decision.

(b) **Involuntary Assignment.** If Grantee ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with Grantor, select an assignee that meets all the designation criteria specified in subsection (a) above. If SNC is unable to identify an assignee that meets all of the designation criteria specified in subsection (a) above, that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of Grantee (or its successor in interest hereunder), as Grantee hereunder during any period that a successor assignee for Grantee is not yet in place.

(c) **Conditions of Assignment.** As conditions to any assignment of this Conservation Easement, Grantee and/or the SNC shall: (i) require the assignee to expressly agree in writing to assume Grantee’s obligations hereunder; and (ii) ensure that assignee has the resources to fulfill its obligations under the Conservation Easement.

(d) **Successor to SNC.** Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section to another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

## 22. **Transfer of Property.**

(a) **Transfer of Property to Third-Party.** Except for any transfer of the Property pursuant to the Power of Termination (as defined in Section 22(b) below), Grantor shall not transfer the Property without the prior written approval of Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. Grantor shall give written notice to Grantee of the intent to transfer the interest at least ninety (90) days prior to the date of such transfer. Grantor agrees to incorporate the terms of

this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Except for a transfer in accordance with the Power of Termination, Grantee shall have the right to prevent subsequent transfers in which prospective transferees are not given actual notice of the terms, covenants, conditions and restrictions of this Conservation Easement. The failure of Grantor or Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

(b) **Power of Termination.** Grantor has granted to PG&E a power of termination in the Property in accordance with California Civil Code section 885.010, et seq. pursuant to that certain Restriction on Transfer of Property and Power of Termination Agreement dated as of \_\_\_\_\_, recorded in the Official Records of the County of Plumas, concurrently with the recordation of this Conservation Easement ("Power of Termination"), attached hereto as **Exhibit G** and incorporated herein by reference. In the event the fee title to the Property transfers to PG&E (or its designee) pursuant to the Power of Termination, PG&E (or its designee) shall take fee title subject to this Conservation Easement, in accordance with section 2.5 of the Power of Termination.

23. **Notices.** Any notice, demand, request, consent, approval, or other communication that either Party desires or is required to give to the other shall be in writing and be delivered: (a) personally; (b) by reliable overnight courier that guarantees next-day delivery; or (c) by first class United States mail, postage fully prepaid, and addressed as follows:

To Grantor: Maidu Summit Consortium  
P.O. Box 682  
Chester, CA 96020  
Attn: Executive Director

To FRLT: Feather River Land Trust  
P.O. Box 1826  
75 Court Street  
Quincy, CA 95971  
Attn: Executive Director

To SNC: Sierra Nevada Conservancy  
11521 Blocker Drive, Suite 205  
Auburn, CA 95603  
Attn: Executive Director

or to such other address as either Party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or

delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

24. **Amendment.** This Conservation Easement may be amended only upon the written agreement of Grantor and Grantee. Any such amendment shall be consistent with the Conservation Purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Plumas County.

25. **Additional Provisions.**

(a) **Baseline Documentation Report.** Grantor and Grantee each acknowledge that certain biological and other physical attributes of the Property particularly relevant to the Conservation Easement are further documented in a written inventory of such attributes ("Baseline Documentation Report"), which has been prepared by a competent natural resource professional familiar with the Property and approved in writing by Grantor and Grantee. Grantor and Grantee acknowledge they each have a copy of the Baseline Documentation Report, as approved by them. The Parties agree that the Baseline Documentation Report contains an accurate representation of such attributes of the Property at the time that this Conservation Easement is recorded, and is intended to serve as an objective, though non-exclusive, source of baseline information for monitoring compliance with the terms of the Conservation Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the biological or physical condition of the Property, the Parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

(b) **Grantor's Advice of Legal Counsel.** Grantor and Grantee acknowledge and stipulate that Grantee has advised Grantor that it cannot provide, nor has provided, Grantor with legal or tax advice at any time respecting the Conservation Easement. Grantor and Grantee further acknowledge that Grantee has advised Grantor to seek legal counsel in the negotiation and execution of this Conservation Easement and that Grantor has done so. Grantor has retained legal counsel, which decision was made in Grantor's sole discretion.

(c) **Controlling Law.** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such State, with venue in Plumas County.

(d) **Liberal Construction.** Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the Conservation Purposes of this Conservation Easement in perpetuity, and to effectuate the policy and purpose of California Civil Code section 815 *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the

Conservation Purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(e) **Severability.** If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(f) **Entire Agreement.** This instrument sets forth the entire agreement of the Parties with respect to the Conservation Easement and supersedes all prior written or oral discussions, negotiations, understandings, or agreements of the Parties relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 24.

(g) **No Forfeiture.** Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's fee title in and to the Property in any respect.

(h) **Successors.** The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the Parties and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

(i) **Termination of Rights and Obligations.** A Party's rights and obligations under this Conservation Easement terminate upon transfer of the Party's interest in the Conservation Easement or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

(j) **Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(k) **Hazardous Materials Liability.**

(1) Grantor represents and warrants that it has no actual knowledge or has not received actual notice of any Hazardous Materials (as defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 17 of this Conservation Easement, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any and all Claims arising from or connected with any Hazardous Materials or

underground storage tanks present, alleged to be present, released in, from, or about, the Property at any time, except any Hazardous Materials placed, disposed or released by Grantee or their employees, officers, agents, consultants or representatives. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (as defined below). If any action or proceeding is brought against any of the Indemnified Parties because of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party.

(3) Despite any contrary provision of this Conservation Easement, the Parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed to create in or give to Grantee any of the following:

(A) The obligations or liability of an “owner” or “operator,” as those terms are defined and used in Environmental Laws (as defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, et seq.; hereinafter, “CERCLA”); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws (as defined below); or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor’s ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term “Hazardous Materials” includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, et seq.; hereinafter “RCRA”); the Hazardous Materials Transportation Act (49 U.S.C. section 6901, et seq.; hereinafter “HTA”); the Hazardous Waste Control Law (Health & Safety Code section 25100, et seq., hereinafter “HCL”); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Safety Code section 25300, et seq.; hereinafter “HSA”), and in the

regulations adopted pursuant to them, or any other applicable Environmental Laws that define Hazardous Materials now in effect or enacted after the Effective Date.

(5) The term “Environmental Laws” includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, or local statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee that all activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(l) **Warranty.** Grantor represents and warrants to Grantee that Grantor is the sole owner of fee simple title to the Property; that the Property is not subject to any other conservation easement; and, other than those exceptions expressly listed in **Exhibit H**, attached hereto and incorporated herein by this reference, there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a written, recorded subordination agreement approved by Grantee.

(m) **Additional Easements.** Grantor shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), or grant, transfer, abandon, or relinquish (each a “Transfer”) any mineral, air, or water right, or any water associated with the Property, without first obtaining the written approval of Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. This section shall not limit the provisions of Section 3 nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 22. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to Grantee.

(n) **Recording.** Grantee shall record this Conservation Easement in the Official Records of Plumas County, and Grantee may re-record this Conservation Easement at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

(o) **Exhibits.** The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference in this Conservation Easement:

EXHIBIT A – Legal Description of Property and Map of the Property

EXHIBIT B – Form of Grant Deed

EXHIBIT C – Express Third-Party Uses and Third-Party Use Agreements

EXHIBIT D – Conservation Values

EXHIBIT E – Grantor’s Use of the Property

EXHIBIT F– Insurance Requirements

EXHIBIT G – Power of Termination

EXHIBIT H – Encumbrances

**IN WITNESS WHEREOF** Grantor and Grantee have executed this Conservation Easement as of the day and year first above written.

**GRANTOR:**

MAIDU SUMMIT CONSORTIUM

By: \_\_\_\_\_

Name: Kenneth Holbrook

Title: Executive Director

Date: \_\_\_\_\_

**GRANTEE:**

FEATHER RIVER LAND TRUST

By: \_\_\_\_\_

Name: Shelton Douthit

Title: Executive Director

Date: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.
--

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the

instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

EXHIBIT A

Legal Description of the Property and Map of the Property  
[Follows this page]

EXHIBIT B  
Form of Grant Deed  
[Follows this page]

EXHIBIT C

Express Third-Party Uses and Third-Party Use Agreements

Cooperative Agreement between Sierra Pacific Industries and Pacific Gas and Electric Company, dated XXX.

## EXHIBIT D

### Conservation Values

In addition to the general description of the Conservation Values expressly included in the Recitals of the Conservation Easement Deed, the particular Conservation Values of the Property include, without limitation, the following:

#### 1. **Fish, Plant, and Wildlife Habitat**

The Property is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. The Property is important for nesting and wintering waterfowl, and special status species such as willow flycatcher, sandhill crane, yellow warbler, bald eagle, and osprey are present.

The Property consists of two parcels that are both adjacent to the north basin of Lake Almanor. Parcel One lies west of the reservoir on a relatively level plain; Benner Creek flows through this parcel. Parcel Two lies on the eastern edge of the reservoir; this parcel is adjacent to the shoreline of the reservoir. Mud Creek flows into the reservoir through this parcel, which is dominated by steep slopes and dense conifer forests.

#### **CWHR Habitat Types and Special Habitat Elements**

The Property contains the following California Wildlife Habitat Relationship (CWHR) terrestrial habitat types [as such types are defined in "A Guide to Wildlife Habitats of California," prepared for the California Department of Fish and Game, by Kenneth E. Mayer and William F. Laudenslayer, Jr., Editors (1988)]:

The Property is dominated by diverse, mid-successional Sierra Mixed Conifer (SMC) habitat, with Douglas fir (*Pseudotsuga menziesii*), Ponderosa pine (*Pinus ponderosa*), white fir (*Abies concolor*), sugar pine (*Pinus lambertiana*), and incense cedar (*Calocedrus decurrens*) present. Areas were observed on the Property that had Bitterbrush (BBR) and Montane Chaparral (MCP) habitats.

On Parcel One, the western parcel, there are dense stands of Lodgepole Pine (LPN) that are growing in the meadow. The eastern portion of Parcel One consists of Annual Grassland (ASG). Both parcels have areas of Montane Riparian (MRI) habitat along the creeks where Black cottonwood, Bigleaf maple, Willow, Dogwood and Alders grow. Numerous areas on the Property contain dense stands of Aspen (ASP).

#### **Wildlife**

- a. DEER HERD. The Property's open SMC, MCP and BBR habitats provide summer and migratory habitat for deer.

- b. BLACK BEAR. The Property's diversity of understory shrub species within the SMC habitat support black bear.
- c. NATIVE BIRD SPECIES. The Property's diverse SMC, MRI, MCP, BBR and ASP habitats, coupled with the extensive wet meadows and shoreline of the reservoir are likely to support a mix of resident and migrant native bird species associated with mid-successional mixed conifer forest within the Feather River Watershed, including western tanager , yellow-rumped warbler , mountain chickadee , dark-eyed junco , and Cassin's vireo. Special status bird species likely to occur on Property include: olive-sided flycatcher, bald eagle, osprey and Cooper's hawk.
- d. BALD EAGLE AND OSPREY. The Property's close proximity to Lake Almanor (less than 10 meters at points along the western portion of Parcel Two, and 800 meters along the eastern portion of Parcel One) and SMC species mix that contains co-dominant sugar and Ponderosa pine, provide opportunities for bald eagle and osprey to nest in trees on the Property.

## **2. Open Space**

The Property has value as open space by providing a natural and scenic viewshed for the public. Scenic views of Lake Almanor and adjoining public and privately-owned lands are available from the Property, as are views of Lassen Peak, the Caribou Wilderness and Lassen Volcanic National Park. The Property affords publicly-important scenery and open space, especially as viewed from State Highway 36.

## **3. Outdoor Recreation**

Recreational use of the Property by the public includes birding, hiking, and other passive uses.

## **4. Sustainable Forestry**

The Property includes timbered land supporting conifer species in the Sierran Mixed Conifer habitat containing sugar pine, white fir, Douglas fir, Ponderosa Pine, incense cedar and Jeffrey pine.

## **5. Agricultural Uses**

Numerous features were observed on Parcel One associated with historic livestock management, including fences and gates. Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs could be cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

## **6. Historic Resources**

The Property contains a number of historic resources. The land underlying Lake Almanor, known as Big Meadow, and which is nearby, is part of the ancestral territory of the Maidu people. The creation of the Lake inundated many sites of cultural significance to the Maidu people; entire villages were flooded.

## EXHIBIT E

### Grantor's Use of the Property

The following uses of the Property are permitted or prohibited, as indicated below. Permitted uses are deemed to be consistent with the Conservation Purposes and do not require approval by the Grantee, unless otherwise indicated. Prohibited uses are deemed to be inconsistent with the Conservation Purposes and may not be authorized by the Grantee. Grantor agrees that all permitted uses shall be carried out in conformance with applicable local, state, and federal laws, including the California Environmental Quality Act ("CEQA"), and the terms of this Conservation Easement.

- 1. Subdivision and Partitioning:** Any legal or de facto division, subdivision, lot creation, or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35), is prohibited. Notwithstanding that, as of the Effective Date, the Property is comprised of separate legal parcels, the terms and conditions of this Conservation Easement will apply to the Property as a whole, and the Property will not be transferred or otherwise conveyed except as a whole, intact, single piece of real estate; neither Grantor nor Grantor's personal representative, successors, or assigns will transfer or otherwise convey any portion of the Property that constitutes less than the entire fee interest in the Property, except for leasehold interests. The existence of separate legal parcels as of the Effective Date shall not be interpreted to permit any use or activity on a separate legal parcel that would not have been permitted on such parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Upon prior written notification to the Grantee, the Grantor may execute one or more lot-line adjustments that may involve the boundary of the Property, provided, however, that no part of the Property is removed or divided from the Property as a whole.
- 2. Development Rights:** Except as specifically permitted by this **Exhibit E**, the exercise of any development rights associated with the Property is prohibited, including, without limitation, the right to construct apartment houses; multi-family dwellings; mobile homes; house-trailers; permanent tent facilities or similar structures; golf courses; casinos and gaming facilities; underground tanks; billboards, or street lights. All development rights that are now or hereafter allocated to, implied, reserved or inherent in the Property are assigned, granted, deeded and/or otherwise transferred to and/or vested in and/or otherwise placed under the sole and absolute control and discretion of Grantee in perpetuity and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described or to any other property nor used for the purpose of calculating permissible lot yield of the Property or any other Property.
- 3. Commercial Uses:** Except as specifically permitted by this **Exhibit E**, commercial uses on the Property are prohibited, including but not limited to livestock feedlots; gravel mining; commercial hotels; casinos and gaming facilities; retail outlets;

retail gas station; commercial wind farms; commercial fish hatcheries; golf courses; billboards; cannabis cultivation; and commercial cultivation of native plants.

**4. Construction of Structures:** Except as specifically permitted in this **Exhibit E**, construction of structures for any purpose is prohibited anywhere on the Property.

**5. Roads:** Grantor may maintain, repair, or replace existing roads on the Property, taking care to ensure that any such activities are consistent with the current footprint and level of improvement of such roads. Grantor shall have the right to limit or prohibit access to existing nonpublic roads, provided such actions are consistent with existing rights of way and/or easements on the Property, and further, that such actions are consistent with Section 3 and Section 8 of this Conservation Easement. Grantor may upgrade existing roads within the same footprint of such roads, subject to consultation with the Grantee pursuant to Section 10 (a) of this Conservation Easement. Grantor may construct new roads for management uses authorized by this Conservation Easement. In accordance with Section 10 of this Conservation Easement, the location, design, and construction of such new roads shall be approved by Grantee, which approval shall not be unreasonably withheld. Any other alteration of the surface or general topography of the Property for the purpose of construction, improvement or replacement of roads for motorized vehicles of any type or for the purpose of paving such roads is prohibited.

**6. Fences and Gates:** Grantor may construct, place and erect fencing and gates only as necessary for permitted uses of the Property, or as necessary to protect and maintain the Maidu cemetery that is adjacent to the Property. The construction and installation of fencing and gates shall not significantly impair the Conservation Values and shall not interfere with the public access requirements set forth in Section 8 of this Conservation Easement. In the event of destruction or deterioration of any fences and gates, whether existing at the date hereof or constructed subsequently in accordance with the provisions of this Conservation Easement, Grantor may maintain, remove and/or replace such fencing and gates with replacements of substantially the same size.

**7. Trails:** Grantor may construct and maintain trails (defined as any definable route less than ten (10) feet in width, not including curbs, cuts or fills) for recreational and educational purposes, and for use by pedestrians, horses and mules, and bicycles. Notwithstanding any other provision in this Conservation Easement to the contrary, Grantor may grant an easement to the County of Plumas for use of the Property as a trail corridor to connect to the Almanor Recreation Trail or for other purposes. The dimensions and materials for such a trail shall be consistent with those of the Almanor Recreation Trail. Grantor may use motorized vehicles on trails for management and exercise of Maidu traditional cultural practices, provided such use does not significantly impair the Conservation Values. Otherwise, motorized vehicles are prohibited on trails. The following requirements for the construction and maintenance of such new trails shall apply: (a) the trail shall be located, to the extent possible, in the path of a trail or road existing on the Effective Date, as defined in the Baseline Documentation Report; (b) the trail shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage; (c) the trail shall be otherwise installed in a manner to avoid unnecessary tree removal, grading and other land disturbance, but allowing for selective brush removal; and (d) prior to construction of trails, Grantor shall submit to Grantee a qualified scientist's opinion that the proposed trail construction will

02898.357 4839-3559-2050.1

not impact any cultural resources, special status, endangered or threatened plant or animal species, or their habitats, listed in the Baseline Documentation Report, or any other such cultural resources or designated plant or animal species or habitats identified at the time of the proposed construction. Grantor shall consult with Grantee regarding construction of trails under Section 10(a) of this Conservation Easement, but Grantee's approval shall not be required, Section 8(b) of this Conservation Easement notwithstanding.

**8. Recreational Uses:** Subject to and without limiting the requirements of Section 8 of this Conservation Easement, including the prior approval of Grantee as required under Section 8(b) of this Conservation Easement, Grantor may make the Property available for low-intensity outdoor recreational and educational activities, including hiking, nature study, and mountain biking. Hunting or fishing by the public shall not be allowed. Grantor may impose a reasonable charge for these activities, provided that any financial gain is dedicated to the not-for-profit mission of the Grantor. Camping by members of the public shall not be allowed. Grantor may enter into agreements with third parties for delivery of such commercial recreational and educational activities. Notwithstanding any other provision herein to the contrary, any increase in the intensity of use, expansion of the location or size of use, or change in use whether through a Third-Party Use Agreement or Grantor's use of the Property requires prior approval of Grantee in accordance with Section 8(b) of this Conservation Easement, which approval shall not be unreasonably withheld, delayed or conditioned.

**9. Traditional Activities:** Grantor may propagate, restore, maintain, or gather vegetation, plants, nuts, seeds or other natural materials related to the Mountain Maidu's traditional culture on the Property. Private and/or public Mountain Maidu traditional recreational, spiritual, cultural, and educational activities shall be permitted on the Property, including but not limited to, ceremonies, dances, games, and knowledge sharing workshops. The Grantor may authorize Maidu people to hunt on the property, consistent with state law. Grantor shall conduct its cultural activities in a manner that does not significantly impair the Conservation Values, and Grantor intends to manage the Property in accordance with Maidu land management principles and practices based on TEK as specifically described in the Management Plan.

**10. Water Resources:** As necessary and appropriate to carry out the uses permitted by this Conservation Easement, Grantor may, after obtaining any necessary state permits, develop, enhance and maintain water resources on the Property for habitat restoration, water consumption in connection with permitted uses, and permitted recreation uses, provided that such activities are consistent with and do not violate PG&E's Reserved Rights and do not significantly impair the Conservation Values. Permitted uses include, without limitation, the construction, repair, and maintenance of ponds and irrigation systems; installation and maintenance of wells, and the development of water capture and delivery facilities, including but not limited to water lines and access roads or trails to water facilities consistent with Section 5 and Section 7 of this **Exhibit E**. Water may be exported off the Property for immediate fire control

02898.357 4839-3559-2050.1

response or wildfire emergency. Other than as permitted in this section, the manipulation, impoundment, or alteration of any natural swale, natural water course, non-human constructed channel, wetland, stream-bank, vernal pool, perennial spring, water circulation, or any other body of water are prohibited.

**11. Water and Mineral Rights:** The transfer, encumbrance, sale, lease, severance, or other separation of the mineral or water rights for the Property by Grantor is prohibited without the prior approval of Grantee in accordance with Section 10(b) of this Conservation Easement, which Grantee may withhold in its absolute discretion. The following are also prohibited: changing the place or purpose of use of any water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any groundwater from wells that are in existence or may be constructed in the future on the Property. Nothing herein restricts the right of Grantor to enter into sales, purchases, leases, exchanges, and other transactions in water rights, such as forbearance agreements or the use of Water Code section 1707, with a government agency or nonprofit organization for wildlife, ecological enhancement purposes, or other in-stream Conservation Values, subject to the sole discretion and prior written approval of Grantee under Section 10(b) of this Conservation Easement, provided that any such transfer does not significantly impair other Conservation Values of this Conservation Easement.

**12. Air Rights:** The transfer, encumbrance, sale, lease, severance or other separation of the air rights attached to the Property by Grantor is prohibited without the prior approval of Grantee in accordance with Section 10(b) of this Conservation Easement, which Grantee may withhold in its absolute discretion. Grantor shall not use or authorize others to use the airspace above the Property for commercial or private aviation, including but not limited to, airplane flights, ultralight flights; hang gliding; glider flights; rotor craft flights; balloon flights; airship flights; and light sport airplane flights. Grantor may use unmanned aerial vehicles for management or monitoring purposes, but shall not authorize others to use such airspace above the Property for that purpose. Grantee may use unmanned aerial vehicles for monitoring purposes, provided Grantee notifies Grantor in writing of such intended use thirty (30) days in advance of each flight.

**13. Natural Resource Management:** Grantor may protect, restore, enhance and maintain the natural resources on the Property, including, without limitation, stabilization of banks and soils, vegetation management; fire control and the enhancement of biodiversity, all, in accordance with sound, generally accepted practices such as prescriptive grazing, prescriptive burning, harvesting, thinning, planting and brush removal, provided such activities do not significantly impair the Conservation Values. The intentional introduction of non-native tree or other plant species is prohibited.

02898.357 4839-3559-2050.1

Grantor may remove or control invasive, non-native plant species or feral, non-native animal species, using techniques that minimize harm to native wildlife and plants, provided such activities do not significantly impair the Conservation Values. Grantor may restore beaver habitat on the water courses on the Property, provided such activities do not significantly impair the Conservation values.

**14. Refuse and Hazardous Materials:** The dumping, deposit, permanent storage and/or disposal of refuse, soil, trash, contaminated soil, waste, bio-solids, debris, sewer sludge, agrichemicals, herbicides, pesticides, or any other dangerous, toxic, hazardous or unsightly materials on the Property is prohibited.

**15. Minerals:** Grantor may not explore for or extract minerals on the Property, provided that notwithstanding the foregoing, Grantor may remove existing rocks from the Property to be used for the purpose of blocking off roads on the Property, and for other purposes on the Property approved by the Grantee under Section 10(b) of this Conservation Easement, which approval shall not be unreasonably withheld, conditioned or delayed. Grantor may further remove gravel for the purposes of building permitted structures and/or maintaining permitted roads on the Property. No removal of rocks may occur within 50' slope distance of any perennial or ephemeral watercourse, as such term is defined in the California Forest Practice Rules 2013, Title 14 California Code of Regulations, Chapter 4 Article 1, 895.1, as amended. Erosion control and drainage structures are not considered "man-made watercourses" under this Conservation Easement. Other than as permitted by this section, the filling, dumping, excavating, draining, dredging, mining, hydraulic fracturing, drilling, removing or exploring for or extracting minerals, loam, soil, sands, hydrocarbons, gravel, rocks or other similar material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose are prohibited.

**16. Forest Management:**

(a) **Permitted Forestry Practices:** The Grantor reserves the right to harvest, cut or remove trees and vegetation for the following purposes and to use or sell the timber products resulting from such activities, all in accordance with the forest management component of the Management Plan ("Forest Management Plan Component"):

- (i) for firewood for use on the Property and for direct, personal use by members of the Maidu community outside the Property, provided such use does not significantly impair the Conservation Values;
- (ii) for the removal of trees and milling of lumber to be used by Grantor for construction purposes on the Property as permitted by this Conservation Easement, in connection with which Grantor may make use of a portable sawmill on the Property;

- (iii) to prevent, mitigate and/or respond to any natural disaster (such as wildfire, insect and disease outbreak, drought or wind damage), including the salvage and removal of dead, dying, or diseased timber; and the creation of fuel breaks;
- (iv) for the purposes of public or personal safety on the Property;
- (v) to promote the health and sustainability of the Property's natural resources, to restore and maintain an ecologically appropriate mix of overstory and understory vegetation and to control invasive and non-native vegetation, with the goal of old growth and black oak establishment and management;
- (vi) to reduce or manage fuel loads, favor or maintain specific native vegetation types, or otherwise promote forest health by prescriptive burns and fire management activities including but not limited to grazing by goats or other herbivores;
- (vii) for wildlife habitat restoration or management; and
- (viii) for the removal of trees in connection with the clearing of areas for structures as permitted by this Conservation Easement.

Grantor further may carry out forest management activities not expressly set forth above, provided, however, that all such activities are conducted in a manner that is consistent with the Conservation Purposes and other terms and conditions of this Conservation Easement. Snags shall be retained for wildlife habitat benefits and shall not be intentionally removed, except for reasons of public safety or adherence to the objectives of the Management Plan, and in accordance with the requirements of the California Forest Practice Act and Rules.

(b) **Forest Management Planning:** The Forest Management Component of the Management Plan shall be prepared and approved by a Registered Professional Forester or by an equivalent professional who is reasonably acceptable to Grantee. The goals of the Forest Management Component of the Management Plan shall be to create, manage and preserve a healthy and vigorous forest with sustainable stands of native tree species; to manage the forest to improve resilience to drought and pests; to reduce build-up of fuels that create risks of catastrophic fire; and to create and maintain a full and balanced variety of stand species, ages and characteristics; and to manage the forest to enhance wildlife as determined by Grantor. The Forest Management Component of the Management Plan will identify objectives to protect and enhance resources, including cultural resources. Planning will investigate the potential for a traditional demonstration management area to educate the public about Native American traditional ecological practices used in the area.

(c) **Timber Harvest Plans:** Except for actions to mitigate threat(s) to public or personal safety, any permit applications associated with proposed Timber Harvest Plans shall be submitted to Grantee for review and consultation under Section 10(a) of this Conservation Easement at least 30 days prior to the submission of the application to the California Department of Forestry and Fire Protection (“Cal Fire”). Grantor shall notify Grantee immediately of any proposed actions to be taken on an emergency basis to protect public or personal safety. If review of the proposed Timber Harvest Plan by Cal Fire results in modifications to the proposed Timber Harvest Plan, Grantor shall further consult with Grantee in accordance with Section 10(a) of this Conservation Easement.

(d) **Reports:** Grantor shall submit to Grantee a report on harvest levels and their impact, if any, on the Conservation Purposes and Conservation Values of the Property every ten (10) years. Grantee and the Grantor may agree that the report can be deferred beyond the ten-year period.

**17. Fire Management:** Fire protection and suppression activities shall be permitted on the Property, provided such activities do not significantly impair the Conservation Values. Except where Grantor is required to take emergency action to protect public or personal safety, Grantor shall consult with Grantee under Section 10(a) of this Conservation Easement before undertaking any fire management activities under this section. Where Grantor is required to take emergency action to protect public or personal safety, such action shall be carried out in a manner designed to minimize impacts on the Conservation Values.

**18. Carbon Rights:** Grantor hereby reserves for itself and its successors and assigns all carbon rights and the right to sell carbon rights that are part of and appurtenant to the Property for forest-based carbon storage occurring by virtue of the forest management and other restrictions established herein starting as of the Effective Date. For the purposes of this Conservation Easement, carbon rights and carbon as described herein are rights that currently exist or may come to exist in the future and are associated with the absorption by plants of carbon dioxide from the atmosphere and its conversion to carbon stored in trees and plants on the Property or stored in wood products extracted pursuant to forest management activities permitted herein, and trees and other vegetation and associated roots, surface duff and organic elements in the soil on the Property;

**19. Agriculture:** Ranching and commercial and non-commercial production of agricultural crops is limited to (1) the planting and harvesting of native plants as may become viable for Grantor in the future; (2) other ranching and agricultural activities which do not significantly impair the Conservation Values; provided any and all such uses are approved in advance by Grantee in accordance with Section 10(b) of this Conservation Easement, which approval shall not be unreasonably withheld, conditioned or delayed; and (3) as otherwise permitted by this Conservation Easement. Other than as permitted by this Section 19, the plowing, disking, cultivation, ripping,

planting, sowing, irrigation, or any other conversion of the Property to crops, orchards, vineyards, or any other agricultural use or disturbance of the Property and its native vegetation are prohibited. Intentional seeding, planting, or introduction of exotic or non-native plant species are prohibited.

**20. Vehicle Use:** Grantor may authorize the use of motorized vehicles on designated roadways for the recreational uses permitted in Section 8 of this **Exhibit E**. Except as permitted in Section 8 of this **Exhibit E**, commercial recreational vehicle use is prohibited. Grantor shall take reasonable and practicable actions to ensure that all vehicles use only designated roads, and that unauthorized third parties are prevented from using motorized vehicles on the Property, provided, however, that Grantor shall not be responsible for injuries or changes to the Property caused by such uses beyond Grantor's control. In no event shall any all-terrain vehicles, off-road vehicles, or off-highway vehicles, including without limitation four-wheelers, three-wheelers, snowmobiles, and/or motorcycles be used off designated roadways, except when used by Grantor for management or to exercise Maidu traditional cultural practices, provided such uses do not significantly impair the Conservation Values. Grantor shall consult with Grantee about its vehicle use on the Property in accordance with Section 10(a) of this Conservation Easement.

02898.357 4839-3559-2050.1

EXHIBIT F  
Insurance Requirements

Grantor shall procure, carry, and maintain at all times the following insurance coverage:

1. Workers' Compensation and Employers' Liability:
  - a. Workers' compensation insurance or self-insurance indicating compliance with any applicable labor codes, laws, or statutes.
  - b. Employers' liability insurance shall not be less than **one hundred thousand dollars (\$100,000)** for injury or death each accident.
  
2. Commercial General Liability:
  - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
  - b. The limit shall not be less than **one million dollars (\$1,000,000)** each occurrence and **two million dollars (\$2,000,000)** aggregate for bodily injury, property damage, and personal injury.
  - c. Coverage shall add as additional insureds Grantee, their directors, officers, employees, and volunteers with respect to liability arising out of work performed by or for Grantor, and Coverage shall be endorsed to specify that Grantor's insurance is primary.
  
3. Business Auto:
  - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, Code 1 "any auto".
  - b. The limit shall not be less than **one million dollars (\$1,000,000)** each accident for bodily injury and property damage.
  
4. Additional Insurance Provisions:
  - a. Upon change in carrier or coverage, or otherwise upon request of either Grantee, Grantor shall furnish Grantee with certificates of insurance and endorsements of all required insurance for Grantor.
  - b. The documentation shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantee.

- c. Upon request by Grantee, not to exceed once annually, Grantor shall furnish Grantee with complete copies of its policies, the policies of its agents or contractors, or both.

EXHIBIT G  
Power of Termination

[Follows this page]

EXHIBIT H  
Encumbrances

1. An easement to maintain and use existing roads for incidental purposes, as granted to Roseburg Resources Company, in deed recorded October 28, 1986, in Book 449, page 672, official records.

# **Attachment D**

**Grant Deed**

Grant Deed (REV. 7/20/2016)

RECORDING REQUESTED BY AND  
RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
245 Market Street, N10A, Room 1015  
P.O. Box 770000  
San Francisco, California 94177  
*Attention: Land Consultant (LCC)*

Location: City/Uninc \_\_\_\_\_  
Recording Fee \$ \_\_\_\_\_  
Document Transfer Tax \$ \_\_\_\_\_

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T Code §11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

\_\_\_\_\_  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD

DEED

APN: 011-110-033-000 (portion)

GRANT DEED, RESERVATION OF RIGHTS

I. CONVEYANCE OF FEE

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“**Grantor**”), hereinafter called Grantor, hereby grants, without warranty express or implied, to **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation (“**Grantee**”), hereinafter called Grantee, the real property (“**Property**”), located in the unincorporated area of County of Plumas, State of California, described in Exhibit A attached hereto and made a part hereof.

In connection with such grant, Grantor and Grantee have agreed, for good and valuable consideration, that Grantor shall reserve certain rights, as more fully described in Section III below.

II. RECITALS

A. Grantor is a party to that certain Settlement Agreement (“**Settlement Agreement**”) as modified and approved by the Public Utilities Commission of the State of California (“**CPUC**”) in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

B. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the “Land Conservation Commitment” (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain

Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“**Stipulation**”).

C. The Settlement Agreement and the Stipulation (collectively, “**Governing Documents**”) require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (collectively, “**Watershed Lands**”), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Grantor to convey fee interests and/or conservation easements and to protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the “**Land Conservation Commitment.**”

D. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (“**Stewardship Council**”) was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“**Land Conservation Plan**” or “**LCP**”). The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

E. Grantor has used and continues to use the Property for the purpose of generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”), and for other purposes as described more fully in Section III below (collectively, “**Hydro Project Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” refers to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities, as appropriate, as described more fully in Section III below.

F. Consistent with the terms of the Governing Documents, Grantor and Grantee acknowledge this conveyance, together with the conservation easement (“**Conservation Easement**”) being entered into by Grantee and Feather River Land Trust (“**FRLT**”) concurrently herewith, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values on the Property as identified in the LCP and the conservation easement being entered into while allowing the ongoing use of the Property by Grantor for Hydro Project Activities, and acknowledging and honoring existing third party uses.

### III. PARTIAL ASSIGNMENT OF ACCESS RIGHTS; RESERVATION OF RIGHTS

1. Partial Assignment of Access Rights. Grantor apportions and partially assigns to Grantee:

(a) The right to use a road as reserved in the deed from Pacific Gas and Electric Company to Louise W. McCannel, et al., dated January 20, 1966 and recorded in Volume 172, Page 1283, Official Records of Plumas County.

(b) The right to use a road as set out in the deed from Roseburg Resources Company to Pacific Gas and Electric Company dated August 21, 1986 and recorded in Volume 449, Page 678, Official Records of Plumas County.

The partial assignments made to Grantee in this section III.1 shall collectively be known as the "Access Rights". Grantee shall use the Access Rights in connection with its use of the Property. Grantee may allow FRLT and any successor to FRLT under the Conservation Easement to utilize the Access Rights.

Grantor reserves unto itself, its successors and assigns, the remaining roadway rights for the purposes necessary and useful to Grantor in the performance by it of its duties to the public.

2. Reserved Rights. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below (collectively, the "**Reserved Rights**") as Grantor may determine in Grantor's sole discretion exercised in good faith is required for Grantor's continued Hydro Project Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities.

Whenever reasonably practical, Grantor will use reasonable efforts to notify and consult with Grantee in advance of the exercise of the Reserved Rights, and use reasonable efforts to employ methods and practices that will not significantly impair the beneficial public values of the Property. The Reserved Rights are as follows:

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters and the subterranean streams flowing through known and definite channels which are now or hereafter located or flowing upon or abutting the Property. Nothing in this subsection (a) shall prevent Grantee from using reasonable amounts of water on the Property for activities solely intended to preserve and enhance the beneficial public values, provided such activities are conducted in accordance with applicable law. Such use by Grantee may be conducted without notice to the Grantor.

(b) Grantor reserves the permanent right to operate, maintain, repair, alter, replace and expand existing and future Hydroelectric Facilities and associated Water Delivery Facilities, including project replacements and improvements required to meet existing and future water delivery and other requirements for power generation and consumptive water use by existing and future users, compliance with any FERC license, FERC license renewal or other regulatory or legal requirements. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

(1) The right to conduct any and all uses and activities now or at any time in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith in connection with the generation of hydroelectric energy, including, but not limited to the operation, maintenance, repair, alteration, replacement and expansion of existing Hydroelectric Facilities and associated Water Delivery Facilities, and the construction, operation, maintenance, repair, alteration, replacement and expansion of new Hydroelectric Facilities and associated Water Delivery Facilities; and

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water; and

(3) The right to conduct any and all uses and activities currently or in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with any applicable FERC license or other regulatory or legal requirements, including any amendments thereto and replacements thereof, and with applicable regulations and orders of the FERC or other regulatory agencies; and

(4) The right to conduct any and all uses and activities now or at any time hereafter deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with the Federal Power Act (Title 16 United States Code, Chapter 12) and any successor statute (the "FPA"); and

(5) The right to decommission all or any portion of existing and future Hydroelectric Facilities and associated Water Delivery Facilities in accordance with any applicable license issued by the FERC.

(c) Grantor further reserves to itself the following permanent rights with respect to the foregoing Reserved Rights:

(1) The right of ingress to and egress over and across the Property by means of roads and lanes thereon, if such there be, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantee and to use said roads, lanes, or routes to provide access to any of Grantor's easements and facilities on lands adjacent to the Property; and

(2) The right, from time to time, to install, maintain and use gates in all fences which now or shall hereafter cross the Property; and

(3) The right, from time to time, to trim or to cut down any and all trees, brush or other vegetation now or hereafter on the Property which now or hereafter in the opinion of Grantor may interfere with or be a hazard to any of the Hydroelectric Facilities and associated Water Delivery Facilities located on the Property or adjacent to the Property, or as Grantor deems necessary to comply with applicable state or federal regulations; and

(4) The right, from time to time, to trim and cut down and clear away any and all trees, brush and other vegetation on the Property (A) for purposes of disease or insect control or otherwise as necessary or appropriate for prudent land management (i.e., not motivated by commercial benefit), and/or (B) for other vegetation management operations, including but not limited to forest fuel reduction projects, thinning of tree stands and meadow restoration projects. The foregoing may include the use of mastication machines and pesticide use to control trees, brush and other vegetation and/or insects.

3. Required Exercise. An exercise of Grantor's Reserved Rights shall be "required" (as used in the preceding Section III.1) where Grantor determines in its sole discretion exercised in good faith that such exercise is necessary to fulfill requirements or directives of any one or more of the following: (a) the CPUC or the FERC; (b) other local, state or federal governmental entities; (c) any applicable law, ordinance, rule or regulation of any local, state or federal governmental entity; (d) any third party agreement entered into by Grantor in good faith or by which Grantor is bound; or (e) professional engineering and design standards governing the ownership, maintenance, and/or operation of the Hydroelectric Facilities and associated Water Delivery Facilities.

#### IV. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed and Reservation of Rights (“**Grant Deed**”) is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) applicable zoning and use laws, ordinances, rules and regulations of any municipality, township, county, state or other governmental agency or authority; (c) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (d) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions which are recorded or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor’s obligations under the FPA, without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

#### V. MISCELLANEOUS

1. If any provision of this Grant Deed shall be unenforceable or invalid, the same shall not affect the remaining provisions hereof and to this end the provisions hereof are intended to be and shall be severable.

2. The real property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.

3. The California Public Utilities Commission, in Decision No. \_\_\_\_\_, has approved transfer of the Property under State of California Public Utilities Code Section 851.

4. This Grant Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. The Recitals in Section II above are hereby incorporated into this Grant Deed.

*[SIGNATURES FOLLOW ON NEXT PAGE]*

IN WITNESS WHEREOF, the parties have executed and delivered this Grant Deed and Reservation of Rights as of \_\_\_\_\_.

GRANTOR:

**PACIFIC GAS AND ELECTRIC COMPANY,**  
a California corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Grantee accepts, acknowledges, and agrees to the terms of this Grant Deed.**

GRANTEE:

**MAIDU SUMMIT CONSORTIUM,**  
a California nonprofit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

## **Attachment E**

**State Board of Equalization Land Appraisal Record**

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

07/25/18  
9:24 AM

Lake Almanor Wetlands

Page 100

Selected by: Assessee 0135 Pacific Gas & Electric Co.  
County 32 PLUMAS

Post List  
Roll Year 2018

Map				Non-Fee Status	Class	TRA	Miles	Index		Esc Ind	R/W	Market Values		Non-Unitary	Total
Asse	Asse	Cnty	Map					Par	Typ			Num	Sht		
0135	0135	32	018	08			101 Acres	001	000 - 001	IND 001	7E24	N	202,260		202,260
0135	0135	32	018A	02			20 Acres	491	053 - 035	IND 001	7E34	N		1,162	1,162
0135	0135	32	018A	04			20 Acres	491	053 - 035	IND 001	7E34	N		1,660	1,660

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

07/25/18  
9:24 AM

Lake Almanor Maidu Wetland

Page 101

Selected by: Assessee 0135 Pacific Gas & Electric Co.  
County 32 PLUMAS

Post List  
Roll Year 2018

Map		Par	Non-Fee	Status	Class	TRA	Miles	Index		Esc	R/W	Market Values		Total		
Asse	Asse							Typ	Num			Sht	Ind		Op	Not
0135	0135	32	018D	02			180 Acres	491	053	-	002				149,522	149,522

## **Attachment F**

**Environmental Agreement – (Fee Donee)**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

PACIFIC GAS AND ELECTRIC COMPANY  
245 Market Street, N10A, Room 1015  
P.O. Box 770000  
San Francisco, California 94177  
Attention: Land Consultant(LCC)

---

**ENVIRONMENTAL AGREEMENT  
(Fee Grantee)**

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, executed by and between MAIDU SUMMIT CONSORTIUM, a California nonprofit corporation ("Grantee") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated \_\_\_\_\_, \_\_\_\_\_, by and among Grantee, FEATHER RIVER LAND TRUST, a California nonprofit corporation, and Grantor ("Transaction Agreement"), pursuant to which Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of the County of Plumas, California.

1.2. "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

1.3. "Grant Deed" means the Grant Deed conveying title to the Property from Grantor to Grantee.

1.4. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. § 2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. § 10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code § 25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act ( Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) that contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) that contains radon gas.

1.5. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the

Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.6. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

1.7. "Transfer" refers to the time on the Closing Date that the Grant Deed is recorded in the Official Records of the County of Plumas, California, as indicated by the Recorder's stamp on the recorded Grant Deed. If no time is included on the Recorder's stamp, the Transfer shall be deemed to have occurred at 8:00 a.m., California time, on the Closing Date.

## 2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Grantee) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil, surface water and/or groundwater prior to the Closing Date. Grantor shall have the right, but not the obligation, to perform the Remediation for which it is responsible. Grantee shall (as between Grantor and Grantee) bear responsibility for the reasonable management of Hazardous Substances existing on the Property, and, shall bear the cost, risk and responsibility for releases of Hazardous Substances to soil, surface water or groundwater occurring on and after the Closing Date. Grantee shall have the obligation to perform all Necessary Remediation with funding supplied by Grantor for the Necessary Remediation for which Grantor is responsible, unless Grantor elects to perform the Remediation. To ensure that Grantee understands the risks inherent in Grantee's execution of this Agreement, Grantor has strongly advised Grantee to investigate the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, or that may be perceived to affect the value or desirability of the Property, including, without limitation, the potential environmental hazards arising from the presence of Hazardous Substances on, under, about, adjacent to or affecting the Property. Grantee hereby acknowledges and confirms that it has been afforded the opportunity to, and has, as of the date hereof, performed all environmental inspections, tests and studies, including, without limitation, invasive testing and/or groundwater sampling on, under, about or adjacent to the Property, which Grantee and its environmental consultants and engineers have deemed necessary to assess the condition of the Property and to assume the risk of the release and indemnity provided for in this Agreement.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Grantee.

### 2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) As set forth in this Section 2.3(a), Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil, surface water and groundwater, which are present on the Property prior to the Closing Date,

provided that Grantee did not cause, in whole or in part, such Hazardous Substance contamination and provided that such Necessary Remediation is not the result, in whole or in part, of Grantee's active or passive negligence. If Grantor releases Hazardous Substances to soil, surface water or groundwater on the Property on or after the Closing Date, Grantor shall be responsible for the cost of Necessary Remediation of such releases. Without limiting the foregoing general retention of responsibility, more specifically, Grantor shall retain responsibility for the Necessary Remediation of Hazardous Substances in the following circumstances:

(i) Grantor shall be responsible for the cost of Necessary Remediation of releases of Hazardous Substance present in soil, surface water and groundwater on the Property prior to the Transfer, including Necessary Remediation of Hazardous Substances which were either:

1. Caused by the Grantor;
2. Caused by a lessee or tenant of the Property; or
3. Caused by another third party.

(ii) Grantor shall be responsible for the cost of Necessary Remediation related to asbestos or lead paint that were released to soil, surface water or groundwater prior to the Transfer.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,  
(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of contamination caused in whole or in part by Grantee or as a result of Grantee's active or passive negligence, including Grantee's exacerbation of any Hazardous Substance release present as of the Closing Date, as identified in the Environmental Reports;

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil, surface water or groundwater as of the Closing Date;

(v) Liability to parties other than Grantee (i.e. successors and assigns of Grantee); and

(vi) Responsibility assumed by Grantee pursuant to this Agreement, including as set forth in Sections 2.1 and 2.4 of this Agreement.

(c) Grantor shall have the right, but not the obligation, to perform all Remediation for which it is responsible under this Agreement, if Grantor so chooses. Grantor shall have the right, but not the obligation, to reasonably control any Remediation activities for which Grantor is responsible if the Grantor so chooses, including when the work is performed by Grantee, and shall have the right to coordinate all communications with any governmental

agency regarding the same. Unless otherwise required by law, Grantee shall not communicate with any governmental agency regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Grantee Responsibility for Necessary Remediation of Certain Hazardous Substances.

(a) Grantee shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property if the Grantee caused all or part of such contamination, or if such contamination or the cost of the Necessary Remediation of such contamination resulted, in whole or in part, from Grantee's active or passive negligence.

(b) Grantee shall be responsible for the Necessary Remediation of Hazardous Substances released to soil, surface water or groundwater after the Transfer (except for Hazardous Substance releases by Grantor on or after the Closing Date).

(c) Grantee will look solely to the lessee or tenant for Necessary Remediation related to asbestos or lead paint in buildings or other structures, owned by a lessee or tenant of Grantee as of the Closing Date. Grantee will look solely to the lessee or tenant for the Remediation of Hazardous Substances released by the lessee or tenant, including releases from lessee or tenant-owned structures on or after the Closing Date.

(d) Upon and after the Transfer, Grantee shall have responsibility to reasonably manage all Hazardous Substances on the Property, and to perform all Necessary Remediation on the Property, unless Grantor elects to perform such Remediation pursuant to Section 2.3(c) of this Agreement.

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Grantee hereby acknowledges and agrees that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Grantee's use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it has responsibility. Grantor and Grantee acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use

control instruments concerning the Property. In the event that such a deed restriction or land use control instrument is required, Grantee and Grantor shall cooperate in the recording of such document in the appropriate office of the County where the Property is located.

3. Release.

3.1. Grantee, for itself, and for any future owners of all or a part of the Property, and each of their respective predecessors, successors, assigns, licensees, officers, directors, employees, agents, partners, shareholders, transferees, parent and subsidiary corporations, legal representatives, heirs, beneficiaries, executors and administrators (together with Grantee, "Releasing Parties") hereby fully and forever releases, exonerates, discharges and covenants not to sue Grantor and/or each and all of its past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors (including, without limitation, lenders who become successors-in-title) and assigns (hereinafter "Released Parties") of, from and for any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims") that the Releasing Parties or the Property may suffer or claim to suffer, based in whole or in part on the presence, or threatened or suspected presence, generation, processing, use, management, treatment, storage, disposal, Remediation, transportation, recycling, emission or release or threatened emission or release, whether in the past, present or future, of any Hazardous Substances on, about, from, adjacent to or affecting the Property, including, without limitation, Claims arising from the passive or active negligence of the Released Parties. Notwithstanding the foregoing, Grantee and the Releasing Parties do not release, exonerate, discharge and covenant not to sue Grantor for Claims for which Grantor is responsible under Section 2 of this Agreement.

3.2. Grantee represents and warrants to Grantor that it is the sole and lawful owner of all right, title and interest in and to every Claim that Grantee purports to release herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, association, corporation or other entity, any right, title or interest in any such Claim. In the event that such representation is false, and any such Claim is asserted against any of the Released Parties, by any party or entity who is the assignee or transferee of such Claim, then Grantee shall fully indemnify, defend and hold harmless the Released Party against whom such Claim is asserted from and against such Claim and from all actual costs, fees, expenses, liabilities and damages that that party incurs as a result of the assertion of such Claim.

4. Indemnity.

4.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in Section 2.3 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Grantee harmless, from and against any Claims for which Grantee is responsible under Section 2.4 of this Agreement.

4.2. By Grantee. Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantee's failure to perform or discharge Grantee's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, Grantee shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

5. Statutory Waiver.

5.1. Grantee acknowledges that it may hereinafter discover facts different from or in addition to those that it now knows or believes to be true with respect to the matters which are the subject of this Agreement, and agrees that this Agreement shall remain in effect in all respects, notwithstanding the discovery of such different or additional facts. In addition, Grantee understands and agrees that its agreements and covenants contained in this Agreement extend to all claims of any nature and kind, known or unknown, suspected or unsuspected, based in whole or in part on facts existing in the past or as of the date hereof, and in that regard, Grantee acknowledges that it has read, considered and understands the provisions of Section 1542 of the California Civil Code which reads as follows:

Section 1542. General Release

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

5.2 Based upon the advice of its counsel, Grantee knowingly and voluntarily waives and relinquishes any and all rights that it may have under Section 1542 as well as under the provisions of all comparable, equivalent, or similar statutes and principles of common law or other decisional law of any and all states of the United States or of the United States. Grantee understands and acknowledges the significance and consequences of this waiver and hereby assumes the risk of any injuries, losses or damages that may arise from such waiver.

Grantee: MAIDU SUMMIT CONSORTIUM,  
a California nonprofit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

6. Notice by Grantee. Grantee shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Grantee shall promptly notify Grantor of any notice of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

7. Grantee's Representations and Warranties. Grantee represents and warrants to Grantor as follows:

7.1. Grantee has in all respects voluntarily and knowingly executed this Agreement.

7.2. Grantee has had an opportunity to seek and has sought independent legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

7.3. Grantee has made such investigation of the facts pertaining to this Agreement as it deems necessary.

7.4. The terms of this Agreement are contractual and are the result of negotiation between Grantee and Grantor.

7.5. This Agreement has been carefully read by Grantee and the contents hereof are known and understood by Grantee.

7.6. Grantee is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Grantee have the full right and authority to execute this Agreement on behalf of Grantee and to bind Grantee without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Grantee, (ii) legal, valid and binding obligations of Grantee

enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Grantee is a party or to which it is subject.

8. Mandatory Negotiation and Mediation.

8.1. Except as provided in Section 8.2, Grantor and Grantee agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. Grantee and Grantor agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Grantee and Grantor fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to JAMS (or other similar organization mutually agreed upon by the parties) for mediation. If an organization other than JAMS is agreed upon by the parties to conduct the mediation hereunder, all references to JAMS shall be deemed changed to the selected organization. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the parties, and except as provided herein or by mutual agreement of the parties, the mediation rules of such successor or alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation prior to commencing court action, each party shall pay its own attorneys' fees and costs. Except as provided in Section 8.2, neither party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section 8.1. If either party commences an action with respect to a claim or dispute covered by this Section 8.1 without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or mediate after a request has been made, then that party shall not be entitled to recover attorneys' fees and costs, even if such fees and costs would otherwise be available to that party in such action.

8.2. Either party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to Section 8.1. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder.

8.3. The provisions of this Section 8 may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the party against which

enforcement is ordered. The covenants of Grantor and Grantee contained in this Section 8 shall survive the expiration or earlier termination of this Agreement or the Closing Date.

9. Miscellaneous.

9.1. Grantor and Grantee acknowledge (a) this Agreement is the result of extensive good faith negotiations between Grantee and Grantor through their respective counsel, (b) Grantor's and Grantee's counsel has carefully reviewed and examined this Agreement before execution by Grantor and Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

9.2. In the event that either party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding and any appeal thereof (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony) as ordered by the court. Grantee shall also pay all attorneys' fees and costs Grantor incurs in defending this Agreement or otherwise protecting Grantor's rights in any voluntary or involuntary bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Grantee or this Agreement, including all motions and proceedings related to relief from an automatic stay, lease assumption or rejection, use of cash collateral, claim objections, disclosure statements and plans of reorganization. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. For purposes hereof, the reasonable fees of Grantor's in-house attorneys who perform services in connection with any such action are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by Grantor's Law Department. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

9.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Grantee and Grantor. No transfer of an interest in the Property or this Agreement by Grantee or its assignees shall operate to relieve Grantor or Grantee of their obligations hereunder. This Agreement shall not create or bestow any right in any third party. Grantee and Grantor agree that no third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

9.4. The failure of either party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of such party to insist upon strict compliance herewith at any later time.

9.5. This Agreement shall not constitute or be construed as an admission of liability or fact by either party for any purpose whatsoever.

9.6. Grantor and Grantee shall execute, acknowledge and deliver to the other party hereto all documents, and shall take all actions reasonably required by either party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

9.7. The representations, warranties, covenants, and agreements of Grantee contained in this Agreement shall survive the Closing Date.

9.8. Time is of the essence of this Agreement.

9.9. This Agreement shall be governed by the laws of the State of California.

9.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

9.11. This Agreement sets forth the entire understanding of Grantee and Grantor in connection with the subject matter hereof, and Grantee acknowledges that Grantor has made no statement, representation or warranty relating to the Property upon which Grantee has relied or that acted as an inducement for Grantee to enter into this Agreement. Grantee's obligations under this Agreement may not be altered or amended in any respect except by a writing executed by both Grantee and Grantor. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

GRANTEE:

MAIDU SUMMIT CONSORTIUM,  
a California nonprofit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION**

[Follows this page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

## **Attachment G**

**Environmental Agreement – (Easement Grantee)**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

**PACIFIC GAS AND ELECTRIC COMPANY**  
**245 Market Street, N10A, Room 1015**  
**P.O. Box 770000**  
**San Francisco, California 94177**  
**Attention: Land Consultant(LCC)**

---

**ENVIRONMENTAL AGREEMENT**  
**(Easement Grantee – Conveyed Fee)**

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, executed by and between FEATHER RIVER LAND TRUST, a California nonprofit corporation ("Easement Grantee") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated \_\_\_\_\_, \_\_\_\_\_, by and among Easement Grantee, MAIDU SUMMIT CONSORTIUM, a California nonprofit corporation ("Fee Grantee") and Grantor ("Transaction Agreement"), pursuant to which Fee Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property"), and Easement Grantee is acquiring a conservation easement over the Property. Grantor and Easement Grantee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Easement Grantee hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of the County of Plumas, California.

1.2. "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

1.3. "Grant Deed" means the Grant Deed conveying title to the Property from Grantor to Grantee.

1.4. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. § 2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. § 10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code § 25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act ( Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) that contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) that contains radon gas.

1.5. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the

Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.6. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Easement Grantee) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil and/or groundwater prior to the Closing Date.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Easement Grantee.

2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) As set forth in this Section 2.3(a), Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil and groundwater, which are present on the Property prior to the Closing Date, provided that Easement Grantee did not cause, in whole or in part, such Hazardous Substance contamination and provided that such Necessary Remediation is not the result, in whole or in part, of Easement Grantee's active or passive negligence. If Grantor releases Hazardous Substances to soil or groundwater on the Property on or after the Closing Date, Grantor shall be responsible for the cost of Necessary Remediation of such releases.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,

(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of contamination caused in whole or in part by Fee Grantee and/or Easement Grantee or as a result of Fee Grantee's and/or Easement Grantee's active or passive negligence, including Fee Grantee's and/or Easement Grantee's exacerbation of any Hazardous Substance release present as of the Closing Date, as identified in the Environmental Reports;

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil or groundwater as of the Closing Date;

(v) Liability to parties other than Easement Grantee (i.e. successors and assigns of Easement Grantee); and

(vi) Responsibility assumed by Easement Grantee pursuant to this Agreement, including as set forth in Section 2.4 of this Agreement.

(c) Grantor shall have the right to perform all Remediation for which it is responsible under this Agreement. Except to the extent Easement Grantee determines, in its good faith sole discretion, that it is legally required to do so, Easement Grantee shall not communicate with any governmental agency regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Easement Grantee Responsibility for Necessary Remediation of Certain Hazardous Substances. Easement Grantee shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property if Easement Grantee caused all of such contamination. If Easement Grantee caused part of such contamination, Easement Grantee shall be responsible only for its proportional share of the Necessary Remediation.

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the Party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Easement Grantee hereby acknowledges and agrees that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Easement Grantee's use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it has responsibility. Grantor and Easement Grantee acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use control instruments concerning the Property. In the event that such a deed restriction or land use control instrument is required, Easement Grantee shall cooperate in the recording of such document in the appropriate office of the County where the Property is located.

### 3. Indemnity.

3.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Easement Grantee harmless, from and against any and

all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, controversies, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims"), including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements, arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in Section 2.3 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Easement Grantee harmless, from and against any Claims for which Easement Grantee is responsible under Section 2.4 of this Agreement.

3.2. By Easement Grantee. Easement Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Easement Grantee's failure to perform or discharge Easement Grantee's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, Easement Grantee shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

4. Notice by Easement Grantee. Easement Grantee shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Easement Grantee shall promptly notify Grantor of any notice of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

5. Easement Grantee's Representations and Warranties.

5.1. Easement Grantee represents and warrants to Grantor as follows:

(a) Easement Grantee has in all respects voluntarily and knowingly executed this Agreement.

(b) Easement Grantee has had an opportunity to seek and has sought independent legal advice from attorneys of his or its choice with respect to the advisability of executing this Agreement.

(c) Easement Grantee has made such investigation of the facts pertaining to this Agreement as it deems necessary.

(d) The terms of this Agreement are contractual and are the result of negotiation between Easement Grantee and Grantor.

(e) This Agreement has been carefully read by Easement Grantee and the contents hereof are known and understood by Easement Grantee.

(f) Easement Grantee is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Easement Grantee have the full right and authority to execute this Agreement on behalf of Easement Grantee and to bind Easement Grantee without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Easement Grantee, (ii) legal, valid and binding obligations of Easement Grantee enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Easement Grantee is a party or to which it is subject.

6. Mandatory Negotiation and Mediation.

6.1. Except as provided in Section 6.2, Grantor and Easement Grantee agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either Party may initiate settlement negotiations by providing written notice to the other Party, setting forth the subject of the claim or dispute. Easement Grantee and Grantor agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Easement Grantee and Grantor fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the Parties may agree in writing, the Parties agree to submit the matter to JAMS (or other similar organization such as the American Arbitration Association mutually agreed upon by the Parties) for mediation. If an organization other than JAMS is agreed upon by the Parties to conduct the mediation hereunder, all references to JAMS shall be deemed changed to the selected organization. Either Party may commence mediation by providing to JAMS and the other Party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the Parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The Parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. The Parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the Parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the Parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the Parties, and except as provided herein or by mutual agreement of the Parties, the mediation rules of such successor or alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation prior to commencing court action, each Party shall pay its own attorneys' fees and costs. Except as provided in Section 6.2, neither Party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section 6.1. If either Party commences an action with respect to a claim or dispute covered by this Section 6.1 without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or mediate after a request has been made, then that Party shall not be entitled to recover attorneys' fees and costs, even if such fees and costs would otherwise be available to that Party in such action.

6.2. Either Party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to Section 6.1. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder.

6.3. The provisions of this Section 6 may be enforced by any court of competent jurisdiction, and the Party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the Party against which enforcement is ordered. The covenants of Grantor and Easement Grantee contained in this Section 6 shall survive the expiration or earlier termination of this Agreement or the Closing Date.

7. Miscellaneous.

7.1. Easement Grantee acknowledges (a) this Agreement is the result of extensive good faith negotiations between Easement Grantee and Grantor through their respective counsel, (b) Easement Grantee's counsel has carefully reviewed and examined this Agreement before execution by Easement Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

7.2. In the event that either Party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing Party shall be entitled to its reasonable attorneys' fees, if any, awarded by a court of competent jurisdiction.

7.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Easement Grantee and Grantor. No transfer of an interest in the Property or this Agreement by Easement Grantee or its assignees shall operate to relieve Easement Grantee of its obligations hereunder. This Agreement shall not create or bestow any right in any third party. Easement Grantee and Grantor agree that no third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

7.4. The failure of either Party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of such Party to insist upon strict compliance herewith at any later time.

7.5. This Agreement shall not constitute or be construed as an admission of liability or fact by either Party for any purpose whatsoever.

7.6. Each Party shall execute, acknowledge and deliver to the other Party all documents, and shall take all actions reasonably required by the other Party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

7.7. The representations, warranties, covenants, and agreements of the Parties contained in this Agreement shall survive the Closing Date.

7.8. Time is of the essence of this Agreement.

7.9. This Agreement shall be governed by the laws of the State of California.

7.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

7.11. This Agreement sets forth the entire understanding of Easement Grantee and Grantor in connection with the subject matter hereof, and Easement Grantee acknowledges that Grantor has made no statement, representation or warranty relating to the Property upon which Easement Grantee has relied or that acted as an inducement for Easement Grantee to enter into this Agreement. The obligations of the Parties under this Agreement may not be altered or amended in any respect except by a writing executed by each of the Parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature Pages Follow]*

IN WITNESS WHEREOF, Grantor and Easement Grantee have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

EASEMENT GRANTEE:

FEATHER RIVER LAND TRUST,  
California nonprofit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION**

[Follows this page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

**Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding Lake Almanor (Maidu Wetlands)**

<b>OWNER</b>	<b>CARE OF</b>	<b>MAIL ADDRESS</b>	<b>CITY, STATE &amp; ZIP CODE</b>
<b><u>WITHIN A MILE MAILING</u></b>			
See Attached List			
<b><u>WATER AGENCY MAILING</u></b>			
Chester PUD		251 Chester Airport Rd.	Chester, CA 96020
Hamilton Branch Community Services District		3749 State Route A-13	Lake Almanor, CA 96137-9700
<b><u>OTHER (COUNTY) CO. AND SPECIAL DISTRICTS</u></b>			
None			
<b><u>BOARD OF SUPERVISORS MAILING</u></b>			
Plumas County Board of Supervisors Dist 1	Honorable Michael Sanchez	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 2	Honorable Kevin Gross	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 3	Honorable Sherrie Thrall	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 4	Honorable Lori Simpson	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 5	Honorable Jeff Engel	520 Main St., Room 309	Quincy, Ca
<b><u>CITIES/TOWNS AFFECTED MAILING</u></b>			
Chester, CA	No town government, local newspaper and BOS notified		
<b><u>NATIVE AMERICAN TRIBAL MAILING</u></b>			
Greenville Rancheria of Maidu Indians	Kyle Self, Chairperson	P.O. Box 279	Greenville, CA 95947
Enterprise Rancheria of Maidu Indians	Glenda Nelson, Chairperson	2133 Monte Vista Ave.	Oroville, Ca 95966
Maidu Cultural & Development Group	Lorena Gorbet, Chairperson	PO Box 426	Greenville, Ca 95947
Tasman Koyom Indian Foundation	Beverly K. Ogle	29855 Plum Creek Rd.	Paynes Creek, Ca 96075
Susanville Indian Rancheria	Brandon Gutierrez, Chairperson	745 Joaquin St.	Susanville, Ca 96130
<b><u>INDIVIDUALS &amp; ENTITIES WHO SUBMITTED COMMENTS</u></b>			
Dorothy Hunt		1 Terrace Lane	Chico, Ca 95926
Betty Bishop		PO Box 1084	Chester, Ca 96020
William Kerns DBA Sierra Nevada Properties		888 Callaway Rail	Reno, NV 89523

**Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding Lake Almanor (Maidu Wetlands)**

<b>INDIVIDUALS &amp; ENTITIES WHO SPOKE AT BOARD MEETING ON (Date)</b>			
Ricky Prows		1830 T Street	Sacramento Ca 95811
<b>OTHER ORGANIZATIONS THAT SUBMITTED LSP</b>			
Plumas County		520 Main St. Room 404	Quincy, Ca 95971

Maidu Wetlands w/in 1 mile			
99 CENT PLUS GROCERY		PO BOX 1878	CHESTER CA 96020
AAP & DEBRA J KUCHLE		PO BOX 1249	CHESTER CA 96020
ADEL M & FIENE LAURA M SHALABI		283 GRAYSTONE TERRACE	SAN FRANCISCO CA 94114
ALAN & CHRISTINE REEDER		237 S WEST ST	YARINGTON NV 89447
ALAN & KAREN EADE		P O BOX 59	CHESTER CA 96020
ALAN H & TRACY R STRANGE		2021 GLENGARY DR	REDDING CA 96001
ALBERT A & RUTH J HUGON	C/O CAROL L BARENCHI	PO BOX 206	CHESTER CA 96020
ALEX G TRUSTEE RAMOZ		PO BOX 1958	CHESTER CA 96020
ALICIA C BUENTIEMPO		272 FEATHER RIVER DR	CHESTER CA 96020
ALMANOR RECREATION & PARK DIST		PO BOX 325	CHESTER CA 96020 325
ALPINE HOLDINGS INC		5098 FOOTHILLS BLVD #3-333	ROSEVILLE CA 95747
ALTA CAPITAL CORP		3487 E HIDDEN VALLEY DR	RENO NV 89502
AMERIGAS PROPANE LP		PO BOX 965	VALLEY FORGE PA 19482
AMY LEUNG		PO BOX 421	CHESTER CA 96020 421
ANDREW & MALESKI KAREN FOSS		1510 KLAMATH DR	SUNNYVALE CA 94087
ANITA M HOLLOWAY		519 BROWN AVE	YUBA CITY CA 95991
ANN MARIE OLLERMAN		2280 GRASS VALLEY HIGHWAY #245	AUBURN CA 95603
ANNAMARIA WHALEN		PO BOX 1251	CHESTER CA 96020
ANTHONY E ROSE		PO BOX 1875	CHESTER CA 96020
ARLIE HOLLAND		P O BOX 1816	CHESTER CA 96020 1816
ASSEMBLIES OF GOD NO CALIFORNIA & NV DISTRICT COUN		6051 S WATT AVE	SACRAMENTO CA 95829 1304
AUGUST H MC CURDY		P O BOX 1118	CHESTER CA 96020
BARBARA C KISTLER		18805 PLACER HILLS RD	MEADOW VISTA CA 95722
BARBARA L MONTANDON		PO BOX 23	CHESTER CA 96020
BARBARA W ROBERTS		PO BOX 1274	CHESTER CA 96020
BEAR CREEK PROPERTIES LLC		PO BOX 2135	CHICO CA 95927 2135
BENEVOLENT & PROTECTIVE ORDER		P O BOX 1329	CHESTER CA 96020
BENJAMIN B & MARIAN M THOMPSON		PO BOX 1721	CHESTER CA 96020
BENJAMIN C & LUCAS-ROWE JULIE M ROWE		21910 PARKWAY DR	RED BLUFF CA 96080
BERNARD L JENNELLE		PO BOX 1007	CHESTER CA 96020 1007
BERNICE A MC PROUD		PO BOX 551	CHESTER CA 96020
BERT L COOLEY		PO BOX 250	CHESTER CA 96020
BETSY BABCOCK		4132 E HANDSOME BROOK RD	FRANKLIN NY 13775
BEVERLY J HERMAN		PO BOX 1400	CHESTER CA 96020 1400
BILL DWAIN & ANNA TAESOOON KIRK		1536 VALDEZ WAY	PACIFICA CA 94044
BILLY J D ABNEY	C/O BILL ABNEY	3127 FOREST HILLS DR	REDDING CA 96002

BRAD MARZ		PO BOX 52	HAMILTON CITY CA 95951 52
BRENDA G HUGHES		365 LASSEN ST	CHESTER CA 96020
BRENT & STEPHANIE M WEBB		PO BOX 96	CRESCENT MILLS CA 95934
BRENT WIGGIN		6590 HILLGATE RD	ARBUCKLE CA 95912
BRETT & PATRICIA M WOMACK		461 FIREHOUSE RD	LAKE ALMANOR CA 96137
BRUCE EDWARD POTTS		PO BOX 1895	CHESTER CA 96020
CA DISTRICT OF THE WESLEYAN CHURCH		P O BOX 3010	CHESTER CA 96020
CALEB E & KACIE N HOLLAND		PO BOX 494	CHESTER CA 96020
CALVIN A & TERESA A THARPE		PO BOX 150	CHESTER CA 96020
CARLOS & GENA NORRIS		PO BOX 1681	CHESTER CA 96020
CHARLES G & TERRI L FARRIS		2735 BIG SPRINGS DR	LAKE ALMANOR CA 96137
CHARLES L & SEDLACEK LISA J ELLIOT		PO BOX 1969	CHESTER CA 96020 1969
CHARLES L & SHARON M COLEMAN		302 GARRETSON	RODEO CA 94572
CHARLES N PARENT		PO BOX 795	GEYSERVILLE CA 95441
CHARLES S & PAMELA M COLEMAN		848 HAWTHORNE DR	RODEO CA 94572
CHERYL JOHNSON		PO BOX 973	CHESTER CA 96020
CHERYL LUDY		6068 MYAMBER CT	MAGALIA CA 95954
CHESTER BAPTIST CHURCH A CA CORP		P O BOX 559	CHESTER CA 96020
CHESTER CHEVRON LP A CA LTD PARTNERSHIP		225 MAIN ST	CHESTER CA 96020
CHESTER FIRE DISTRICT		PO BOX 177	CHESTER CA 96020
CHESTER PUBLIC UTILITY DIST		PO BOX 503	CHESTER CA 96020
CHRISTOPHER & KELLEY TAGUDIN		PO BOX 1302	NAVASOTA TX 77868
CHRISTOPHER & WENDY DURKIN		PO BOX 1516	CHESTER CA 96020
CITIZENS TELECOMMUNICATIONS CO OF CA	C/O FRONTIER COMMUNICATIONS	PO BOX 2629	ADDISON TX 75001
CLINTON E FULLER		PO BOX 311	CHESTER CA 96020
CLYDE R NELSON		PO BOX 2130	CHESTER CA 96020
CLYDE RUSSELL & CLYDE R WESTON		P O BOX 651	CHESTER CA 96020
COLLINS PINE CO A CORP		PO BOX 796	CHESTER CA 96020
COLLINS PINE CO A CORP		29100 SOUTHWEST TOWN CENTER LOOP #300	WILSONVILLE OR 97070 9315
COLTON GALLEGOS		PO BOX 11	CHESTER CA 96020
D E & DOROTHY M CAVINESS		PO BOX 1496	CHICO CA 95927
DALE H & JANE L DAWSON		4665 SCOTTS VALLEY DR	SCOTTS VALLEY CA 95066
DALE LEMMERICK		PO BOX 3020	CHESTER CA 96020
DALE P & LINDA LANGREHR		P O BOX 880	CHESTER CA 96020
DANIEL H & TRACI D WILLIAMS		1766 FOURTY NINER CT	CHICO CA 95926
DANNY L & MIRANDA ALISON CHAPMAN		3663 COTHRIN RANCH RD	SHINGLE SPRINGS CA 95682
DANTE & SANDI PERANO		4790 CAUGHLIN PKWY #515	RENO NV 89519

DARWIN L & KAREN A HINTZ		8422 TWIN TRAILS DR	SACRAMENTO CA 95843
DARYL F & JANET L STOTTS		9312 BIG BEAR LAKE CT	BAKERSFIELD CA 93312
DAVID A & MARSHA A BRADLEY		PO BOX 1844	CHESTER CA 96020
DAVID A & SUSAN LAURELL LAGROUE		PO BOX 1925	CHESTER CA 96020
DAVID B & JULIE E MONDAY		P O BOX 1114	CHESTER CA 96020 1114
DAVID C & CONSTANCE M G SLUSHER		P O BOX 451	CHESTER CA 96020
DAVID C & CONSTANCE MG SLUSHER		P O BOX 129	CHESTER CA 96020
DAVID H & FLORENCE O H PRICE		PO BOX 459	CHESTER CA 96020
DAVID J & PATRICIA J CAHOON		PO BOX 180	CHESTER CA 96020
DAVID J BAUMANN		P O BOX 1057	CHESTER CA 96020
DAVID J BRANCH		PO BOX 1377	CHESTER CA 96020
DAVID K & LAURIE A WANN		PO BOX 2002	CHESTER CA 96020 2002
DAVID P & KRISTINE L RYAN		136 LAKEHURST DR	VACAVILLE CA 95687
DAVID P RAINEY		667 SPRING CREEK DR	WESTWOOD CA 96137
DAVID R & AURELIA A JEWELL		PO BOX 1728	CHESTER CA 96020
DEAN & MARTY MELANIE ENGLER		1551 LAZY TRAIL DR	CHICO CA 95926
DEBBIE BLAKELEY		312 WILDROSE CT	FERNLEY NV 89408
DEBORAH L BROWNRIGG		PO BOX 61	CHESTER CA 96020
DEBRA L SHRUM		1425 SHERWOOD DR	TURLOCK CA 96020
DENNIS & CYNTHIA JOANNE DARLINGTON		420 N MESA ST	SUSANVILLE CA 96130
DENNIS A CAHOON		752 MUIR AVE	CHICO CA 95973
DENNIS W & GALE SUE DURKIN		1766 BIDWELL AVE	CHICO CA 95926
DOLORES MARIE GARD		PO BOX 125	CHESTER CA 96020
DOLORES MARIE GARD		PO BOX 936	VALDEZ AK 99686
DOMITA WINSOR-PORTER		8704 INVERSHEILD CT	OAK RIDGE NC 27310
DONALD & LEANNA H DAUGHERTY		P O BOX 944	CHESTER CA 96020
DONALD BRUCE & JUDITH LYNN FOWLER		2070 BIDWELL AVE	CHICO CA 95926
DONALD E & VIRGINIA L MILLER		P O BOX 337	CHESTER CA 96020
DONALD E EASTES		PO BOX 1553	CHESTER CA 96020 1553
DONALD W TALLEY		1047 W SYCAMORE ST	WILLOWS CA 95988
DOROTHY D HUNT		#1 TERRACE LANE	CHICO CA 95926
DOUGLAS C & ROBIN L MALBY		5304 PASO DEL RIO WAY	CONCORD CA 94521
DUANE KEVIN & ROGERS SHELLEY MARIE MURPHY		PO BOX 2095	CHESTER CA 96020
DUSTIN T MC CARTY		263 LASSEN ST	CHESTER CA 96020
EARL W HOUK		P O BOX 418	CHESTER CA 96020
EDWIN R BISHOP		PO BOX 1345	CHESTER CA 96020
EDWIN RALSTON & BETTY ANN BISHOP		PO BOX 1084	CHESTER CA 96020

ELLEN HAMLYN		PO BOX 87	CHESTER CA 96020 87
EQUITY TRUST COMPANY CUSTODIAN	FBO JOHN GOOLSBY IRA	PO BOX 1529	ELYRIA OH 44036
ERIC E & NICOLE M PETERSON		PO BOX 1905	CHESTER CA 96020 1905
ERIC P & ALETHA M OKELLEY		PO BOX 1365	CHESTER CA 96020
EVERETT & GEORGETTE ALMAND		23885 BOSQUE AVE	CORNING CA 96021
FILIBERTO VASQUEZ		PO BOX 1698	CHESTER CA 96020
FLOREN P & TERRI ANN SUETOS		P O BOX 1301	CHESTER CA 96020
FRANCIS JOSEPH GIUSTINO		625 FEATHER RIVER RD	CHESTER CA 96020
FRANK B & HOLLY E ALLING		PO BOX 783	CHESTER CA 96020
FRANK B & KIMBERLY L GREEN		PO BOX 526	CHESTER CA 96020 526
FRANKLIN PAUL LEMM		PO BOX 401	CHESTER CA 96020 401
FRED VIERRA	SIERRA MOTEL	861 SKYLARK DR	CHICO CA 95926
FREDRICK H / W & BORZONI TINA MARIE H FEIL		PO BOX 556	CHESTER CA 96020
GARY & JANET M BRITTON		6478 ALEXANDER CT	PARADISE CA 95969
GARY H & DONNA K KRETZ		14033 GREENBERRY LN	CHICO CA 95973 9753
GARY L & ELLEN R FOSS		PO BOX 1096	CHESTER CA 96020
GARY L & SUSAN M POWERS		971 EAST AVE #C	CHICO CA 95926
GARY LEE ROBERTS		1697 LINCOLN RD	YUBA CITY CA 95993
GARY M & GRETA JENKINS		110 S SECOND ST #1	RIO VISTA CA 94571
GARY R FORD		PO BOX 931	JAMESTOWN CA 95327
GARY ROBERT PARTEE		PO BOX 1082	CHESTER CA 96020 1082
GEORGE C & MARTHA A HAGEDORN		2165 RUDOLPH DR	LAKE HAVASU CITY AZ 86406
GORDON & REBECCA NORTHAN		604 PUTNAM DR	RENO NV 89503
GREGORY B BERZEL		4870 WINDING WAY	AUBURN CA 95603
GREGORY L & ELLEN L OLAH		PO BOX 1264	CHESTER CA 96020
GREGORY N & CHERISSA L MC INTIRE		P O BOX 1361	CHESTER CA 96020
GUY JAMES & LISA J POULIN		1629 GREENWOOD AVE	TORRANCE CA 90503
HANNA R JUDD		40652 HWY 36 EAST	MILL CREEK CA 96061
HAROLD EDGAR BECK		8629 ROAD 67	BUTTE CITY CA 95920 9412
HAROLD W PETERSEN		PO BOX 1748	CHESTER CA 96020
HAROLD WILLIAM & PATRICE DIANE PETERSEN		205 LAKEVIEW DR	LAKE ALMANOR CA 96137
HARRY D & SUSAN T LESEUR		P O BOX 21	CHESTER CA 96020 21
HELEN GURMAN		2221 BEACH ST	SAN FRANCISCO CA 94123
HELGA E KENNEDY		PO BOX 5201	AUBURN CA 95604
HENRY A & BARBARA A SCALLY		PO BOX 1847	CHESTER CA 96020 1847
HENRY W & JEANNE G RICH		P O BOX 1213	CHESTER CA 96020
HENRY W & JEANNE GARRETT RICH		PO BOX 1213	CHESTER CA 96020

HOUSING AUTHORITY OF PLUMAS COUNTY INC		PO BOX 319	QUINCY CA 95971 319
ISAAC PRESTON		234 LAUREL LN	CHESTER CA 96020
JACK ALLEN FOX		333 PEPPERTREE RD	WALNUT CREEK CA 94598
JACK WILHITE		P O BOX 1177	CHESTER CA 96020
JACQUELINE L NICOLI		274 BELMONT AVE	REDWOOD CITY CA 94061
JAKE HOUK LAWRENCE		PO BOX 83	CHESTER CA 96020
JAMES & LAURIE DOBBS		5486 PENTZ RD	PARADISE CA 95969
JAMES A GUESS	1/3 EACH	5813 PACIFIC HEIGHTS RD #109	OROVILLE CA 95965
JAMES C & ELIZABETH L STEFFEN		PO BOX 723	CHESTER CA 96020
JAMES G SANDBERG		PO BOX 1383	CHESTER CA 96020
JAMES L COTE		3769 LAKE ALMANOR DR	LAKE ALMANOR CA 96137
JAMES LOMAN & ANGELA MICHELLE AYERS		429 LAINE ST #4	MONTEREY CA 93940
JAMES SCHMITT		PO BOX 2093	CHESTER CA 96020
JAMES T & MARCIA A MOLONEY		PO BOX 278	FOREST RANCH CA 95942 278
JAMESON CURT & BRANDIE J DE RUITER		PO BOX 730	CHESTER CA 96020
JAMIE LYNN SMITH		PO BOX 1728	CHESTER CA 96020
JAN KRAUSE		PO BOX 1515	CHESTER CA 96020
JANET M & JOHN J MILLER		1976 NUSHAKE WAY	MANTECA CA 95336
JASON DAUGHERTY		PO BOX 1003	CHESTER CA 96020
JASON KREMER		PO BOX 102	CHESTER CA 96020
JASSEN LARRY HANSKEN		11281 HUSTON #7	NORTH HOLLYWOOD CA 91601
JEFFERY G & JACQUELINE M MARRS		PO BOX 968	CHESTER CA 96020
JEFFREY D & BRENDA L LEMONS		PO BOX 984	CHESTER CA 96020
JEREMY BRENT MOLLISON	WISEMAN DANA LEE	PO BOX 701	CHESTER CA 96020
JERRI L & MARC A NIELSEN		PO BOX 476	CHESTER CA 96020
JERRY V & YVONNE M KEHR	C/O DEBRA GROESSER	6408 GARRISON CT	FORT COLLINS CO 80528
JIM N & REEVE TED W DP MATSUO		10831 ROYCROFT ST #66	SUN VALLEY CA 91352 1620
JIMMIE V & CONNIE S HIGGINS		PO BOX 169	CHESTER CA 96020
JOEL A & SARA B SCHMID		5939 CRESTMOOR DR	PARADISE CA 95969
JOEL PAUL JAMES BRESOLIN	JAYMALIN-BRESOLIN DEANNA LA	5663 LOLET WAY	SACRAMETO CA 95835 2404
JOHN E & DONNA J GAGER		2575 HIGHWAY 32	CHICO CA 95973
JOHN E & KIM L LUND		PO BOX 426	CHESTER CA 96020
JOHN H & HEATHER H GIMPLE		1621 SHIRLEY ST	MINDEN NV 89423 8032
JOHN LEE & JODY LYNNE H SYFRETT		PO BOX 1825	CHESTER CA 96020 1825
JOHN LESLIE & JEANEAN VELASCO H / FALLETTI		PO BOX 22	CHESTER CA 96020
JOHN M & JANE M GOOLSBY		PO BOX 1203	CHESTER CA 96020
JOHN P & LINDA S MORELLO		1197 KIMBERLY DR	YUBA CITY CA 95993

JOHN R & ALLENA R SANDERS		PO BOX 594	CHESTER CA 96020
JOHN R & DOLORES J HART		27 RIVERWOOD LOOP	CHICO CA 95926
JOHN R & LYNN S MOORE		P O BOX 864	CHESTER CA 96020
JOHN R & TERRI L SANDERS		545 LUPINE CIR	VACAVILLE CA 95687
JOHN S & JANET C HANCOCK		PO BOX 167	CHESTER CA 96020
JOHN S & KATHLENE M FEHRMAN		P O BOX 53	QUINCY CA 95971
JOHN T & KAREN D PRICE		3453 VON BAVER WAY	SACRAMENTO CA 95821
JOHN T WARD		PO BOX 5907	TAHOE CITY CA 96145
JON ERWIN & WENDY VICTORIA SCOTT		PO BOX 663	CHESTER CA 96020
JONNA ELLSWORTH		PO BOX 216	CHESTER CA 96020
JOSE CARLOS & ESPERANZA LUGO		150 RUSSELL AVE	SUSANVILLE CA 96130
JOSEPH BARRY & LAURIE NEILE GENOVESE		397 N STORY BOOK WAY	EAGLE ID 83616
JOSEPH D CUMMINGS	DVA #942895	PO BOX 1482	CHESTER CA 96020
JOSEPH M & DAWN GRAY		PO BOX 1449	CHESTER CA 96020
JOSEPH M CORBETT	FABOR NORIE C TRUSTEE	PO BOX 1854	CHESTER CA 96020
JOSEPH MICHAEL & CINDY LEE CALLAS		PO BOX 1039	CHESTER CA 96020 1039
JOSEPH V & PAULINE M EIMERS		7127 E SUFFOLK CIR	ORANGE CA 92869
JOSEPH W & CAROL ANN WATERMAN		PO BOX 1246	CHESTER CA 96020
JOSEPH W & KRISTEN R MC CANN		PO BOX 1390	CHESTER CA 96020
JUDITH K & DOUGAN PATRICIA J CHYNOWETH		PO BOX 112	CHESTER CA 96020
JUDY FINLAY		780 AINSLEY AVE	YUBA CITY CA 95991
JUDY L & ERNEST D HARDIG	DBA HARDING TRAILER PARK	P O BOX 427	CHESTER CA 96020
JULIE A REEVES		1821 BUHNE DR #26	EUREKA CA 95503
KAREN JANE KEMP		PO BOX 1263	CHESTER CA 96020
KATHERINE L MC BURNEY		PO BOX 1705	CHESTER CA 96020
KEN C & PATSY WILLIS		PO BOX 1128	CHESTER CA 96020
KEN L & TIA S DAVIS		PO BOX 2505	EAGLE ID 83616
KENNETH & SHARI MEYER		125 GOOSEBAY VIEW TRL	CHESTER CA 96020
KENNETH G & LELA M CRANDALL		PO BOX 1971	CHESTER CA 96020
KENNETH MUMMA		7645 MUMMA RD	ARBUCKLE CA 95912
KENNETH R & MARLYS L SNASEL		PO BOX 2103	CHESTER CA 96020 2103
KENNETH S & VIRGINIA L ANTHONY		P O BOX 1775	CHESTER CA 96020
KENT BARTEL		1426 12TH ST #B	MANHATTAN BEACH CA 90266
KENT BARTEL		20808 BRIGHTON AVE	TORRANCE CA 90501
KENT NICHOLS		PO BOX 1095	CHESTER CA 96020
KEVIN T BENASSI		9405 TALITHA DR	LOUISVILLE KY 40299
KIMBERLY J KOLOSICK		1642 BECKY CT	SANTA ROSA CA 95403

KIRBY L & LINDA K TRSTS POHLER		PO BOX 1252	CHESTER CA 96020
LAWRENCE G & RONDA K AULT		PO BOX 245	BANGOR CA 95914
LEE & SHIRLEE H BAKER		14875 CLIMBING DR	RED BLUFF CA 96080
LEE C & MARIAN E BOYES		111 SANBORN DR	COLUSA CA 95932
LEISURE RV PARK LLC		PO BOX 1282	CHESTER CA 96020
LENDAL C & BARBARA S THARPE		PO BOX 2081	CHESTER CA 96020
LINDA D & CHARLES R ROULAND		PO BOX 425	CHESTER CA 96020
LINDA D & HULETT JEFFREY BRENTON BYRD		PO BOX 1699	CHESTER CA 96020 1699
LINDA J HALBERT		378 BROOKSIDE DR	CHICO CA 95928
LINDA LEE PETERSON		7646 CREEKSIDE MOBILE CIR #7	SHINGLETOWN CA 96088
LISA G SCOTTI		PO BOX 488	CHESTER CA 96020
LISA J & ELLIOT CHARLES SEDLACEK		PO BOX 1969	CHESTER CA 96020
LISA TROSTEL		PO BOX 292	CHESTER CA 96020
LLOYD A & DENISE C WELLS		PO BOX 456	MAXWELL CA 95955
LORI LYNN & ROBERT KYE RICE		PO BOX 1823	CHESTER CA 96020
LOWELL ALLAN & KATHLEEN KRISTINE BLAKE		P O BOX 1199	CHESTER CA 96020 1199
LYNITA E HOLLOWAY		PO BOX 953	CHESTER CA 96020
LYNNE COLLAR		5 SAN PABLO CT	CHICO CA 95973
MAGGIORE RICHARD DELLA		14375 COLUMBET AVE	SAN MARTIN CA 95046
MANPREET KAUR		PO BOX 870	CHESTER CA 96020
MARIE D & THOMAS C KNOX		PO BOX 188	VINA CA 96092
MARK A & AMY M JARRARD		P O BOX 227	CHESTER CA 96020 227
MARK ANDREW & RACHEL LYNN BETZLER		646 W BURNT CEDDAR RD	LAKE ALMANOR CA 96137
MARK O BRIEN		22488 ADOBE RD	RED BLUFF CA 96080
MARKOS BALOPOULOS		52 ELIZABETH WAY	SAN RAFAEL CA 94901
MARYANNE COWELL		PO BOX 770	CHESTER CA 96020
MATTHEW & SUSAN EGLOFF		611 JUNCTION PEAK CT	SPARKS NV 89436
MATTHEW L & MARIA V MAUMOYNIER		PO BOX 380	CHESTER CA 96020
MC CLELLAND AIR CONDITIONING INC		801 MARAUDER ST	CHICO CA 95973 9025
MC GEE R & E GRACE MICHAEL		1800 LAKEWOOD CT #160	EUGENE OR 97402 1624
MC NEILL PROPERTIES 1 LLC	DBA LAUREL LANE APTS	613 S FIRCROFT ST	WEST COVINA CA 91791
MELANIE ANNE NANNIZZI		2972 OLD ARCATA RD	BAYSIDE CA 95524
MELISSA L MC COY		705 HIGHWAY 395 EAST	SUSANVILLE CA 96130
MEREDITH A FAY		PO BOX 631	CHESTER CA 96020
MICHAEL & FIRESTONE LEIGH LUCIA		P O BOX 1582	CHESTER CA 96020
MICHAEL A & KATE M MC DONALD		PO BOX 1551	CHESTER CA 96020
MICHAEL A TRUSTEE FURTADO		9417 LAGUNA CREEK DR	ELK GROVE CA 95624

MICHAEL D & NANCY J CAMPOS		774 HILLVIEW WAY	CHICO CA 95926
MICHAEL D NASHLUND		PO BOX 694	CHESTER CA 96020
MICHAEL E SANDERS		PO BOX 42	CHESTER CA 96020 42
MICHAEL G DELIZIO		P.O. BOX 1244	CHESTER CA 96020 1244
MICHAEL P & STEFANIE M WHITE		PO BOX 1703	CHESTER CA 96020
MICHAEL ROY & BRENDA FAYE SMITH		P O BOX 1632	CHESTER CA 96020
MIGUEL L & ESTHER V PENA		P O BOX 215	CHESTER CA 96020
MT LASSEN COMMUNITY CHURCH INC	MT LASSEN COMMUNITY CHURCH	PO BOX 501	CHESTER CA 96020
MURRAY L & CHRISTINE A BARRETT		P O BOX 922	CHESTER CA 96020
MYRON W & LINDA L HATFIELD		P.O. BOX 1548	CHESTER CA 96020 1548
NICHOLAS DYLAN VILLEGAS		312 WILD ROSE CT	FERNLEY NV 89409
OLYMPIA E SEDLACEK		3102 HIGHLAND VIEW	BURBANK CA 91504
PAMELA DEE REMAINDERMAN MYERS		PO BOX 1025	CHESTER CA 96020
PATRICIA J MARTIN		P O BOX 705	CHESTER CA 96020
PATRICK J & PAMELA J HALLIN		107 DONALD DR	CHICO CA 95973
PATRICK T & BUONASERA TAMMY Y DOYLE		PO BOX 767	CHESTER CA 96020
PAUL A & CHARLENE ORMACHEA		PO BOX 62	STANDISH CA 96128
PAUL C & GAIL K LEFSAKER		18851 SYLVIA CT	PINE GROVE CA 95665
PAUL CALLAGHAN		PO BOX 1087	CHESTER CA 96020
PAUL M & HELENE A BAKER		P O BOX 1341	PARADISE CA 95967
PAULA A SHAKLEE		PO BOX 2082	CHESTER CA 96020
PAULA JO YATES		PO BOX 1954	CHESTER CA 96020
PENNY L CARRIGAN		P O BOX 1483	CHESTER CA 96020 1483
PENSCO TRUST COMPANY CUSTODIAN	FBO WANN LAURIE A	PO BOX 173859	DENVER CO 80217
PETER & RACHELLE D LABOSKY		PO BOX 1786	CHESTER CA 96020
PETER M & SUSAN M JENSEN		18 SKYMOUNTAIN CIR	CHICO CA 95928
PHILIP & SANDRA BUTLER		443 MELISSA AVE	CHESTER CA 96020
PHILLIP H & MAURETA M BATCHELOR		1652 BELARRA ST	MINDEN NV 89423
PHILLIPS P & LESLIE D DAVID		PO BOX 835	FOREST RANCH CA 95942
PLUMAS BANK	C/O TAX DEPT #10067-6R	35 S LINDAN AVE	QUINCY CA 95971
PLUMAS COUNTY OF	C/O FACILITY SERVICES	198 ANDYS WAY	QUINCY CA 95971
PLUMAS COUNTY OF		520 MAIN ST	QUINCY CA 95971
RALPH E & LINDA B NEUMAN		P O BOX 972	CHESTER CA 96020
RAMSEY CONSTRUCTION INC A CALIF CORP		163 MC FADDEN LN	CHICO CA 95928
RANDY T & NANCY L BUTLER		PO BOX 416	CHESTER CA 96020 416
RAY WASHBURN	C/O SHIPPEN ERNIE	2889 HILLVIEW DR	YUBA CITY CA 95993
REAL INTERMOUNTAIN		PO BOX 1757	CHESTER CA 96020

REAL INTERMOUNTAIN		201 MAIN ST	CHESTER CA 96020
RHONDA E KNUITSEN		P O BOX 1491	CHESTER CA 96020
RICHARD A & DEBRA M SUTTON		PO BOX 583	CHESTER CA 96020
RICHARD A & PATTI L CAYWOOD		16519 CHESAPEAKE DR	BROOMFIELD CO 80023 8073
RICHARD B & MARY C LAGROUE		PO BOX 2080	CHESTER CA 96020
RICHARD G & PATRICIA C LAZZARINI		7 ANDREAS CIR	NOVATO CA 94945
RICHARD H & BERNICE A DUVAL		813 LASSEN VIEW DR	LAKE ALMANOR CA 96137 9535
RIVER FEATHER		PO BOX 1826	QUINCY CA 95971
ROBERT A & SHANNON M STORY		PO BOX 2110	CHESTER CA 96020 2110
ROBERT C & JOSEPHINE L SCHUH		1198 ATWATER AVE	RIVERSIDE CA 92506
ROBERT GLENN RICE		PO BOX 550	CHESTER CA 96020
ROBERT J BENNETT		8420 WILDCAT DR	EL CERRITO CA 94530
ROBERT J SHEEHY		649 WAGON RD	CHESTER CA 96020
ROBERT JAMES & KELLY DIANE LAURITSEN		6720 HWY 128	NAPA CA 94558
ROBERT L & KARYN L MERRIMAN		P O BOX 866	CHESTER CA 96020
ROBERT LYLE & SADIE EILEEN NORDMAN		PO BOX 108	CHESTER CA 96020
ROBERT M & BETTY K BOWEN		905 FILBERT AVE	CHICO CA 95926
ROBERT M RUGGERI		PO BOX 2030	CHESTER CA 96020
ROBERT W & KRAMER KAREN J O CONNER		P O BOX 1850	CHESTER CA 96020
ROBERT W & LORI L METCALF		PO BOX 63	CHESTER CA 96020
ROBERT W OCONNOR		PO BOX 1312	CHESTER CA 96020
ROGER E & MARY ANN H HECKER		3532 DOMICH WAY	SACRAMENTO CA 95821 3102
ROGER J & MARY ANN BURTON		P O BOX 1773	CHESTER CA 96020
ROGER M SETTLEMIRE	C/O CATHY MICHAELS	6408 GARRISON CT	FORT COLLINS CO 80528
ROLAND & FLORENCE CAMPOS		2750 SIERRA SUNRISE TERRACE #218	CHICO CA 95928
RUSSELL W & DALE A POWERS		205 TAHOE DR	RIO VISTA CA 94571
SAMUEL H & CLARA BLEVINS		PO BOX 1069	CHESTER CA 96020
SAMUEL J BERES		PO BOX 517	CHESTER CA 96020
SANDRA JOY WITHERSPOON		PO BOX 1307	WESTWOOD CA 96137
SANDRA M KALUZA		PO BOX 1869	CHESTER CA 96020
SHANE & JENNIFER LORANGER		PO BOX 590	CHESTER CA 96020
SHARON L BEAUCAGE		828 COVENTRY RD	KENSINGTON CA 94707
SHARREE L BALLARD		730 BLUE RIDGE DR	HOLLISTER MO 65672
SHAUNA L VARNER		PO BOX 52	CHESTER CA 96020
SHAWN & MILLI MAHAFFEY		PO BOX 2025	CHESTER CA 96020
SHELLEY BEAM		PO BOX 98	CHESTER CA 96020
SHERRY JOHNSTON		8163 REDLANDS ST #16	PLAYA DEL REY CA 90293 -826

SHIRLEY A LINTON		P O BOX 127	GRIMES CA 95950
SIERRA ALTA TERRA INC A NV CORP	C/O DBA SIERRA NEVADA PROPE	888 CALLAWAY TRL	RENO NV 89523
SIERRA PACIFIC LAND & TIMBER COMPANY		PO BOX 496028	REDDING CA 96049 -602
SPENCER PURDON COLE	C/O GARY & LINDA COLE	1460 21ST AVE	SEATTLE WA 98122
ST ANDREWS ANGLICAN CHURCH		PO BOX 3050	CHESTER CA 96020
STANLEY L BELL		PO BOX 413	CHESTER CA 96020
STEPHEN E & ANN GRAFFWEG		PO BOX 1159	CHESTER CA 96020
STEVEN C & RENEE K COLE		332 WINEMAKER WAY	WINDSOR CA 95492 9638
STEVEN DUNN		9445 E MONTE AVE	MESA AZ 85209
STEVEN G & DESIREE A BROWN		PO BOX 336	CHESTER CA 96020
SUSAN A FORBES		21795 EL LOBO CENTER	SONORA CA 95370
SUSAN W BRADBURN		P O BOX 1913	CHESTER CA 96020
SUZANNE S FROST		14575 CARRIAGE LN	RED BLUFF CA 96080
TAMARA R WHITE		2914 PIEDMONT AVE	BERKELEY CA 94705
TAWANA DINSDALE		14613 ASHEVILLE DR	MAGALIA CA 95954
TERESA L STEGALL		P O BOX 137	CHESTER CA 96020
TERRY LEE & CARLA LOUISE PARSONS		PO BOX 735	CHESTER CA 96020
THELMA ELLICE RODERICK		PO BOX 1812	CHESTER CA 96020
THELMA ELLICE RODERICK		510 SETTLERS RD	CHESTER CA 96020
THELMA S JENSEN		PO BOX 1221	GRIDLEY CA 95948
THOMAS & JODY WADE		131 LEISUREVILLE CIR	WOODLAND CA 95776
THOMAS A & ROBIN HENINGER		3948 3RD ST #331	JACKSONVILLE BEAC FL 32250
THOMAS A & SHARON A REES		P O BOX 505	CHESTER CA 96020 505
THOMAS A SANCHEZ		PO BOX 1351	CHESTER CA 96020
THOMAS ANTHONY & LISA M SANCHEZ		PO BOX 916	CHESTER CA 96020
THOMAS ANTHONY SANCHEZ		PO BOX 212	CHESTER CA 96020
THOMAS BERNARD & BRENDA JEAN BUONASERA		3301 HIBISCUS DR	BELLEAIR BEACH FL 33786
THOMAS C WORLEY	50% EACH	112 WILLIAMS ST	WOODLAND CA 95695
THOMAS G & MOLLY D NELSON		PO BOX 88	CHESTER CA 96020
THOMAS L & SHERRIE K BRIDGMAN		PO BOX 277	CHESTER CA 96020 277
THOMAS P & MARY F MAUMOYNIER		PO BOX 273	CHESTER CA 96020 273
THOMAS R & GAYLE A BOWER		P O BOX 1629	CHESTER CA 96020
TIMOTHY D O BRIEN		PO BOX 556	CHESTER CA 96020
TIMOTHY JASON BURLEIGH		PO BOX 111	CHESTER CA 96020
TODD & DEBBIE ZEH		PO BOX 935	PENN VALLEY CA 95949
TODD A & TRACY J DU BORD		PO BOX 542	CHESTER CA 96020
TONU & PATRICIA E PLAKK		P O BOX 1603	CHESTER CA 96020

TRAVIS & KACIE BROUSSARD		PO BOX 1464	CHESTER CA 96020
U S A LASSEN NATIONAL FOREST		2400 WASHINGTON AVE	REDDING CA 96001
US BANK NATIONAL ASSOCIATION	ATTN: TAX DEPARTMENT	2800 E LAKE ST	MINNEAPOLIS MN 55406
VICTOR & PAMELA MC BURNEY		3800 ADDYS LN	BUTTE VALLEY CA 95965
VINCENT GENE NATALI		PO BOX 1138	CHESTER CA 96020
VINCENT JOHN & LISA RENEE RACZYNSKI		14690 COLTER WAY	MAGALIA CA 95954
VONDA A SAUCIER		10046 COW CREEK DR	PALO CEDRO CA 96073
W M BEATY & ASSOCIATES INC		PO BOX 990898	REDDING CA 96099 898
WALTER STEPHEN & CAROL SMIDT SHAW		255 LAUREL DR	FELTON CA 95018 9211
WAYNE PAUL & KAREN J LICHTI		PO BOX 1531	CHESTER CA 96020
WENDY J LUNA		P O BOX 1575	CHESTER CA 96020
WESLEY G & LISA L MASTON		PO BOX 951	CHESTER CA 96020
WESTON EUGENE & REBECCA KAY LORENTZEN		PO BOX 1462	CHESTER CA 96020
WILLARD B & SHARON L HENRY		PO BOX 736	CHESTER CA 96020
WILLIAM & MICHAELE A HADLEY		528 WAGON RD	CHESTER CA 96020
WILLIAM C & CAROL G ASBURY		PO BOX 1006	CHESTER CA 96020
WILLIAM D & PAULA L SIVORI		4040 RAINER AVE	SANTA ROSA CA 95405
WILLIAM EVON SCOTT	SCOTT JANE LUANNE TRUSTEE	PO BOX 537	CHESTER CA 96020 537
WILLIAM J & MELONY V EVANS		14101 N RODEO RD	RATHDRUM ID 83858
WILLIAM M & BIANCALANA CLAIRE M KEL	C/O THOMAS R.LINDSAY, CPA	PO BOX 1790	CHESTER CA 96020
WILLIAM P & TINA L KNECHT		PO BOX 1754	CHESTER CA 96020
WONG/NEAD FAMILY LIMITED PARTNERSHIP		PO BOX 575	WESTWOOD CA 96137
ZACHARY & KATHERYN DAWN RICH		335 S CULVER ST	WILLOWS CA 95988

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	International Power Technology	San Francisco Water Power and Sewer
California Energy Commission	Intestate Gas Services, Inc.	Seattle City Light
California Public Utilities Commission	Kelly Group	Sempra Utilities
California State Association of Counties	Ken Bohn Consulting	Southern California Edison Company
Calpine	Keyes & Fox LLP	Southern California Gas Company
	Leviton Manufacturing Co., Inc. Linde	Spark Energy
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunshine Design
Cenergy Power	MRW & Associates	Tecogen, Inc.
Center for Biological Diversity	Manatt Phelps Phillips	TerraVerde Renewable Partners
	Marin Energy Authority	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	McKenzie & Associates	
City of Palo Alto	Modesto Irrigation District	TransCanada
	Morgan Stanley	Troutman Sanders LLP
City of San Jose	NLine Energy, Inc.	Utility Cost Management
Clean Power Research	NRG Solar	Utility Power Solutions
Coast Economic Consulting		Utility Specialists
Commercial Energy	Office of Ratepayer Advocates	
County of Tehama - Department of Public Works	OnGrid Solar	Verizon
Crossborder Energy	Pacific Gas and Electric Company	Water and Energy Consulting Wellhead Electric Company
Crown Road Energy, LLC	Peninsula Clean Energy	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP		Yep Energy
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		