

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6132E**  
**As of April 16, 2021**

Subject: Lower Drum - Folsom Land Retained - Request for Approval under Decision (D.) 03-12-035, D.08-11-043, D.10-08-004 and Public Utilities Code Section 851

Division Assigned: Energy

Date Filed: 03-26-2021

Date to Calendar: 04-02-2021

Authorizing Documents: D0312035

Authorizing Documents: D0811043

Authorizing Documents: D1008004

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>04-18-2021</b>



**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Annie Ho

(415) 973-8794

[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

March 26, 2021

**Advice 6132-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Lower Drum - Folsom Land Retained - Request for Approval under Decision (D.) 03-12-035, D.08-11-043, D.10-08-004 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 encumbrance with a perpetual Conservation Easement to approximately 12 acres of land in Placer County, commonly known as Lower Drum - Folsom ("Property"). The Wildlife Heritage Foundation ("WHF"), a California non-profit corporation, will hold the Conservation Easement. PG&E will retain fee title to the Property and the Conservation Easement will be granted subject to certain reserved rights in favor of PG&E for the continued operation of hydroelectric and water delivery facilities. The perpetual encumbrance of the Property 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, the scenic viewshed of the Property, 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 transaction 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 LCC. 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.

### **Property Specific Considerations**

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

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

The Property comprises approximately 12 acres of land, identified as Parcels 874-875, on the map included in Attachment A, page 3, and are located in Placer County. The Property is mostly surrounded by private properties.

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

Per Stewardship Council recommendation, PG&E will convey a Conservation Easement (Attachment B) to WHF to permanently protect the BPVs on the Property. PG&E will not receive nor claim any monetary proceeds or tax benefits from this transfer (Attachment C).

The value of this transaction is equal to the difference between the fair market value of the property unrestricted by the Conservation Easement and the fair market value of the property immediately after the imposition of the Conservation Easement (i.e., the diminution in taxable value that occurs as a result of the encumbrance of a property by a Conservation Easement).

Article XIII, Section 19 of the State Constitution grants the State Board of Equalization (SBE) the authority to annually assess properties owned or used by electric or gas utility companies for the purposes of taxation. The SBE's Statement of No Tax Benefit (Attachment C) states no changes will be made to the methodology used for assessing property value and that no change in the assessed value is anticipated following the transfer of the

Conservation Easement. For this reason, the transaction value related to the conveyance of the Conservation Easement to WHF is deemed to be zero dollars (\$0).

A. Property Encumbrances and Uses

There are no recorded or unrecorded encumbrances on the Property to be retained by PG&E. There are no agreements for economic use on the Property.

The Stipulation 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. Compliance with these requirements is reflected in the Conservation Easement (Attachment B, pages 3, 6, 11, 12 and Exhibit H).

B. Public Access

There is no public vehicular access to the Property, however, the public may access the Property on foot by parking at the Avery's Pond parking lot located at the end of Rattlesnake Road, then walking north along Avery's Pond Trail toward the Property.

PG&E does not provide formal recreational facilities on the Property. Public access to the Property will not be changed as a result of the donation of the Conservation Easement. Sections 9.2 and 9.3 of the Conservation Easement recognize that informal public uses may occur on the Property, and that public access is or may be inherent in the enjoyment of the informal uses and existing BPVs, and that existing public access will be allowed to continue subject to PG&E's ability to impose reasonable rules and regulations.

C. PG&E's Assumption of Liability

Section 12(f) of the Stipulation requires that PG&E hold the donee and/or conservation organization harmless for hazardous waste or substance liability. Fulfillment of this requirement is reflected in the Conservation Easement (see page 24 of Attachment B).

A partial environmental assessment of the Property, consisting of interviews and a review of historical aerial photos and a review of historical and regulatory documents was performed in 2011 to identify potential environmental issues. No significant issues were identified during the assessment.

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

Wildlife Heritage Foundation  
Attn: Executive Director  
563 2nd Street, Suite 120  
Lincoln, CA 95648  
Phone: 916-434-2759

**(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
- Sustainable Forestry
- Outdoor Recreation by the General Public
- Preservation of Open Space
- Historic and Cultural Values
- Agricultural Uses

The Conservation Easement for the Property ensures permanent protection of those BPVs listed in the Stipulation that are present on the Property. Exhibit D of the Conservation Easement (Attachment B) provides that the following BPVs are protected on this Property. These are:

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

Habitat for 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. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors

**B. Sustainable Forestry**

Oak woodland resources on the Property.

**C. Preservation of Open Space**

The scenic viewshed of the Property in keeping with the surrounding environment, providing a contiguous forested landscape visible to passersby on the nearby roads and highways, and providing views of the North Fork of the American River.

#### D. Preservation of Historic and Cultural Values

Identified historical and cultural values, to the extent they are protected by state and federal law.

Stipulation BPVs listed below are not present on this Property and thus are not included in this conservation easement.

#### E. Agricultural Uses

#### F. Outdoor Recreation by the General Public

### (5) **Environmental Information**

The proposed conveyance of a Conservation Easement constitutes no proposed changes to land use; 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.

### **Tribal Lands Policy**

The Tribal Lands Policy does not apply this transaction because the guidelines contained in Resolution E-5076 clarify that the policy only applies to fee transactions. (Resolution, p. 59, ¶ 12-13.) On a going forward basis, the land subject to this Advice Letter will be subject to the Tribal Lands Policy for future transactions, if any. (Resolution, p. 59, ¶ 16.)

### **Native American Engagement**

Consistent with existing practice for LCC transactions, PG&E is serving this Advice Letter to the Tribes and Native American entities affected by the proposed transaction as identified by the Stewardship Council’s outreach process. The Stewardship Council’s outreach process includes noticing to those tribal contacts as identified through CAL FIRE’s Native American Contact List, which the Native American Heritage Commission assisted in creating and provides ongoing updates and issue resolution assistance.<sup>1</sup>

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<sup>1</sup> <https://www.fire.ca.gov/programs/resource-management/resource-protection-improvement/environmental-protection-program/cultural-resources-management-program/>

**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.

**Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

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 April 15, 2021, 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  
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

Any person (including individuals, groups, or organizations) may protest or respond to this advice letter; the requirements for responding to advice letters are set forth in General Order 96-B, Rules 3.11; see also Decision 08-11-043 (as modified by Decision 10-08-004).



\*\*\*\*\* SERVICE LIST Advice 6132-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  
Public Advocates Office  
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

Wildlife Heritage Foundation  
Attn: Executive Director  
563 2nd Street, Suite 120  
Lincoln, CA 95648  
Phone: 916-434-2759

Stewardship Council  
Attention: 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) #: 6132-E

Tier Designation: 1

Subject of AL: Lower Drum - Folsom Land Retained - Request for Approval under Decision (D.) 03-12-035, D.08-11-043, D.10-08-004 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

February 13, 2019

Updated February 1, 2021



Stewardship  
Council

## Land Conservation and Conveyance Plan

PG&E Retained Lands at  
Lower Drum (Folsom) Planning Unit

## **Executive Summary**

### **Subject**

LCCP Lower Drum Planning Unit (Folsom Lake Parcels)  
Land Conservation Plan Identification Numbers (Parcels) 874-875 as shown on the map attached as Exhibit 1.

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

- PG&E to retain fee simple title to 12 acres within Parcels 874-875 of the Lower Drum planning unit.
- Wildlife Heritage Foundation (WHF) to hold the conservation easement on the 12 acres of Parcels 874-875.

### **Summary**

The 1,106-acre Lower Drum planning unit includes 45 legal parcels. 12 acres of the planning unit within Parcels 874-875 will be retained by PG&E and are the subject of this LCCP. Pending Federal Energy Regulatory Commission (FERC) and California Public Utilities Commission (CPUC) approval, PG&E and WHF will enter into a conservation easement that will encumber the 12 acres within Parcels 874-875.

### **Property Location**

The property subject to this LCCP consists of 12 acres in Placer County west of Folsom Lake.

### **Economic Uses and Agreements**

There are no recorded encumbrances on the 12 acres to be retained by PG&E in the Lower Drum planning unit. There are also no unrecorded encumbrances or existing agreements for economic uses on the 12 acres to be retained by PG&E in Parcels 874-875 of the Lower Drum planning unit.

### **Preserving and/or Enhancing the Beneficial Public Values**

The conservation easement for Parcels 874-875 within the Lower Drum planning unit lists the following Beneficial Public Values (BPVs) that are to be protected:

- Habitat for 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. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors.
- Oak woodland resources on the Property.
- The scenic viewshed of the Property in keeping with the surrounding environment, providing a contiguous forested landscape visible to passersby on

the nearby roads and highways, and providing views of the North Fork of the American River.

- Identified historical and cultural values, to the extent they are protected by state and federal law

### **Tax Neutrality**

PG&E will continue to own and pay property taxes on the property.

### **Hazardous Waste Disclosure**

PG&E confirmed it has provided the Lower Drum Planning Unit Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated December 1, 2011, to WHF, fulfilling the disclosure requirements of the Land Conservation Commitment.

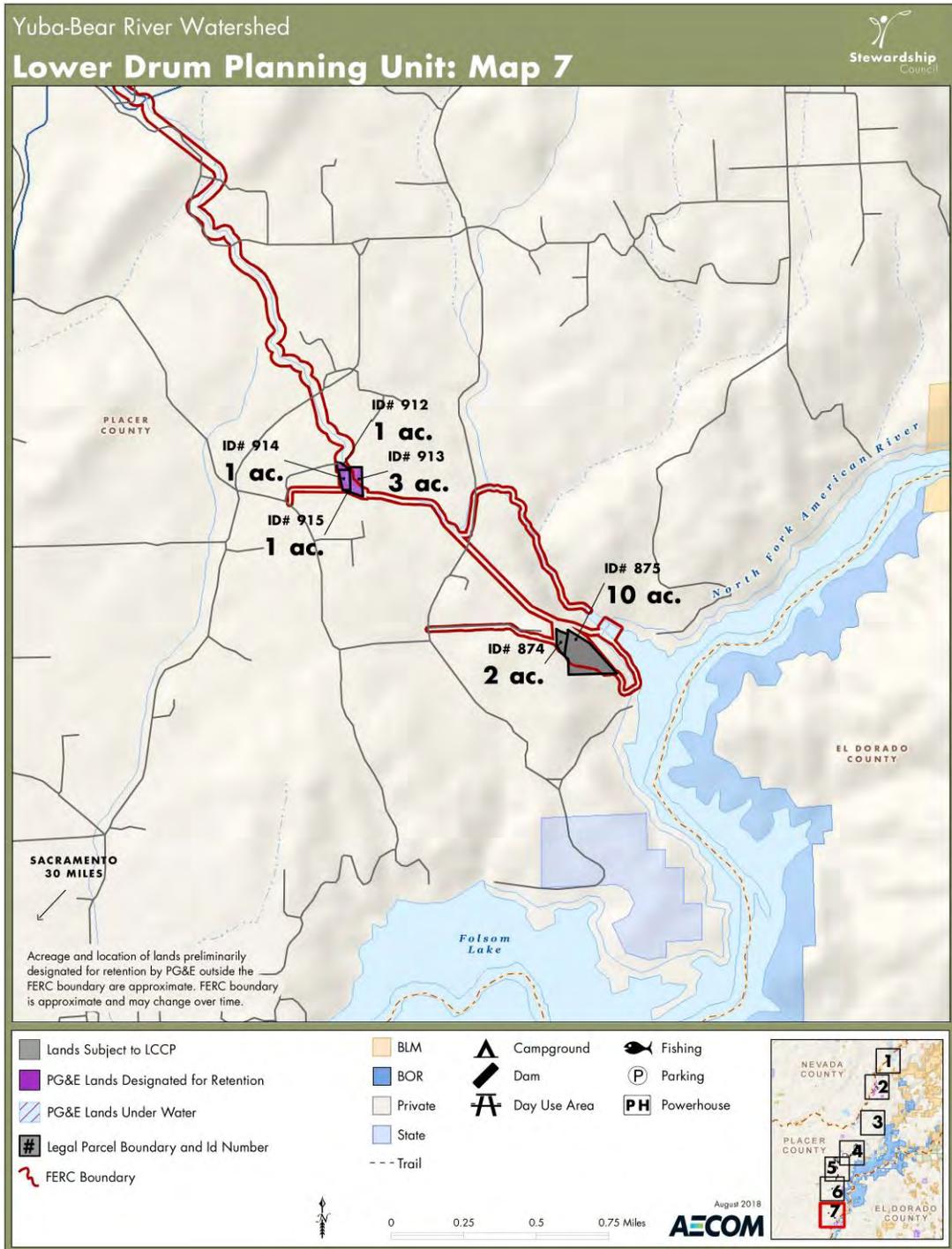
### **Consideration of Parcel Split**

PG&E will retain fee title to all 12 acres within Parcels 874-875. Therefore, there is no need for a parcel split.

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

This Lower Drum 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) and Public Resources Code 21080.28 clarifies that CEQA review is not required before a public agency transfers an interest in property, provided the purpose of the transfer is to conserve the land for habitat, open space, agricultural, or historic preservation, among other purposes. Also, the establishment of a conservation easement is categorically exempt under Section 15325 of the CEQA Guidelines (CFR Title 14, Chapter 3).

**Exhibit 1. Map of the Property**



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## 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, Native American tribes and groups, 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. The Stewardship Council also made a concerted effort to extend the benefits of PG&E's Land Conservation Commitment to Native American tribes and groups, including meeting in person with representatives of Native American entities and conducting special outreach to best ensure Native American entities were aware of, and provided full access to participate in the opportunities presented by PG&E's Land Conservation Commitment.

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 Lower Drum Folsom planning unit, is provided in Appendix 1.

**The Stewardship Council Board of Directors recommends that Wildlife Heritage Foundation (WHF) hold a conservation easement encumbering 12 acres within Parcels 874-875 in the Lower Drum planning unit that are to be retained by PG&E.**

Table 1-1 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) Retention or Donation of Fee Title and Recommendation for Conservation Easement 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>
<p><b>(10) Implementation Schedule for Transactions and Measures</b>  <i>“A schedule for the implementing transactions and measures.”</i></p>

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

### **Acreage and Property Description**

All 12 acres in Parcels 874-875 will be retained by PG&E and, consistent with the conditions in the Settlement Agreement, will be encumbered with a perpetual conservation easement, granted by PG&E to WHF as described in Section 3.

The Lower Drum planning unit is located in close proximity to the City of Auburn, and offers both recreation and open space opportunities. The elevation of this planning unit ranges between 700 and 2,000 feet mean sea level (msl). The planning unit is located in the Sierra Nevada foothills and is composed of small reservoirs, oak and pine woodlands, wetlands, and grasslands.

The Lower Drum planning unit provides suitable habitat for a variety of species within its reservoirs, riparian corridors along the Bear River, oak and pine woodlands, and grasslands. Special status species found in this planning unit include the California red-legged frog, foothill yellow-legged frog, northwestern pond turtle, and numerous bat species.

Fishing and hiking are the primary recreational activities within the Lower Drum planning unit; however, there is no recreation use of Parcels 874 and 875.

There is one PG&E Timber Management Unit (TMU) within Parcels 874-875; however, there are no timbered acres within this TMU.

Though there are three agricultural leases in the Lower Drum planning unit (one for a 5-acre horse grazing operation and two for beekeeping operations), they are not located on Parcels 874-875.

The Southern Maidu and Washoe once lived in the area around the Lower Drum planning unit. At the time of drafting the LCP (Volume II), four historic and/or prehistoric sites had been identified within the planning unit. However, only limited portions of the planning unit have been inventoried for cultural resources.

### **Adjacent and Nearby Landowners**

The 12 acres within Parcels 874-875 in the Lower Drum planning unit to be retained by PG&E are surrounded by private property and are accessed via a PG&E access road that connects to the Placer County maintained Rattlesnake Road.

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 no recorded encumbrances on the 12 acres to be retained by PG&E in the Lower Drum planning unit. There are also no unrecorded encumbrances or existing

agreements for economic uses on the 12 acres to be retained by PG&E in Parcels 874-875 of the Lower Drum planning unit.

PG&E reserves rights in the conservation easement to maintain and operate existing and future utility facilities over portions of the parcels. The specific Hydro Reserved Rights are set forth in the conservation easement, which can be found in Appendix 2.

## 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 Lower Drum planning unit that the Stewardship Council board approved in LCP Volume II, as well as a description of how the conservation easement addresses each objective and each applicable BPV.

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 2) includes a list of BPVs that will be protected including the following BPV: “Habitat for plants and animals that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The term ‘native’ refers to plants and animals that occur naturally on the Property, and are defined as ‘native’ by the California Department of Fish and Wildlife and its successors.”

*2. Objective: Preserve open space in order to protect natural and cultural resources and the recreation setting.*

The conservation easement will conserve the scenic character of the property by ensuring that no further development will occur unless specifically authorized or permitted by the conservation easement.

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

There are no recreational uses or facilities on the Property, however, the conservation easement provides that the landowner will allow public access on the property at levels substantially consistent with those existing at the time the conservation easement is

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

recorded, subject to PG&E's Reserved Rights (Section 7 of the conservation easement), and the landowner's right to make reasonable rules and regulations.

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

Forest management activities will be subject to compliance with applicable laws and conducted as further described and allowed in the conservation easement (Appendix 2).

*5. Objective: Preserve and enhance grazing in order to support associated economic benefits, as well as to protect open space and habitat resources.*

There is no current agricultural use of this property, so agriculture is not included as a BPV for this LCCP.

*6. 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.

### **3. Retention or Donation of Fee Title and Recommendation of Conservation Easement 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.

#### **Donee Selection Process**

The Stewardship Council used a formal multi-step process to solicit and select organizations interested in becoming a conservation easement holder at the Lower Drum planning unit. Commencing in 2005, the Stewardship Council engaged in a robust public outreach process to solicit interest from eligible entities in receiving fee donations or holding conservation easements on PG&E Watershed Lands. Numerous meetings were held throughout the Watershed Lands with interested organizations and other stakeholders.

The formal solicitation and selection 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. Organizations who were invited to submit a LSP were invited to tour the lands of interest with representatives of PG&E and the Stewardship Council.
- 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.

### **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 4 for a description of PG&E's Land Conservation Commitment.

The Lower Drum planning unit encompasses approximately 1,106 acres. Approximately 721 acres were identified by PG&E as lands not necessary for current and future utility operations. Therefore, these 721 acres of land were made available for fee title donation, but did not include Parcels 874-875.

The land stewardship proposals received by the Stewardship Council for the Lower Drum planning unit as part of the donee selection process described above did not include Parcels 874-875. Although a finding of no significant public interest value was considered for these two parcels, ultimately it was decided that these two parcels did not qualify for such a finding. Therefore, the Stewardship Council recommended that PG&E retain the 12 acres within Parcels 874-875 in the Lower Drum planning unit.

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

12 acres within 2 parcels (874-875) of the Lower Drum planning unit will be retained in fee by PG&E.

The map in Exhibit 1 shows all of the land within Parcels 874-875 in the Lower Drum planning unit that will be retained by PG&E. The map also shows key features in the planning unit and surrounding area, and the ownership of adjacent land.

### **Conservation Easement**

The Settlement Agreement states “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 2.

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 WHF will hold the conservation easement over the lands within the Lower Drum planning unit that are the subject of this LCCP. The qualifications of WHF are described in Section 4.

Accordingly, immediately following the Section 851 approval of PG&E’s grant of a conservation easement over lands retained by PG&E in the Lower Drum planning unit, PG&E and WHF will execute the conservation easement and it will be recorded.

#### **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 Donee Selection Process referenced above in Section 3, the following organization was endorsed by the Stewardship Council board on June 27, 2018:

- Wildlife Heritage Foundation (WHF) to hold a conservation easement over 12 acres to be retained by PG&E within Parcels 874-875 in the Lower Drum planning unit.

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

The Stewardship Council board finds that WHF has the funding and other capacity to maintain the property interest so as to preserve and/or enhance the BPVs<sup>2</sup>.

- Founded in 2001, WHF is a 501(c)(3) non-profit dedicated to protecting and enhancing wildlife habitat and connecting Californians to the outdoors.
- WHF is a statewide land trust, holding nearly 100,000 acres on over 185 conservation easement and fee title lands in both rural and urban areas, as far north as Shasta County and as far south as the California-Mexico border.
- WHF is recognized by the California Department of Fish and Wildlife, California Department of Conservation, US Fish and Wildlife Service, and U.S. Army Corps of Engineers as a 501(c)(3) non-profit organization acceptable to hold conservation easements in accordance with state and federal permitting requirements. In addition, WHF has been accredited by the Land Trust Alliance since 2008 and is a member in good standing of the California Council of Land Trusts.
- WHF has a professional staff comprised of an Executive Director, Associate Director, Senior Biologist, two Field Technicians, Land Manager, Senior Accountant, and other administrative assistance. The staff has deep expertise in natural resource management, biology, and environmental sciences, conservation law and endowment management.

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

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

The Settlement and Stipulation require 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.”

### **Property Tax Analysis**

PG&E is retaining fee title ownership of 12 acres within Parcels 874-875 of the Lower Drum planning unit and as such, PG&E will continue to pay property taxes to Placer County as assessed by the State Board of Equalization.

### **Other Economic and Physical Impacts**

The Settlement and Stipulation require an analysis of the physical and economic impacts of each disposition. The agreements for the conservation easement on Parcels 874-875 of the Lower Drum planning unit have not mandated any changes to the physical or economic uses and PG&E intends to manage the lands in a manner consistent with the current physical and economic uses.

No new activities are proposed that will result in physical impacts.

The conservation easement will prohibit development and other uses of the land that would significantly impair the BPVs, all subject to PG&E’s Hydro Reserved Rights. PG&E’s Hydro Reserved Rights are referenced in the conservation easement, which can be found in Appendix 2.

## **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 Retained by PG&E**

PG&E is retaining fee title ownership of 12 acres within Parcels 874-875 of the Lower Drum planning unit and confirmed it has provided the Lower Drum Planning Unit Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated Dec 1, 2011, to WHF, fulfilling the disclosure requirements of the Land Conservation Commitment.

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

PG&E will retain fee title to all 12 acres within Parcels 874-875 of the Lower Drum planning unit. Therefore, there is no need for a parcel split.

## **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.

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<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 3) 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 Transaction and Measures**

### **Schedule for Transaction**

- CPUC review and approval (2021)
- Close of escrow (2021)
- Stewardship Council release of funds to WHF per conservation easement funding agreement (2021)

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

Future management of the Lower Drum property 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 and/or co-licensee.
  - 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.

### **LOWER DRUM 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 Lower Drum 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.

No public comments were submitted concerning Parcels 893-895 of the Lower Drum Planning Unit during public review of Volumes I and II of the LCP.

#### **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 Lower Drum planning unit to a Public Information Meeting that was held in Auburn on April 14, 2011. 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 Yuba-Bear Watershed Area was hosted by the Stewardship Council on April 14, 2011, in Auburn, California. The meeting concerned six planning units: Bear River, Chili Bar, Fordyce Lake, Lake Spaulding, Lower Drum, and Narrows. Attendees at the workshop included a total of 58 individuals representing a wide variety of interests including local, state, federal, and tribal governments; and community organizations. The meeting was advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the

## Appendix 1: Summary of Public Outreach

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 Lower Drum 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 six 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 Lower Drum planning unit that apply to Parcels 874-875 and were recorded on the easels and provided on comment cards.

### *Lower Drum Planning Unit*

- Implement fire prevention treatments where there is a need, specifically on extremely overgrown areas
- Develop a trail that would provide access to the entire planning unit

### *General Comments Concerning the Yuba-Bear Watershed Area*

- Mineral resources should be included as a beneficial public value.
- Lands available for donation should be transferred to an entity that will preserve and enhance public access.
- Understand that all of the parcels have a history of land use and are no longer pristine.
- Provide adequate time for the public to review and provide comments on the land stewardship proposals, proposed donee recommendations, and conservation easements.
- Provide parcel-specific goals to promote public understanding and comment.

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

On May 13, 2011, the Stewardship Council received three Land Stewardship Proposals from organizations interested in being considered for a donation of fee title to certain lands located within the Lower Drum planning unit. None of the Land Stewardship Proposals included interest in Parcels 874-875.

## **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

## Appendix 1: Summary of Public Outreach

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 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 Lower Drum 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.

<p>RECORDING REQUESTED BY</p> <p><b>PACIFIC GAS AND ELECTRIC COMPANY</b>  <b>Land Department</b>  <b>Attention: Paul Coviello</b>  <b>1850 Gateway Blvd, Room 7043C</b>  <b>Concord, CA 94520</b></p>	
<p>WHEN RECORDED MAIL TO</p> <p><b>PACIFIC GAS AND ELECTRIC COMPANY</b>  <b>245 Market Street, N10A, Room 1015</b>  <b>P.O. Box 770000</b>  <b>San Francisco, California 94177</b></p>	
<p>The undersigned Grantor declares that the documentary transfer tax is \$-0- (R&amp;T Code 11911 not applicable—No realty sold/no consideration)</p>	<p>(Space Above this Line for Recorder's Use)</p>
<p>LD#</p>	

A.P.N. 037-051-007, 037-060-013

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

**DEED OF CONSERVATION EASEMENT AND AGREEMENT  
(FOLSOM LAKE, LOWER DRUM PLANNING UNIT)**

Between

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

and

**WILDLIFE HERITAGE FOUNDATION**, a California non-profit public benefit corporation,  
as Grantee

**Note to the County Recorder:** This is a conservation easement within the meaning given to such term in California Government Code §27255 and is to be included in the index developed and maintained pursuant to such section.

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**DEED OF CONSERVATION EASEMENT AND AGREEMENT  
(FOLSOM LAKE, LOWER DRUM PLANNING UNIT)**

THIS DEED OF CONSERVATION EASEMENT AND AGREEMENT (this "**Easement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Effective Date**") by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**Grantor**"), and WILDLIFE HERITAGE FOUNDATION, a California non-profit public benefit corporation ("**Grantee**"), with reference to the following facts:

**RECITALS**

A. The Property. Grantor is the owner of approximately 12 acres of real property located in Placer County, State of California, as more particularly described in the attached Exhibit A (the "**Property**").

B. FPA and FERC Jurisdiction. The Property lies within the boundaries of one or more hydroelectric projects licensed to Grantor pursuant to Part I of the Federal Power Act, 16 U.S.C. §§792-823d ("**FPA**").

1. FPA and FERC Requirements. The FPA requires regulation of the construction, operation, and maintenance of non-federal hydroelectric power projects pursuant to licenses issued by the Federal Power Commission, or its successor, the Federal Energy Regulatory Commission ("**FERC**"). Each such license requires the licensee to undertake appropriate measures on behalf of both developmental and environmental public interest uses of a waterway, including as relevant fish and wildlife protection and enhancement, irrigation, flood control, water supply, and recreation, together with whatever other beneficial public uses the license identifies as a "Project Purpose." The license requires the licensee to acquire and retain all interests in non-federal lands and other property necessary or appropriate to carry out the Project Purposes.

2. FPA and FERC Non-Project Uses. The FPA provides FERC with authority to regulate the use of a licensed project's lands and waters not only by the licensee but also by any other entity. FERC refers to such third-party use as "non-project use of project lands and waters." Even where the third-party use may be compatible with and even promote a specified Project Purpose, such use is "non-project," because it is not in the license as a direct obligation of the licensee. As a FERC licensee for the Property which is the subject of this Easement, Grantor must (except for very minor matters) apply to FERC for approval to convey to a third party any easement over project lands. FERC approval requires conveyance instruments to contain recorded covenants providing that the non-project use will not interfere with Project Purposes, and requires its licensees to enforce such covenants and protect the project values.

3. Removal of FERC Jurisdiction. FERC jurisdiction and authority over a licensed hydropower project is removed if and when (1) the project is decommissioned and the project license is surrendered or otherwise terminated; or (2) FERC determines that the project does not require a license to continue to operate, and the license expires or is otherwise terminated. Neither FERC nor the hydropower project license can bestow, remove, or alter water or other property rights; therefore, the end of FERC jurisdiction over the project has no effect on existing property rights in project lands and waters, including any conservation easements on such lands.

C. Grantor Party to Settlement Agreement. Grantor 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).

D. Grantor Party to Stipulation. 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**").

E. Governing Documents and Beneficial Public Values. The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (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 Grantor 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.**"

F. Stewardship Council and Land Conservation Plan. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (the "**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 (the "**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.

G. California Civil Code §815. The Legislature of the State of California, as set forth in California Civil Code §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 in its predominantly natural, scenic, agricultural, historical, forested, or open-space condition,

and that it is "the public policy and in the public interest of this state to encourage the voluntary conveyance of conservation easements to qualified nonprofit organizations."

H. Grantee Qualified Nonprofit Organization. Grantee is a tax-exempt nonprofit organization qualified under §501(c)(3) of the Internal Revenue Code and is eligible to acquire and hold a perpetual conservation easement pursuant to §815.3(a) of the California Civil Code.

I. Grantor's Continuing Hydro Project Activities. Grantor has used and continues to use the Property for the purposes related to the generation of electricity from hydropower facilities and related to the delivery, storage, and consumptive and nonconsumptive use of water as described more fully on attached Exhibit B (the "**Hydro Project Activities**"). In furtherance of the Hydro Project Activities, Grantor has improved portions of the Property with power-related facilities, access roads, recreational facilities, buildings and other structures. The Governing Documents provide that "[c]onservation easements on 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."

J. Perpetual Protection of Beneficial Public Values. Grantee and Grantor intend through this Easement to ensure the perpetual protection of the beneficial public values on the Property as identified in the LCP, on and subject to the terms and conditions of this Easement. Specifically, the parties intend to assure that the beneficial public values identified in the LCP and set forth on Exhibit D (the "**Beneficial Public Values**") will be protected and preserved in perpetuity and that uses of the Property that are inconsistent with protecting and preserving these Beneficial Public Values will be restricted, all as set forth in this Easement; provided, however, that Grantor shall retain all interests not transferred to Grantee by this Easement, including, but not limited to Grantor's Hydro Reserved Rights described in Section 7 below.

## **AGREEMENT**

In consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to California Civil Code §815 et seq., Grantor and Grantee further hereby agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee a perpetual "conservation easement" as defined by §815.1 of the Conservation Easement Act of 1979 (California Civil Code §815 et seq.) in gross, in, on, over and across the Property (the "**Conservation Easement**"), subject to and in accordance with the terms and conditions of this Easement.

2. Purpose. It is the purpose of this Easement to protect and preserve in perpetuity the Beneficial Public Values on the Property by restricting any use of the

Property that will significantly impair the Beneficial Public Values, all subject to and in accordance with the terms and conditions of this Easement (the "**Purpose**"). As used in this Easement, the terms "impair" and "impairment" mean to diminish in quantity, quality, value, strength or viability. As used in this Easement, the terms "significant" and "significantly," when used with "impair" and "impairment," respectively, mean a greater than negligible adverse impact, for more than a transient period. The parties agree that Grantor's retention of certain rights specified in this Easement, including the Hydro Reserved Rights, is consistent with the Purpose of this Easement.

3. Baseline Documentation Report. The parties acknowledge that certain existing conditions particularly relevant to the Property are documented in a baseline documentation report (the "**Baseline Documentation Report**"). Grantor and Grantee each have a copy of the signed Baseline Documentation Report, executed by both parties to acknowledge their approval and receipt of the Baseline Documentation Report. The parties agree that the Baseline Documentation Report contains an accurate representation of such existing conditions of the Property as of the Effective Date, and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of this Easement. The foregoing notwithstanding, if a dispute arises with respect to any of the conditions 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.

4. Commission and FERC. The terms and conditions of this Easement are subject to any conditions imposed by the Commission pursuant to **[Note: citation to decision/resolution to be inserted]** or by FERC pursuant to any hydroelectric project license for the Property or any applicable orders or regulations that FERC may issue from time to time. Notwithstanding anything to the contrary in this Easement, Grantor, its successors, and assigns have the right to perform any and all acts required by an order of FERC, or its successors, without the prior approval of Grantee or any other person. Grantor expressly reserves the right to comply with all FERC orders and regulations as they may be amended from time to time. In addition, Grantee shall comply with any information requests or reporting obligations required by the Commission or FERC, whether directly to the Commission or FERC, or through Grantor; provided that Grantor shall reimburse the reasonable costs and expenses incurred by Grantee in responding to such requests. Execution of this Easement by Grantor does not imply tacit Commission or FERC approval of a non-project use on the Property nor does it obligate Grantor to seek Commission or FERC approval for non-project uses proposed by Grantee.

5. Rights Conveyed to Grantee. Subject to the terms and conditions of this Easement, Grantor grants and conveys to Grantee the following affirmative rights:

5.1 Identification, Monitoring and Enforcement. The right to identify with Grantor the Beneficial Public Values of the Property, the right to monitor and enforce the protection and preservation of such Beneficial Public Values in accordance with the terms of this Easement, the right to enforce the terms of this Easement, the right to enjoin any activity on the Property or other use of the Property which violates the

terms of this Easement, and the right to enforce the restoration of such areas or features of the Property as may hereafter be damaged in violation of this Easement.

**5.2 Access.** The right for Grantee and Grantee's directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, permittees and invitees ("**Grantee's Representatives**") to enter onto the Property at reasonable times, during normal business hours, not more than twice per calendar year and upon not less than ten (10) business days' advance written notice in order to monitor and inspect the Property, to enforce the rights which are granted herein, to determine whether the activities conducted on the Property are in compliance with the terms of this Easement, and to enforce the restoration of such areas or features of the Property as may have been damaged in violation of this Easement, all in compliance with the provisions of Section 10. Grantee will limit the number of Grantee Representatives entering the Property to those who are reasonably necessary to undertake the inspections, and such entry will be for no more days than are reasonably necessary to carry out the inspections. Grantor's representatives shall have the right to accompany Grantee's Representatives during bi-annual monitoring visits or on any other visit permitted by this Section 5.2. Notwithstanding the foregoing, Grantee shall also have the right of entry upon the Property upon not less than twenty-four (24) hours' advance written notice where such entry is necessary to (i) prevent, terminate, or mitigate a violation of the terms of this Easement; or (ii) monitor actions taken pursuant to the bi-annual inspections contemplated by this Section 5.2. All access and entry allowed under this Section 5.2 will be made in a manner that will not unreasonably interfere with the permitted use(s) of the Property by Grantor, its successors in interest, and any occupant(s) or user(s) of the Property and shall comply with any entry and access guidelines established by Grantor and restrictions contained in any Third Party Use Agreements. Without limiting the preceding sentence, with respect to the switchyard at the Property, Grantee shall comply with any and all of Grantor's on-site safety and security requirements and any other rules and regulations that may be implemented by Grantor. With respect to Grantee's access and entry undertaken pursuant to this Section 5.2, Grantee agrees to cooperate with Grantor and to abide by any and all orders or instructions issued by Grantor, its employees, agents or representatives. Upon request, if Grantee's employees or other representatives will be entering into restricted areas of the Property, Grantee shall have its employees who will be entering such areas attend safety presentations of Grantor, so that such employees understand all safety precautions and protocols concerning high voltage transmission lines and the electrical substation.

**5.3 Grantee Signs.** Grantee shall have the right, but not the obligation, at its sole cost and expense, to erect, maintain, and/or remove, one or more reasonable, non-illuminated signs or other appropriate markers in locations on the Property visible from any public roads or other adjoining property, bearing information indicating (a) that the Property is protected by the Conservation Easement, and/or (b) the participation of Grantee and of any funder in the stewardship of the Conservation Easement, the wording, size, number, design, and location of which shall be decided upon by Grantee and Grantor, each exercising its reasonable discretion.

6. Prohibited Uses. Grantor will not engage in, or permit others to engage in, the prohibited uses set forth on Exhibit F hereto, except as otherwise provided therein (the "**Prohibited Uses**"), which Grantor and Grantee agree are inconsistent with the Purpose of this Easement.

7. Grantor's Reserved Rights.

7.1 Hydro and Other Reserved Rights. As provided in California Civil Code §815.4, all interests not expressly transferred and conveyed to Grantee by this Easement shall remain in Grantor, including the right to engage in and permit or invite others to engage in all uses of the Property not affected by this Easement nor prohibited by this Easement or by law. In compliance with California Civil Code §815.4, Grantor and Grantee acknowledge and agree that Grantor expressly reserves all rights accruing from the ownership of the Property and not expressly transferred and conveyed to Grantee by this Easement, including without limitation the right to engage in or permit or invite others to engage in all uses of the Property that do not significantly impair the Beneficial Public Values and are not expressly prohibited by this Easement. Without limiting the foregoing, Grantor shall have the right to engage in and permit or invite others to engage in the permitted uses set forth in Exhibit I (the "**Permitted Uses**"). In addition and notwithstanding any other provision of this Easement, Grantor expressly reserves the right to engage in or permit or invite others to engage in those uses set forth in Exhibit C ("**Hydro Reserved Rights**"), subject to the restrictions set forth in Sections 7.3 and 7.4 below.

7.2 Definitions. As used in this Section 7, the following defined terms shall have the meanings set forth below:

7.2.1 Anticipated Significant Actions. As used herein, "**Anticipated Significant Actions**" are (a) those Required Actions (which include Specified Required Actions pursuant to Section 7.2.3), that involve a Prohibited Use and/or that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values, (b) Discretionary Actions that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values, and (c) Permitted Uses that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values. Except as provided in Section 7.3.1, no Grantee notification, consultation or consent shall be required for actions, activities or improvements that are not Anticipated Significant Actions.

7.2.2 Required Actions. As used herein, "**Required Actions**" are those intended actions, activities or improvements that Grantor determines in Grantor's sole discretion exercised in good faith are required on the Property by any one or more of the following: (a) the Commission, FERC, or any other governmental entity having jurisdiction over Grantor's use, ownership, operation, or management of the Property, including the Hydro Project Activities, or (b) any Applicable Law (as defined in Section 8), or (c) any Third Party Use Agreements, or (d) to comply with professional practices,

standards and/or policies governing the Hydro Project Activities. All references in this Agreement to "Required Actions" shall include Specified Required Actions (as defined below) unless otherwise noted.

**7.2.3 Specified Required Actions.** As used herein, "**Specified Required Actions**" are those Required Actions that require a specified action, activity or improvement on the Property, with respect to which Grantor has no material discretion over the specific details of implementation, including, without limitation, the manner, timing, and location of the Specified Required Action. Without limiting Grantor's notification obligations pursuant to Section 7.3.1 below, no Grantee consultation or consent shall be required with respect to any Specified Required Action.

**7.2.4 Discretionary Action.** As used herein, a "**Discretionary Action**" is an intended action, activity or improvement that is not a Required Action or a Permitted Use, and does not involve a Prohibited Use.

**7.2.5 Hydro Operating Zone.** As used herein, a "**Hydro Operating Zone**" is a spatially delineated area of the Property intended to primarily contain (or immediately adjacent to an area of the Property containing) Hydroelectric Facilities and Associated Water Delivery Facilities, as defined and described on Exhibit B hereto. The initial delineated Hydro Operating Zones are set forth on Exhibit G hereto; provided, however, that, subject to Sections 7.3 and 7.4 below, Grantor shall have the right, as a Discretionary Action governed by Sections 7.3 and 7.4 below, to expand, contract, add or remove Hydro Operating Zones from time to time.

**7.3 Annual Work Plan Notification, Consultation and Consent Requirements.**

**7.3.1 Delivery and Contents of Annual Work Plan.** No later than February 15th of each calendar year after the Effective Date, Grantor shall prepare and deliver to Grantee an annual work plan for the Property (an "**Annual Work Plan**"). In the Annual Work Plan, Grantor shall inform Grantee of the Anticipated Significant Actions Grantor anticipates undertaking on the Property during such calendar year. The Annual Work Plan shall include the following:

(a) a reasonably detailed description of the Anticipated Significant Actions Grantor intends to commence within such calendar year, together with a bullet point list of those actions Grantor intends to commence during such calendar year that Grantor determines do not constitute Anticipated Significant Actions;

(b) a bullet point list of all actions undertaken by Grantor during the immediately preceding calendar year that Grantor determined did not constitute Anticipated Significant Actions and were not described in a previous Annual Work Plan (or otherwise disclosed to Grantee);

(c) an indication of whether the Anticipated Significant Actions will occur within or outside of a Hydro Operating Zone;

(d) Grantor's determination of which Anticipated Significant Actions are Discretionary Actions;

(e) Grantor's determination of which Anticipated Significant Actions are Required Actions, including a reasonably detailed explanation of the basis for Grantor's determination;

(f) Grantor's determination of which Anticipated Significant Actions are Specified Required Actions, including a reasonably detailed explanation of the basis for Grantor's determination;

(g) Grantor's determination of which Anticipated Significant Actions are Permitted Uses, including a reasonably detailed explanation of the basis for Grantor's determination;

(h) Grantor's estimated timeline for commencement and completion of each of the Anticipated Significant Actions;

(i) a description of Grantor's anticipated efforts to avoid or minimize harm to or impairment of the Beneficial Public Values from the Anticipated Significant Actions;

(j) if and when available, Grantor shall use reasonable efforts to provide copies of any underlying filings (including filings, if any, under the California Environmental Quality Act), permits (e.g., burn permits, stream alteration permits, or timber harvest plans), orders or rulings associated with the Anticipated Significant Actions; and

(k) any Third Party Use Agreement renewals or replacements as contemplated by Section 9.1.2 below.

**7.3.2 Review of Annual Work Plan.** Grantor and Grantee shall meet (in person or electronically) within sixty (60) days after Grantee's receipt of the Annual Work Plan to review the Annual Work Plan. Grantee has the right to request reasonable additional information regarding actions identified in the Annual Work Plan. As part of the Annual Work Plan review process, Grantor and Grantee will consult on Express Third Party Uses as contemplated by Section 9.1 below and Informal Uses as contemplated by Section 9.2 below. Periodically, at such annual review meetings, the content requirements for the Annual Work Plan as set forth in Section 7.3.1 above may be modified, confirmed by mutual written agreement of the parties.

**7.3.3 Anticipated Significant Actions within Hydro Operating Zones.** Without limiting Grantor's notification obligations pursuant to Section 7.3.1 above, no Grantee consultation or consent shall be required with respect to any Anticipated Significant Actions within a Hydro Operating Zone.

7.3.4 Anticipated Significant Actions Outside Hydro Operating Zones. The following provisions shall apply with respect to Anticipated Significant Actions outside of a Hydro Operating Zone:

(a) Specified Required Actions. Without limiting Grantor's notification obligations pursuant to Section 7.3.1 above, no Grantee consultation or consent shall be required with respect to any Specified Required Actions outside of a Hydro Operating Zone.

(b) Other Required Actions and Permitted Uses. With respect to Required Actions and Permitted Uses disclosed in the Annual Work Plan that are not Specified Required Actions and are to be undertaken outside of a Hydro Operating Zone, Grantor and Grantee agree that, at or prior to the meeting to review the Annual Work Plan, Grantee may (but shall be under no obligation to) propose alternative methods and practices to avoid or minimize harm to or impairment of one or more Beneficial Public Values by such Anticipated Significant Actions ("**Proposed Methods and Practices**"). Grantor shall implement the Proposed Methods and Practices, to the extent Grantor determines in its sole discretion exercised in good faith that the Proposed Methods and Practices (i) may be implemented in a commercially reasonable manner balancing the harm to Beneficial Public Values with any increased cost or burden to Grantor, (ii) where applicable, will allow for the completion of a Required Action in a timely manner, and (iii) are reasonably likely to avoid potential harm to or impairment of one or more Beneficial Public Values. If Grantor determines that one or more of the foregoing conditions has not been satisfied, Grantor shall specify the reasons for this determination in detail, and Grantor and Grantee shall cooperate in good faith and with diligence to attempt to resolve Grantor's objections to Grantee's Proposed Methods and Practices consistent with this paragraph.

(c) Discretionary Actions. With respect to Discretionary Actions disclosed in the Annual Work Plan that are to be undertaken outside of a Hydro Operating Zone, such Discretionary Actions shall be subject to Grantee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed by Grantee. If Grantee fails to grant or deny Grantor's request for consent within one hundred eighty (180) days following Grantee's receipt of Grantor's request for consent, Grantee shall be deemed to have consented to the particular Discretionary Action described in the request. If Grantee withholds its consent to such proposed Discretionary Action to be undertaken outside of a Hydro Operating Zone, Grantee shall specify its objections in detail and, wherever possible, propose commercially reasonable alternatives, methods and/or practices to avoid or mitigate harm to or impairment of the Beneficial Public Values while substantially achieving the purposes of Grantor's proposed Discretionary Action. Grantor and Grantee shall cooperate in good faith and with diligence to attempt to resolve Grantee's objections in a manner that sufficiently mitigates Grantee's objections to its reasonable satisfaction.

7.4 Anticipated Significant Actions Not Identified in Annual Work Plan. If Grantor intends to undertake an Anticipated Significant Action not identified in an Annual Work Plan, Grantor shall notify Grantee (a "**Notice of Action**"), and include the

information required by Section 7.3.1 above. Additionally, Grantor and Grantee shall meet (in person or electronically) within sixty (60) days after Grantee's receipt of the Notice of Action to review Grantor's proposed Anticipated Significant Actions. Any Anticipated Significant Action (other than a Specified Required Action) identified in a Notice of Action which is proposed to occur outside of a Hydro Operating Zone shall be subject to Section 7.3.4 above. Where this Section 7.4 applies, references to the "Annual Work Plan" in Section 7.3.4 above shall be deemed to be references to the applicable Notice of Action except that Grantor shall not be required to provide the list of actions set forth in Section 7.3.1(b) above.

**7.5** Emergency Actions. Notwithstanding any other provisions of this Section 7, in the case of an emergency or other exigent circumstance affecting the safety of persons and/or property, Grantor may exercise its Hydro Reserved Rights and take any other remedial actions in an unrestricted manner on all or any portion of the Property within or outside of a Hydro Operating Zone without consultation with Grantee and without Grantee's consent. Grantor shall provide copies of any required notifications to applicable regulatory agencies of the emergency action and shall notify Grantee of those emergency actions taken, such notice to be provided to Grantee as soon as practicable but in any event within thirty (30) days after the emergency action has occurred.

**7.6** Water Rights. The Parties acknowledge that Grantor's exercise of water rights relating to water located or flowing on or under the Property, including those described in Exhibit C, are governed by this Section 7.

**8.** Responsibility for Operations. Nothing in this Easement shall be construed as giving any right or ability to Grantee to exercise physical or managerial control of the day-to-day operations of the Property or of Grantor's activities on the Property. Grantor shall have and retain all responsibility for, and shall bear all costs and liabilities of, the ownership of the Property. In connection with Grantor's use or occupancy of the Property, Grantor shall have and retain all responsibility for, and shall bear all costs and liabilities of, compliance with any present and future applicable laws, ordinances, rules, regulations, permits, licenses, authorizations, orders and requirements, whether or not in the current contemplation of the parties, which may affect or be applicable to the Property or any part of the Property (including, without limitation, any subsurface area), all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, or any other governmental or quasi-governmental body or bodies exercising similar functions, having or acquiring jurisdiction of the Property (in each case, an "**Applicable Law**"), except as expressly stated otherwise in this Easement. Without placing any limitation on the foregoing sentence, the parties agree as follows:

**8.1** Condition of Property. Grantee shall have no duty or responsibility for (a) the operation or maintenance of the Property except to the extent specifically undertaken by Grantee as permitted under this Easement, (b) the monitoring of any

hazardous conditions thereon, or (c) the protection of Grantor, the public, or any other person or entity from any risks relating to conditions on the Property.

**8.2 Taxes.** Grantee shall have no duty or responsibility for real property taxes and assessments levied on the Property.

**8.3 Permits and Approvals.** Grantor shall be solely responsible for obtaining any and all applicable governmental permits and approvals for, and otherwise complying with all Applicable Laws relating to, any activity or use of the Property by Grantor which is permitted by this Easement; provided, however, Grantor shall have no responsibility pursuant to this Easement for obtaining permits and approvals required on behalf of unrelated third parties who occupy or use the Property or for an unrelated third party's failure to comply with Applicable Laws. Grantee shall be solely responsible for obtaining any and all applicable governmental permits and approvals for, and otherwise complying with all Applicable Laws relating to, any activity or use of the Property by Grantee which is permitted by this Easement.

**8.4 Limitation on Restoration Obligations.** Nothing in this Easement shall require Grantor to take any action to restore the condition of the Property after (a) any Act of God, which includes, without limitation, fire, climate change, flood, storm, earth movement, or natural evolutionary changes in the condition of the Property from that described in the Baseline Documentation Report; (b) any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or to any person resulting from such causes; or (c) the non-permitted acts of unrelated third parties so long as Grantor has satisfied its obligations under Section 9.3.

## **9. Third Party Use of the Property.**

**9.1 Express Third Party Uses.** Exhibit H hereto describes the existing third party uses of the Property permitted with the express agreement of Grantor ("**Express Third Party Uses**"). Subject to Section 7 above, Express Third Party Uses shall also include any future third party use implemented by Grantor as a Required Action or as a Discretionary Action approved by Grantee in accordance with Section 7. Grantor retains the right to maintain, renew, and replace all agreements memorializing the 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:

**9.1.1 Increases in Intensity or Expansion of Location or Size or Change in Use.** Any (i) increase in the intensity, or (ii) expansion of the location or size, or (iii) a change in the use, of an Express Third Party Use (whether through a new agreement or an amendment to an existing agreement), that Grantor determines in Grantor's reasonable discretion exercised in good faith is likely to significantly impair the Beneficial Public Values shall be subject to Grantee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed by Grantee, except

if such change in Express Third Party Use constitutes a Required Action in which case the consultation provisions of Section 7 above shall apply.

**9.1.2 Renewal or Replacement of Third Party Use Agreements.**

All Third Party Use Agreements existing on the date hereof are identified on Exhibit H. As Third Party Use Agreements are renewed or replaced (either with the existing user or a new user), Grantor, in consultation with Grantee as part of the Annual Work Plan consultation in accordance with Section 7.3 above, shall include contractual provisions to bring the continuation of the Express Third Party Use and the preservation of the Beneficial Public Values into alignment to the fullest extent reasonably practicable.

**9.1.3 Consultation on Express Third Party Uses.**

As part of the Annual Work Plan review process under Section 7.3 above, Grantor and Grantee will consult on existing Express Third Party Uses, including recommendations, if any, on how to bring the Express Third Party Uses and the preservation of the Beneficial Public Values into alignment to the fullest extent reasonably practicable.

**9.1.4 Enforcement of Third Party Use Agreements.**

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

**9.2 Informal Uses and Public Access.**

Grantor and Grantee recognize that the Property has been used by third parties for recreational, cultural, access, and other non-commercial or informal purposes without formal written agreements to conduct such activities (the "**Informal Uses**"). Grantor and Grantee further recognize that access is inherent or may be inherent in the enjoyment of the Beneficial Public 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 (other than Hydro Operating Zones) that is substantially consistent with the public access existing on the Effective Date, subject to Section 7 and the following limitations:

**9.2.1 Rules and Regulations.**

Grantor reserves the right to make reasonable rules and regulations to control, limit, or, as necessary, exclude Informal Uses and public access.

**9.2.2 Liability Limitation.**

Grantor and Grantee claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

**9.2.3 Periodic Review of Informal Uses.**

As part of the Annual Work Plan review process under Section 7.3 above, Grantor and Grantee will consult on Informal Uses, including recommendations made by Grantor or Grantee, if any,

regarding the necessity of controlling, limiting or excluding the Informal Uses to ensure the preservation of the Beneficial Public Values.

**9.3 Unauthorized Third-Party Uses.** If Grantor or Grantee discovers any unauthorized third-party use or activity on the Property (not including any third party violation covered by Section 9.1.4 above) that violates the terms of this Easement (and if Grantee makes such discovery, Grantee gives Grantor written notice thereof), Grantor shall use reasonable efforts, in consultation with Grantee, to stop or prevent any such unauthorized use of the Property, at Grantor's sole expense; provided that in no event shall Grantor's obligations under this Section 9.3 require Grantor to pursue legal action or incur other substantial costs. If Grantee demonstrates that Grantor's efforts in compliance with this Section 9.3 have not prevented, or are unlikely to prevent, the unauthorized third-party use or activity on the Property that violates the terms of this Easement, Grantee may meet and confer with Grantor to propose additional efforts to prevent such use or activity which Grantee may undertake, at Grantee's sole expense. Grantor shall consider such proposal in good faith and, if Grantor permits Grantee to use such additional efforts, the scope and duration of such efforts shall be determined by Grantor, and Grantee shall comply with any requirements imposed by Grantor in connection with such efforts.

**10. Enforcement and Remedies.**

**10.1 Procedures Upon Violation.** If a party hereto (the "**Non-Breaching Party**") determines there is a breach of the terms of this Easement or that a breach is threatened, written notice of such breach (the "**Notice of Breach**") and a demand for corrective action sufficient to cure the breach shall be given by the Non-Breaching Party to the party allegedly breaching this Easement (the "**Breaching Party**"). Within fourteen (14) days after delivery of a Notice of Breach, Grantor and Grantee shall meet at a location in the County where the Property is located or as otherwise agreed to 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 mutually determine that it is appropriate and desirable, a duly qualified expert in the subject matter of the alleged breach (the "**Consulting Expert**") shall attend the meeting. Grantor and Grantee shall each pay one-half of the costs of retaining the services of the Consulting Expert for such discussion; provided, however, that if Grantor and Grantee are unable to agree upon a Consulting Expert, each party may retain the services of an expert at its own expense. If Grantor and Grantee are unable to agree on appropriate corrective action (or if any such corrective action is required) 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, particular corrective action to cure the breach (the "**Notice of Easement Violation**"). If a violation is not cured within thirty (30) days after the delivery of the Notice of Easement 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 10.2 below.

**10.2 Litigation.** If the parties are not able to resolve a claim or dispute pursuant to Section 10.1 above, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Easement, to recover any damages to which Non-Breaching Party may be entitled for violation of the terms of this 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 and/or any other form of relief required to achieve the restoration of the Property to the condition in which 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 of this Easement, all such damages recovered by Grantee (after appropriate costs of suit are reimbursed) shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary contained in this 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 Easement, whether foreseeable or unforeseeable.

**10.3 Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Easement and the Non-Breaching Party reasonably determines that irreparable harm would result if the Non-Breaching Party were required to complete the process set forth in Section 10.1, the Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently.

**10.4 Remedies Cumulative.** The remedies described in this Section 10 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 §815 *et seq.*, inclusive. The failure of a party to discover a violation or to take immediate legal action shall not bar taking such action at a later time.

**10.5 Costs of Enforcement.** All costs incurred in enforcing the terms of this Easement, including, but not limited to, costs of suit and reasonable attorneys' fees as set forth in Section 20.11, shall be borne by the Breaching Party, but only to the extent that a breach of this Easement is determined to have occurred. If, after the Non-Breaching Party delivers a Notice of Easement Violation, it is determined that there was no breach of this Easement by the Breaching Party, the Non-Breaching Party shall pay all of the Breaching Party's costs and expenses incurred in connection with the alleged breach.

**10.6 No Waiver.** Enforcement of this Easement against a party shall be at the discretion of the Non-Breaching Party, and any forbearance by the Non-Breaching Party to exercise its rights under this Easement in the event of any breach of any term of this Easement shall not be deemed or construed to be a waiver by the Non-Breaching Party of such term or of any subsequent breach of the same or any other term of this Easement or of any of such party's rights under this Easement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy shall impair

such right or remedy or be construed as a waiver. A party's permission to the other party to carry out, or failure to object to, any proposed use or activity by the other party shall not constitute consent to any subsequent use or activity of the same or different nature.

## **11. Indemnification and Insurance.**

**11.1 Indemnification by Grantee.** Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Grantor, its parent corporation, subsidiaries, affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (collectively, "**Grantor Indemnitees**") from and against all claims, losses, actions, demands, damages, costs, expenses (including, but not limited to, experts' fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "**Claims**") arising out of or in connection with this Easement or the Property to the extent caused by the negligence or willful misconduct of the Grantee Indemnitees.

**11.2 Indemnification by Grantor.** Grantor shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Grantee, its parent corporation, subsidiaries, affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (collectively, "**Grantee Indemnitees**") from and against all Claims arising out of or in connection with this Easement or the Property except to the extent caused by the negligence or willful misconduct of the Grantee Indemnitees.

**11.3 Release.** Entry onto the Property by Grantee and Grantee's Representatives shall be at Grantee's sole risk and expense, and Grantee accepts all risk relating to the condition of the Property. Notwithstanding the provisions of Section 11.2, Grantor shall not be liable to Grantee for, and to the maximum extent permitted by law, Grantee hereby waives and releases Grantor and the other Grantor Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss to Grantee and/or Grantee's Representatives resulting from or attributable to any occurrence relating to the condition of the Property, except if arising solely from Grantor's gross negligence or willful misconduct.

**11.4 Insurance.** Grantee shall procure, carry and maintain in effect during all access to the Property the insurance specified in Exhibit E hereto, provided that Grantor reserves the right to periodically review and reasonably modify the insurance requirements specified in Exhibit E in effect to be generally consistent with requirements of other prudent property owners allowing access to their properties by conservation easement holders. All insurance shall be written on forms and with insurance carriers acceptable to Grantor in its commercially reasonable judgment. Prior to Grantee's initial entry onto the Property, and thereafter at least thirty (30) days prior to the expiration date of any policy, Grantee shall provide Grantor with evidence of the insurance coverage, or continuing coverage, as applicable, satisfying the requirements of this Section 11.4 and Exhibit E. Grantee is also responsible for causing Grantee's agents and contractors entering the Property to comply with the insurance requirements

of this Easement at all relevant times, the insurance being specified in Exhibit E. Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold the Grantor Indemnitees harmless against claims, losses, costs (including attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of Grantee's consultants, contractors or subcontractors, to comply with the insurance requirements set forth in this Section 11.4 and Exhibit E. Except for the right to access the Property under Section 5.2 above, which shall be conditioned upon carrying insurance required herein, no failure to carry such insurance or to provide a certificate thereof by any such deadline shall alter or affect in any manner any of the rights or obligations of the parties under or with respect to this Easement. The foregoing insurance requirements shall not apply in the event that the Grantee is a governmental agency with a self-insurance program reasonably acceptable to Grantor.

## 12. Grantee Transfer of Easement.

### 12.1 Voluntary Transfer.

12.1.1 If Grantee desires to assign its interest under this Easement, Grantee shall provide Grantor and the Sierra Nevada Conservancy ("**SNC**") with written notice of such intention to transfer to an assignee which is (a) qualified to hold a conservation easement under §815.3 of the California Civil Code; and (b) willing and with the financial capability (taking into account any stewardship funds to be transferred by Grantee with this Easement) and organizational experience to assume all of the responsibilities imposed on Grantee under this Easement; and (c) acceptable to Grantor in its reasonable discretion. Grantee shall allow the SNC, in consultation with Grantor, a period of not less than sixty (60) days within which 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 12.1.1.

12.1.2 Grantee is responsible for identifying a suitable assignee pursuant to Section 12.1.1. However, if a suitable assignee is not identified, then SNC shall have sole discretion to elect to become the assignee of Grantee's interest hereunder.

12.1.3 As conditions to any assignment of Grantee's interest under this Easement, Grantee shall (a) require the assignee to expressly agree in writing to assume Grantee's obligations hereunder, and (b) ensure that such assignee has the resources to fulfill its obligations under this Easement. Notwithstanding anything in this Section 12.1 to the contrary, this Easement shall not be transferred by Grantee to any governmental entity, public agency or Native American tribe without the consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

12.2 Involuntary Transfer. If Grantee ever ceases to exist or no longer qualifies under §815.3 of the California Civil Code, the Stewardship Council (or its designee), or if the Stewardship Council (or its designee) shall cease to exist, the Attorney General of the State of California, shall petition a court of competent

jurisdiction to transfer this Easement to an organization that meets all of the designation criteria specified in Section 12.1.

### **13. Subsequent Property Transfers by Grantor.**

**13.1 Rights of Grantor.** Subject to the provisions of Sections 7 and 9 above, this Section 13, Section 20.12 below, and Exhibit F, Paragraph 1 below, Grantor shall have the unrestricted right to sell, encumber, or otherwise transfer the Property or portions thereof to anyone Grantor chooses. Notwithstanding the foregoing, Grantor shall disclose the existence of this Easement (including reference to the recording information) in any deed or other legal instrument by which Grantor divests itself of a real property interest in all or a portion of the Property, including, without limitation, a leasehold interest, and all such conveyances shall be made expressly subject to the terms of this Easement. Grantor shall notify Grantee periodically of any contemplated grants by Grantor to any third party of any interest in any portion of the Property, whether such interest is a fee, easement, lease, mortgage or other interest. Additionally, Grantor shall notify Grantee in writing not more than thirty (30) days after any grant by Grantor to any third party of any interest in any portion of the Property, whether such interest is a fee, easement, lease, mortgage or other interest. The failure of Grantor to perform any act required by this Section 13 shall not impair the validity of this Easement or limit its enforcement in any way or create any obligation on the part of Grantee. Grantor recognizes that Grantee may incur direct and indirect costs for monitoring and administration of the Conservation Easement in the event fee title to the Property is transferred under this provision. Accordingly, upon Grantor's sale, transfer or conveyance of fee title of the Property, Grantor shall pay, or cause to be paid, to Grantee a one-time payment of a sum representing the increased cost of such Conservation Easement stewardship, as reasonably determined at such time by Grantee. Such one-time payment shall be in addition to any reimbursements required pursuant to Section 13.2.4 or Section 17 of this Easement.

### **13.2 Potential Release of Hydro Reserved Rights.**

#### **13.2.1 Conveyance of Entire Property.** In the event:

(a) Grantor intends to transfer fee title to the entire Property to an unaffiliated third party;

(b) the Hydro Project Activities and any uses and facilities that are unrelated to the Hydro Project Activities but undertaken as a Required Action at the Property have been formally and permanently terminated by Grantor and, as appropriate, decommissioned pursuant to a regulatory proceeding; and

(c) no Hydroelectric Facilities and Associated Water Delivery Facilities, nor other facilities unrelated to Hydro Project Activities installed pursuant to a Required Action are located at the Property,

then, subject to any final orders or decommissioning requirements issued by the FERC and/or other agency(ies) with jurisdiction over the Hydro Project Activities and such other unrelated uses prior to said transfer of the entire Property, Grantor shall release, relinquish and forever terminate, in a manner that shall be binding upon all successors in interest to the Property, (i) all rights of Grantor described in Exhibit C, (ii) the exceptions to the Prohibited Uses for Required Actions and Specified Required Actions set forth in Exhibit F, (iii) the exceptions to the Prohibited Uses in Exhibit F relating to activities within the Hydro Operating Zone, and (iv) Permitted Uses, to the extent related to the Hydro Project Activities, as set forth in Exhibit I (items (i), (ii), (iii) and (iv) being referred to collectively as the "**Reservations**"). Following such release, relinquishment and termination of Reservations, all Anticipated Significant Actions (except for Prohibited Uses and continuing Permitted Uses) shall be subject to Grantee's consent as Discretionary Actions and the Easement shall be interpreted more restrictively in a manner recognizing the release of Reservations. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

**13.2.2 Partial Conveyance.** In the event:

(a) Grantor intends to transfer fee title to less than the entire Property (the "**Transferred Parcel**") to an unaffiliated third party;

(b) the Hydro Project Activities and any uses and facilities that are unrelated to the Hydro Project Activities but undertaken as a Required Action at the Transferred Parcel have been formally and permanently terminated by Grantor and, as appropriate, decommissioned pursuant to a regulatory proceeding; and

(c) no Hydroelectric Facilities and Associated Water Delivery Facilities, nor other facilities unrelated to Hydro Project Activities installed pursuant to a Required Action are located at the Transferred Parcel,

then, subject to any final orders or decommissioning requirements issued by the FERC and/or other agency(ies) with jurisdiction over the Hydro Project Activities and such other unrelated uses, prior to said transfer of the Transferred Parcel, Grantor shall release, relinquish and forever terminate, in a manner that shall be binding upon all successors in interest to the Transferred Parcel, the Reservations with respect to the Transferred Parcel. Following such release, relinquishment and termination of Reservations, all Anticipated Significant Actions (except for Prohibited Uses and continuing Permitted Uses) on the Transferred Parcel shall be subject to Grantee's consent as Discretionary Actions and the Easement shall be interpreted more restrictively in a manner recognizing the release of Reservations as to the Transferred Parcel. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I on the Transferred Parcel shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

**13.2.3 Grantor's Continuing Reserved Rights.** Nothing in Section 13.2.2 shall limit the rights of Grantor in this Easement with respect to the portion of the Property retained by Grantor.

**13.2.4 Easement Amendment.** In the event of a conveyance and release of Reservations pursuant to this Section 13.2, Grantor and Grantee may agree to amend this Easement, or to create a separate Easement for the Transferred Parcel and for the remaining portion of the Property in accordance with Section 17, to reflect the release of Reservations and, where appropriate, to reflect separate ownership of the Transferred Parcel and the remainder of the Property. In accordance with Section 17 below, Grantor shall reimburse Grantee for all reasonable costs incurred in connection with the drafting, review, negotiation, approval and recording of any amendment or separate Easement pursuant to this Section, including costs incurred in consideration of whether an amendment and/or new Easement(s) is/are necessary or appropriate.

**13.2.5 Transfer Restrictions Remain Applicable.** Nothing herein shall affect Grantor's obligations under Section 1 of Exhibit F.

#### **14. Extinguishment and Condemnation.**

**14.1 Extinguishment.** If circumstances arise in the future such as render the Purpose of this Easement impossible to accomplish, this Easement shall only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Grantor's economic hardship shall not be a reason to extinguish this Easement.

**14.2 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, including a private sale in lieu of eminent domain, so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined pursuant to Section 14.3, 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. Grantor and Grantee acknowledge that any and all awards to Grantor and Grantee may be subject to the approval of the Commission and/or the FERC.

**14.3 Proceeds.** Pursuant to California Civil Code §815.2(a) the 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 and to protect the public investment which is involved in the conveyance of the Conservation Easement. 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 current 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 current 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 14.3.

**15. Estoppel Certificates.** Grantee shall, within thirty (30) days after receiving Grantor's written request therefor (not to exceed once during any twelve (12) month period), execute and deliver to Grantor a document certifying, to the actual knowledge of the person executing the document without any duty of investigation, that Grantor is in compliance with any obligation of Grantor contained in this Easement, or otherwise evidencing the status of such obligation to the extent of Grantee's actual knowledge thereof, as may be reasonably requested by Grantor.

**16. Notices.** Any notice or other communication required or permitted under this Easement 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 Grantor:

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:

Wildlife Heritage Foundation  
563 Second St., Suite 120  
Lincoln, CA 95648  
Attn: Darla Guenzler, Executive Director  
**[Easement Grantee to confirm address.]**

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 16.

**17. Amendment.** This Easement may not be amended, except by written amendment executed by Grantor and Grantee or their respective successors and assigns and recorded in the official public records of the jurisdiction where the Property is located. If circumstances arise under which an amendment would be appropriate, any such amendment shall be consistent with Grantee's conservation easement amendment policy(ies), and the Purpose of this Easement, including continuing to protect and preserve the Beneficial Public Values, and shall not affect the perpetual duration of this Easement or the qualification of the Conservation Easement as a

conservation easement under California Civil Code §815 *et seq.* (or successor thereto). Grantee shall promptly record the amendment in the official records of the County in which the Property is located, and shall thereafter promptly provide a conformed copy of the recorded amendment to Grantor. The party requesting the amendment shall reimburse the non-requesting party for all reasonable costs incurred in connection with the drafting, review, negotiation, approval and recording of such amendment. Grantor shall be deemed to be the "party requesting the amendment" in connection with any amendment and/or new conservation easement(s) pursuant to Section 13 above and the "reasonable costs incurred" shall include consideration of whether an amendment and/or new conservation easement(s) is/are necessary or appropriate.

**18. Hazardous Substances.**

**18.1 Definitions.** The following terms have the meanings ascribed to them below for purposes of this Easement:

**18.1.1 "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.

**18.1.2 "Hazardous Substances"** means any hazardous or toxic material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements, including, 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; 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) which 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 are 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) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) which contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) which contains radon gas.

18.1.3 "**Necessary Remediation**" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements.

18.1.4 "**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.

## 18.2 Allocation of Responsibility for Hazardous Substances.

18.2.1 Generally. Grantor shall (as between Grantor and Grantee) bear the cost for the Necessary Remediation of Hazardous Substances.

18.2.2 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.

18.2.3 Grantor Responsibility for the Cost of Necessary Remediation. Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil and groundwater, whether occurring in the past or at any time in the future, which are present on the Property, provided that Grantee did not cause, in whole or in part, such Hazardous Substance contamination.

18.2.4 No Owner or Operator Liability. The parties do not intend this Easement to be, and this Easement shall not be, construed such that it creates in or gives to Grantee any of the following solely as the result of being a holder of the Conservation Easement:

(a) The obligations or liability of an "owner" or "operator" or "arranger," as those terms are defined and used in Environmental Requirements;

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

(c) The obligations of a responsible person under any applicable Environmental Requirements;

(d) The right to investigate and remediate any Hazardous Substances associated with the Property; or

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

### **18.3** Hazardous Substances Indemnification.

**18.3.1** By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee and the other Grantee Indemnitees 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, penalties, fines, taxes, obligations, controversies, debts, expenses, accounts, damages (including, without limitation, punitive damages), judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise, including, without limitation, 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 Hazardous Substances present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Easement (collectively, "**Environmental Claims**"), except to the extent caused, in whole or in part, by the negligent or intentional act of Grantee or any other of the Grantee Indemnitees.

**18.3.2** 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 Environmental Claims, to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

## **19.** Carbon Rights.

**19.1** Promotion of Climate Stability. Grantor and Grantee anticipate that the protection and preservation of the Beneficial Public Values will promote climate stability, especially the ability of the forest to store atmospheric carbon as a means to mitigate global warming, which is recognized as being of public benefit by the 1993 United Nations Framework Convention on Climate Change, the federal Energy Policy Act of 1002, section 1605(a) and (b), the United States Climate Challenge Program, the

2007 reports of the International Panel on Climate Change, and California legislation such as that embodied in Fish and Game Code Section 1356.

**19.2 Reservation of Carbon Rights.** Grantor exclusively reserves to itself, and to its personal representatives, heirs, successors and assigns, any and all carbon rights and obligations appurtenant to or accruing from the Property as may exist as of the date of recordation of this Easement or as may be granted, discovered, created, declared or developed in the future, including, but not limited to, the right to (subject to and in accordance with Section 7 hereof) use, store, sequester, accumulate, and/or depreciate carbon within or on the Property and the right to trade, sell, transfer, or lease these rights. Grantor and Grantee acknowledge and agree that these carbon rights are consistent with the Beneficial Public Values, and this Easement shall not extinguish or otherwise impair the carbon rights and obligations appurtenant to or accruing from the Property.

**19.3 Carbon Certification.** In furtherance of Grantor's exercise of the carbon rights reserved hereunder, Grantor may elect to enter into an agreement not inconsistent with this Easement respecting such reserved rights as may be required by a third party that Grantor chooses ("**Carbon Certification Party**") in order to facilitate the sale, transfer or lease of the carbon rights and may record such agreement in the official records of any County where the Property is located. To the extent reasonably required by any Carbon Certification Party and requested by Grantor, Grantee, at Grantor's cost and expense, shall cooperate with Grantor by accommodating Grantor's establishment, verification or certification of the carbon rights in connection with the Property. Grantor agrees to notify Grantee at least thirty (30) days prior to any sale, transfer or lease of these carbon rights or the recording of an agreement with respect thereto, unless Grantor has previously notified Grantee in an Annual Work Plan.

**20. General Provisions.**

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

**20.2 No Public Dedication.** Nothing contained in this Easement shall be construed or deemed to be an express or implied dedication or gift of all or any portion of the Property for use or access by the general public nor shall this Easement or any of the rights granted hereunder be construed as an acknowledgement of any claim of prescriptive or other similar rights in or over the Property.

**20.3 Liberal Construction.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed to effect the Purpose of this Easement and the policy and purpose of California Civil Code §815 *et seq.*, while recognizing Grantor's reserved rights. If any provision in this Easement is found to be ambiguous, an interpretation consistent with the Purpose of this Easement, which recognizes Grantor's reserved rights and that would render the provision valid shall be favored over any interpretation that would render it invalid.

**20.4 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 Easement.

**20.5 Severability.** If any provision of this Easement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Easement, and to this end the provisions of this Easement are intended to be and shall be severable.

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

**20.7 No Forfeiture.** Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

**20.8 Successors.** The Conservation Easement created by this instrument shall be a servitude running with the land in perpetuity. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns and shall run with the Property. However, this Easement shall not create or bestow any lien or property right in any third party. Grantor and Grantee agree that no third party beneficiary to this Easement exists and that nothing contained herein shall be construed as giving any person third party beneficiary status or any right of enforcement hereunder.

**20.9 Recordation.** Grantee shall promptly record this Easement in the official records of the County in which the Property is located, and shall thereafter promptly provide to Grantor a copy hereof showing the recording information. Grantee may re-record this Easement at any time as may be required to preserve its rights in this Easement.

**20.10 Termination of Rights and Obligations.** A party's rights and obligations under this Easement shall terminate only upon transfer of the party's interest in all or portions of either the Conservation Easement or the Property, except that liability for acts or omissions occurring prior to transfer shall survive the transfer.

**20.11 Attorneys' Fees.** In the event that any party shall bring an action to enforce its rights under this Easement, 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 Easement into any judgment on this Easement.

**20.12 Mortgage Liens Subordinate.** No provision of this Easement is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, provided that any lien securing such loan (a "**Mortgage Lien**"), regardless of date, shall be subordinate to the terms of this Easement and Grantee's rights under this Easement. Under no circumstances may Grantee's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any Mortgage Lien.

**20.13 Pre-Existing Water Rights.** In accordance with Section 12(e) of the Stipulation, this Easement does not impact the authority of third-party holders of water rights to exercise those rights.

**20.14 Table of Contents and Captions.** The table of contents and captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon construction or interpretation.

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

**20.16 List of Exhibits.** The following exhibits are attached hereto and incorporated herein by this reference:

<u>Exhibit A</u>	Property Description
<u>Exhibit B</u>	Description of Hydro Project Activities and Hydroelectric Facilities and Associated Water Delivery Facilities
<u>Exhibit C</u>	Hydro Reserved Rights
<u>Exhibit D</u>	Beneficial Public Values
<u>Exhibit E</u>	Insurance Requirements
<u>Exhibit F</u>	Prohibited Uses
<u>Exhibit G</u>	Hydro Operating Zone(s)
<u>Exhibit H</u>	Express Third Party Uses and Third Party Use Agreements
<u>Exhibit I</u>	Expressly Permitted Uses

**20.17 Counterparts.** This Easement 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 Easement shall be controlling.

IN WITNESS WHEREOF, Grantor has granted to Grantee, and Grantee has accepted, this Easement, and the parties mutually agree to the terms and covenants set forth above, as of the Effective Date.

**GRANTOR:**

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

WILDLIFE HERITAGE FOUNDATION,  
a California non-profit public benefit corporation

By: \_\_\_\_\_  
Name: Darla Guenzler  
Its: Executive Director

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 \_\_\_\_\_

EXHIBIT A

Legal Description of Property

[Follows this page]

EXHIBIT "A"

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF PLACER AND NEVADA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

~PARCEL 1~  
00DR-CFX-00027  
SBE 135-31-82-1  
LCP ID#0874

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 11 NORTH, RANGE 8 EAST, MOUNT DIABLO BASE AND MERIDIAN AS RECORDED IN BOOK 2825, PAGE 209 OF OFFICIAL RECORDS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT THE FOUND 2 INCH BRASS DISC STAMPED "32-33/4-5 LS 3538" ACCEPTED AS MARKING THE NORTHWEST CORNER OF SAID SECTION 4, AND RUNNING THENCE SOUTH 30 ° 00. 8' EAST 1845.3 FEET; THENCE SOUTH 18 ° 20.5' WEST 30.6 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 83 ° 21.5' EAST 190. 2 FEET TO A POINT IN A COURSE IN THE COMMON BOUNDARY LINE DESCRIBED IN THE BOUNDARY LINE AGREEMENT MADE BY AND BETWEEN ETTA L. WINTON AND OTHERS AND SAM L. ARNOLD AND OTHERS DATED MARCH 5, 1985 AND RECORDED IN BOOK 2780, PAGE 240 OF OFFICIAL RECORDS OF SAID COUNTY OF PLACER, WHICH COURSE ACCORDING TO THE DESCRIPTION CONTAINED IN SAID BOUNDARY LINE AGREEMENT DATED MARCH 5, 1985 HAS A BEARING OF NORTH 6 ° 00' EAST AND A LENGTH OF 701.13 FEET (SOUTH 6 ° 02.6' WEST FOR THIS DESCRIPTION); THENCE SOUTH 6 ° 02.6' WEST 501.6 FEET RUNNING ALONG SAID COURSE; THENCE ALONG A CURVE NORTHWESTERLY TO THE LEFT WITH A RADIUS OF 280.0 FEET, THROUGH A CENTRAL ANGLE OF 2 ° 44.1' AND TANGENT AT THE NORTHWESTERLY TERMINUS THEREOF TO THE SUCCEEDING COURSE, AN ARC DISTANCE OF 13.4 FEET; THENCE NORTH 51 ° 17.0' WEST 93.8 FEET; THENCE ALONG A CURVE NORTHWESTERLY TO THE RIGHT WITH

## Appendix 2: Conservation Easement

A RADIUS OF 140.0 FEET, THROUGH A CENTRAL ANGLE OF 34 ° 12.7' AND TANGENT AT THE SOUTHEASTERLY TERMINUS THEREOF TO THE PRECEDING COURSE, AN ARC DISTANCE OF 83.6 FEET; THENCE NORTH 17 ° 04.3' WEST 13.2 FEET; THENCE ALONG A CURVE NORTHWESTERLY TO THE LEFT WITH A RADIUS OF 70.0 FEET, THROUGH A CENTRAL ANGLE OF 44 ° 42.7' AND TANGENT AT THE SOUTHEASTERLY TERMINUS THEREOF TO THE PRECEDING COURSE, AN ARC DISTANCE OF 54.6 FEET TO A POINT IN A LINE WHICH IS PARALLEL WITH AND DISTANT 40.0 FEET WESTERLY FROM (MEASURED AT A RIGHT ANGLE TO) THE CENTERLINE OF THE STRIP OF LAND DESCRIBED IN THE DEED FROM UNITED FRUIT COMPANY TO PACIFIC GAS AND ELECTRIC COMPANY DATED DECEMBER 6, 1915 AND RECORDED IN BOOK 159, PAGE 312 OF DEEDS OF SAID PLACER COUNTY; THENCE NORTH 2 ° 04.3' WEST 357.3 FEET RUNNING ALONG SAID PARALLEL LINE TO A POINT IN THE SOUTHERLY BOUNDARY OF THE STRIP OF LAND DESCRIBED AND DESIGNATED 1 IN THE DEED FROM DONALD E. WINTON AND OTHERS TO PACIFIC GAS AND ELECTRIC COMPANY DATED AUGUST 9, 1984 AND RECORDED IN BOOK 2729, PAGE 130 OF OFFICIAL RECORDS OF SAID COUNTY OF PLACER; THENCE SOUTH 59 ° 57.6' EAST 51.1 FEET, MORE OR LESS, LEAVING SAID PARALLEL LINE AND RUNNING ALONG SAID SOUTHERLY BOUNDARY LINE TO THE TRUE POINT OF BEGINNING.

THE FOREGOING DESCRIPTION IS DERIVED FROM A SURVEY MADE BY SECOND PARTY IN APRIL, 1982. THE BEARINGS ARE BASED ON SOLAR OBSERVATIONS MADE BY SECOND PARTY.

A.P.N. 037-051-007-000

~PARCEL 2~  
00DR-CFX-00028  
SBE 135-31-82-1  
LCP ID#0875

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 4, TOWNSHIP 11 NORTH, RANGE 8 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 2817, PAGE 305 OF OFFICIAL RECORDS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

BEGINNING AT THE FOUND 1 1/2 INCH CAPPED IRON PIPE MARKED "U.S.B.R. 100-5 282-1 1956" ACCEPTED AS MARKING THE SOUTHEASTERLY TERMINUS OF A COURSE IN THE SOUTHWESTERLY BOUNDARY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED

## Appendix 2: Conservation Easement

FROM JOHN C. AVERY AND EDITH GLADYS WOODBURY TO THE UNITED STATES OF AMERICA DATED MAY 5, 1953 AND RECORDED IN BOOK 629, PAGE 141 OF OFFICIAL RECORDS OF THE SAID COUNTY OF PLACER (FOR IDENTIFICATION ONLY, SAID COURSE ACCORDING TO THE DESCRIPTION CONTAINED IN SAID DEED DATED MAY 5, 1953 HAS A BEARING OF NORTH 41 ° 15' WEST AND A LENGTH OF 691.6 FEET), AND RUNNING THENCE NORTH 40 ° 36' 13" WEST 691.35 FEET ALONG SAID SOUTHWESTERLY BOUNDARY LINE TO A FOUND 2 1/2 INCH BRASS DISC STAMPED "U.S.B.R. 282-2 1856"; THENCE NORTH 46 ° 52' 40" WEST 477.60 FEET CONTINUING ALONG SAID SOUTHWESTERLY BOUNDARY LINE TO A FOUND 3/4 INCH IRON PIN ACCEPTED AS MARKING THE NORTHERLY TERMINUS OF A COURSE IN THE COMMON BOUNDARY LINE DESCRIBED IN THE BOUNDARY LINE AGREEMENT MADE BY AND BETWEEN ETTA L. WINTON AND OTHERS AND SAM L. ARNOLD AND OTHERS DATED MARCH 5, 1985 AND RECORDED IN BOOK 2780, PAGE 240 OF OFFICIAL RECORDS OF SAID COUNTY OF PLACER (FOR IDENTIFICATION ONLY, SAID COURSE ACCORDING TO THE DESCRIPTION CONTAINED IN SAID BOUNDARY LINE AGREEMENT DATED MARCH 5, 1985 HAS A BEARING OF NORTH 06 ° 00' EAST AND A LENGTH OF 701.13 FEET), THENCE LEAVING SAID SOUTHWESTERLY BOUNDARY LINE AND RUNNING ALONG SAID COMMON BOUNDARY LINE SOUTH 6 ° 00' 00" WEST 701.13 FEET; THENCE SOUTH 3 ° 33' 00" WEST 144.25 FEET; THENCE SOUTH 1 ° 08' 50" WEST 44.15 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE OF LOT 1 OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 4; THENCE NORTH 87 ° 47' 19" EAST 882.31 FEET, MORE OR LESS, LEAVING SAID COMMON BOUNDARY LINE AND RUNNING ALONG SAID SOUTHERLY BOUNDARY LINE TO THE POINT OF BEGINNING.

THE FOREGOING DESCRIPTION IS DERIVED FROM A SURVEY MADE BY ANDREGG, INC. IN MARCH, 1985. THE BEARINGS USED IN THE FOREGOING DESCRIPTION ARE BASED ON A COURSE IN SAID BOUNDARY LINE AGREEMENT DATED MARCH 5, 1985 WHICH COURSE HAS A BEARING OF NORTH 06 00' EAST AND A LENGTH OF 701.13 FEET.

THE SOUTHERLY BOUNDARY LINE (ERRONEOUSLY DESCRIBED ABOVE AS BEING THE SOUTHERLY BOUNDARY LINE OF LOT 1) WAS CLARIFIED IN BOUNDARY LINE AGREEMENT RECORDED JUNE 23, 1987 IN BOOK 3213 PAGE 293 OFFICIAL RECORDS.

A.P.N. 037-060-013-000

EXHIBIT B

Description of Hydro Project Activities  
and  
Hydroelectric Facilities and Associated Water Delivery Facilities

As used in this Easement, "**Hydro Project Activities**" are those existing and future uses of the Property, and the existing and future Hydroelectric Facilities and Associated Water Delivery Facilities (as defined below) now or hereafter located on, above, or under the Property, associated with the operation of the Drum-Spaulling FERC Project (FERC Project No. 2310), and shall include any future uses of the Property, and the existing and future Hydroelectric Facilities and Associated Water Delivery Facilities now or hereafter located on, above, or under the Property, associated with compliance with any future FERC License, FERC License renewal or other regulatory requirements.

As used in this Easement, "**Hydroelectric Facilities and Associated Water Delivery Facilities**" are those existing and future facilities, structures, buildings, and improvements now or hereafter located on, above, or under the Property, and associated with the operation of the Drum-Spaulling FERC Project (FERC Project No. 2310), including, but not limited to, the following existing and future improvements: powerhouse switchyard, and associated infrastructure facilities; improvements for existing and future water delivery and other requirements of power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water use; electrical transmission lines.

EXHIBIT C

## Hydro Reserved Rights

Grantor's reserved rights on the Property include the following, which are expressly excluded from the transfer and conveyance of the conservation easement granted in this Easement and reserved to Grantor:

Subject to the provisions of Section 7, the right to conduct Hydro Project Activities on the Property, including construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing and future Hydroelectric Facilities and Associated Water Delivery Facilities, including project replacements and improvements required for existing and future water delivery and other requirements for power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water, and for communications in connection with the foregoing and for compliance with any future FERC License, FERC License renewal or other regulatory 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 construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing Hydroelectric Facilities and Associated Water Delivery Facilities, and the construction, operation, repair, alteration, maintenance, removal, 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, store, convey and appropriate water; and

(3) The right to increase or otherwise modify water diversion, storage and transmission capacities of Hydroelectric Facilities and Associated Water Delivery Facilities; and

(4) The right to exercise: 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 which are now or hereafter located or flowing on, under or abutting the Property; and

(5) The right to decommission all or any portion of existing and future Hydroelectric Facilities and Water Delivery Facilities in accordance with the applicable license issued by the FERC, or as otherwise allowed by Applicable Law; and

(6) The right to enlarge, improve, reconstruct, relocate and replace said Grantor's existing facilities and additional facilities with any other number, size, or type of transformers, poles, towers, or structures, or underground wires, cables, pipelines and conduits, or other devices and equipment either in the original location or at any location or locations within the Property; and

(7) The right to construct, operate, use, repair, alter, maintain, remove, replace and expand Grantor's existing and future facilities for transformation, transmission and distribution of electric energy and for communication purposes and also the rights to reconstruct, replace, remove, maintain and use the same as Grantor shall at any time and from time to time deem necessary in Grantor's sole discretion exercised in good faith, together with the rights to excavate for, construct, install, repair, reconstruct, replace, remove, maintain and use, at any time and from time to time, additional facilities for the transformation, transmission and distribution of electric energy and for communication purposes, consisting of such devices and equipment with suitable concrete pads and adequate protection therefore necessary for transforming electric energy, one or more lines of underground wires and cables (enclosed at Grantor's option within conduits), and one or more lines of towers, poles and/or other structures, wires and cables, including both underground and overhead ground wires, and all necessary and proper foundations, footings, cross arms and other appliances and fixtures for use in connection with said towers, poles and/or other structures, wires and cables.

EXHIBIT D

Beneficial Public Values

The Purpose of the Conservation Easement for the Property is to protect the Beneficial Public Values of the Property, as summarized below and described in more detail in the Baseline Documentation Report:

- (a) Habitat for 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. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors
- (b) Oak woodland resources on the Property.
- (c) The scenic viewshed of the Property in keeping with the surrounding environment, providing a contiguous forested landscape visible to passersby on the nearby roads and highways, and providing views of the North Fork of the American River.
- (d) Identified historical and cultural values, to the extent they are protected by state and federal law

EXHIBIT E

Grantee Insurance Requirements

Grantee shall procure, carry and maintain the following insurance coverage:

A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal.
2. Employers' Liability insurance shall not be less than One Hundred Thousand Dollars (\$100,000) for injury or death each accident.

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
2. The limit shall not be less than One Million Dollars (\$1,000,000) each occurrence/ Two Million Dollars (\$2,000,000) aggregate for bodily injury, property damage and personal injury.
3. Coverage shall: a) By "Additional Insured" endorsement add as insureds Grantor, its directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee; b) Be endorsed to specify that Grantee's insurance is primary.

C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.

D. Additional Insurance Provisions

1. Upon change in carrier or coverage, or otherwise upon Grantor's request, Grantee shall furnish Grantor with certificates of insurance and endorsements of all required insurance for Grantee.
2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantor.

3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, CA 94177

A copy of all such insurance documents shall be sent to Grantor's Land Agent as specified under Notices in the body of this Easement.

4. Upon request, not to exceed once annually, Grantee shall furnish Grantor complete copies of policies.
5. Upon request, not to exceed once annually, Grantee shall furnish Grantor the same evidence of insurance for Grantee's agents or contractors as Grantor requires of Grantee.

EXHIBIT F

## Prohibited Uses

As provided in Section 6 of this Easement, Grantor will not engage in, or permit others to engage in, the following Prohibited Uses:

1. Number of Fee Owners; Subdivision.

(a) Limit on Number of Fee Owners. Except for Specified Required Actions, notwithstanding the fact that the Property, at any time, might be comprised of more than two (2) separate legal parcels, fee title to the Property shall be held by no more than two (2) separate owners at any given time, provided, however, that the foregoing shall not prohibit undivided ownership of the Property by multiple owners (e.g. tenants in common), subject to the restrictions on the rights of undivided owners provided below, and the terms and conditions of this Easement shall perpetually apply to the Property as a whole. The existence of any separate legal parcels shall not be interpreted to permit any use or activity on an individual legal parcel that would not have been permitted on said parcel under the terms and conditions of this Easement as applied to the Property as a whole. This section only applies to conveyances of fee ownership and not to conveyances of any property interests other than fee ownership (e.g. leasehold interests). In respect to ownership of the Property or permitted separate legal parcels, as the case may be, ownership may be (among others) in the form of a partnership, limited partnership, limited liability company, corporation or other legal entity or as undivided interests such as tenants in common, whether by choice or by operation of any Applicable Laws, but no owner of an undivided interest shall thereby have (i) the right of exclusive occupancy or exclusive use of any separate portion of the Property (or permitted separate legal parcel), or (ii) any right to have the Property (or permitted separate legal parcel), partitioned in kind, whether pursuant to California Code of Civil Procedure §872.010 et seq. ("**CCP**") or any successor statute or otherwise. In the event that a partition action is brought and a court determines that the remedy of partition must be granted, Grantor, on behalf of itself and its successors and assigns hereby irrevocably agrees the remedy shall not be a physical subdivision of the Property (or permitted separate legal parcel), but instead may be a partition by appraisal pursuant to CCP §873.910 or any successor statute or a judicially supervised sale of Grantor's entire estate in the Property (or permitted separate legal parcel) pursuant to CCP §873.510 or any successor statute, subject, however, to this Easement, followed by a division of sales proceeds among the parties entitled thereto. Grantor recognizes that Grantee will incur direct and indirect costs for monitoring and administration of the Conservation Easement in the event fee title to a portion of the Property is transferred under this provision. Accordingly, upon Grantor's sale, transfer or conveyance of fee title to less than all of the Property in accordance with this subsection (a), Grantor shall pay, or cause to be paid, to Grantee a one-time payment of a sum representing the increased cost of such Conservation Easement stewardship, as reasonably determined at such time by Grantee. Such one-time payment shall be in addition to any reimbursements required pursuant to Section 13.2.4 or Section 17 of this Easement.

(b) Limit on Subdivision. Except for Specified Required Actions, Grantor shall not subdivide the Property with the result of frustrating the ownership restrictions set forth in subsection (a) above. For example, the following actions would not frustrate the ownership restrictions in subsection (a) above: (i) merger and reduction of the number of separate legal parcels comprising the Property; or (ii) reconfiguring by lot line adjustment the existing internal boundaries of legal parcels within the outer boundaries of the Property; or (iii) clarifying boundary lines with adjacent landowners; or (iv) subdivisions to facilitate Hydro Project Activities. Grantor shall (i) as part of the Annual Work Plan review in accordance with Section 7, or at least ninety (90) days prior to any Grantor subdivision activity (whether or not prohibited hereunder), furnish Grantee with the subdivision application or filings; and (ii) provide to Grantee reasonably sufficient information to identify the boundaries of each legal parcel. This information will become part of the Baseline Documentation Report. At the election of either party, the parties shall execute and record an amendment of this Easement to reflect any change to the legal description of the Property set forth in Exhibit A or any other changes and allocations resulting from permitted subdivision that are not established to the reasonable satisfaction of the parties by recordation in the Public Records of the plan of subdivision approved under Applicable Law.

2. Development Rights. Except for Specified Required Actions provided in Section 7, the development rights associated with all or any portion of the Property may not be transferred to, or used or exercised in connection with, any property other than the Property, such rights of transfer, use and exercise being hereby terminated and extinguished in perpetuity. The phrase "development rights" means any and all rights, however designated, now or hereafter associated with the Property or any portion thereof that may be used pursuant to applicable zoning laws, land use laws or other governmental laws or regulations, to compute permitted size, height, bulk, or number of structures, development density, lot yield, or any similar development variable on or pertaining to the Property or any other property.

3. Mining and Drilling. There shall be no mining, drilling, removing, fracking, or exploring for or extracting of minerals, oil, gas, coal, or other hydrocarbons, soils, sands, gravel, loam, rocks or any other material on, under, or at the Property. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

- (a) Specified Required Actions provided in Section 7;
- (b) Drilling, removal and extraction of soils, sands, gravel, loam, rocks or any other material on, under, or at the Property in connection with studies and testing to the extent related to Grantor's exercise of the Hydro Reserved Rights;
- (c) Testing, drilling and operating groundwater wells, and construction or placement of any structures or improvements within the Hydro Operating Zone to the extent related to Grantor's exercise of the Hydro Reserved Rights; and
- (d) The use of soil, sand, gravel and other similar material located on the Property as appropriate for road maintenance, erosion control and in connection

with a Required Action subject to the following limitations: (i) such disturbance shall be kept to the minimum necessary to exercise such rights, (ii) any such soils, sands, and other materials shall not be removed from the Property, and (iii) all such utilization activities shall be conducted in a manner that minimizes to the greatest extent practicable impacts to the Beneficial Public Values.

4. Construction and Placement of Structures and Improvements. There shall be no construction or placement of any structures or improvements on the Property, including (but not limited to) residential, industrial, office, or other buildings, underground or aboveground tanks. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

(a) Required Actions provided in Section 7;

(b) Permitted Uses under Exhibit I;

(c) Construction or placement of any structures or improvements within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights; and

(d) Structures and improvements made in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values (including, for example, garbage enclosures, benches, interpretive kiosks, and appropriately located and sized caretaker structure).

5. Vehicles. Except for Required Actions provided in Section 7, or in the case of an emergency or other occurrence affecting the safety of persons and/or property, there shall be no use of any motorized vehicles off of existing roadways on the Property except vehicles used as necessary to carry out prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values. Motorized off-road recreational use shall not constitute an activity "related to the protection or preservation of the Beneficial Public Values" as provided in the preceding sentence.

6. Dumping or Salvage. Except for Required Actions provided in Section 7, there shall be no dumping, storage or other disposal on the Property of soil, trash or garbage except for (a) refuse generated on the Property which may be disposed of on the Property on a temporary basis prior to its removal from the Property in areas where the Beneficial Public Values of the Property are not significantly impaired, or (b) compostable refuse generated on the Property which may be disposed of on the Property in a responsible manner which does not significantly impair the Beneficial Public Values of the Property. Except for Required Actions provided in Section 7, there shall be no dumping, storage (other than on a temporary basis) or other disposal of ashes, sludge, Hazardous Substances, or other unsightly or dangerous materials outside of the Hydro Operating Zone. Except for Required Actions provided in Section 7, there shall be no storage or disassembly of inoperable automobiles, trucks, or other

vehicles or equipment for purposes of sale, or rental of space for that purpose outside of the Hydro Operating Zone.

7. Non-Native Animal Species. Except for Required Actions provided in Section 7, there shall be no release anywhere on the Property of non-native animal species other than livestock without Grantee's prior written approval in accordance with Section 7, as required.

8. Vegetation. Except for Required Actions provided in Section 7, there shall be no removal, cutting or destruction on the Property of native vegetation except (a) in an emergency and/or for purposes of disease or insect control or (b) to prevent property damage, personal injury, or flooding or (c) as permitted in Exhibit I, Sections 4 and 9, or (d) with Grantee's prior written approval in accordance with Section 7, as required.

9. Roads and Trails. Except for Required Actions provided in Section 7 or as required to implement a Required Action, or in the case of an emergency or other occurrence affecting the safety of persons and/or property, there shall be no construction of any new roads or trails on the Property; provided, however, the construction of new roads and trails (or the relocation of existing road and trails) on the Property to protect, preserve or enhance the Beneficial Public Values shall be permitted with Grantee's prior written approval in accordance with Section 7, as required. As used herein, the term "construction" shall not include the creation of roads or trails through repeated use, although such activities shall be governed by this Easement.

10. Commercial Uses. There shall be no office, industrial, or other commercial use on the Property that is likely to significantly impair Beneficial Public Values. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

- (a) Required Actions provided in Section 7;
- (b) Uses permitted by Third Party Use Agreements; and
- (c) Office, industrial, or other commercial uses within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights.

11. Alteration of Land or Excavation. Except for Required Actions provided in Section 7 or as otherwise explicitly permitted by the terms of this Easement, there shall be no filling, excavating, grading, draining or dredging outside of the Hydro Operating Zone, nor any change in the general topography of the Property; provided, however, such activities shall be permitted outside of the Hydro Operating Zone in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values.

12. Billboards. Except for Required Actions provided in Section 7 or permitted uses under Exhibit I or Grantee's signs permitted under Section 5.3, there shall be no placement of billboards or advertising facilities. The use of Grantor's logo and/or trade

style on a sign will not in and of itself constitute a billboard or advertising facility under this provision.

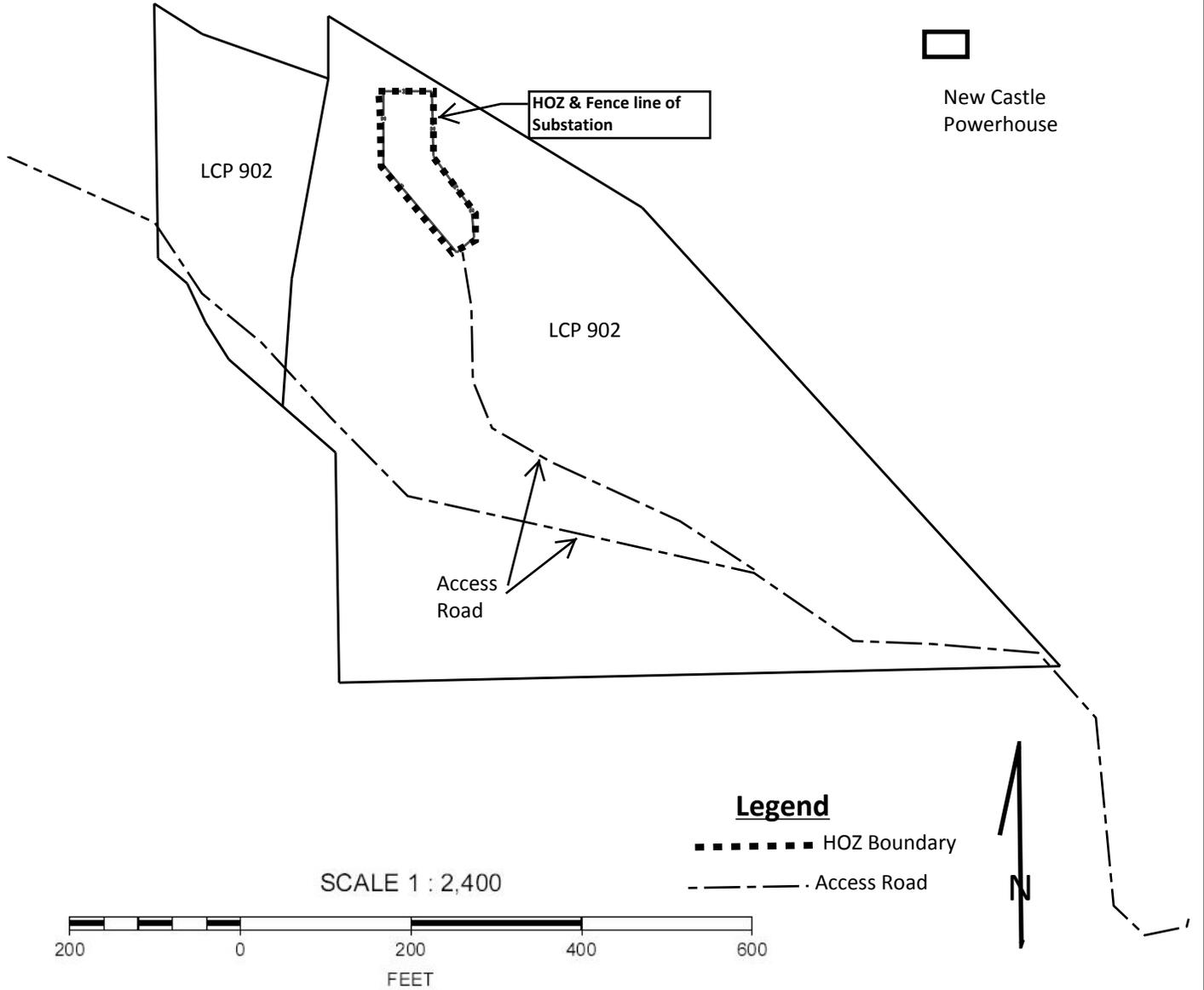
EXHIBIT G

Hydro Operating Zone

[Follows this page]

Appendix 2: Conservation Easement

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**Exhibit G**  
**Lower Drum - Folsom**  
**Hydro Operating Zone (HOZ)**

EXHIBIT H

Express Third Party Uses and Third Party Use Agreements

1. Express Third Party Uses

The Express Third Party Uses on the Property are all uses permitted by and pursuant to the Third Party Use Agreements.

2. Third Party Use Agreements

Third Party Use Agreements on the Property are those agreements and rights disclosed by the following:

- (a) **RIGHTS OF THE PUBLIC, AS TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN NEWCASTLE POWERHOUSE ACCESS ROAD.**
- (b) **A NONEXCLUSIVE EASEMENT OVER SAID LAND FOR INGRESS AND EGRESS AND ROADWAY AND UTILITY PURPOSES AND INCIDENTAL PURPOSES, AS ESTABLISHED BY ETTA L. WINTON, DONALD E. WINTON AND HAZEL D. WINTON, HIS WIFE, AND JOHN E. WINTON AND AUNE WINTON, HIS WIFE, THE PARTIES OF THE FIRST PART, AND SAM L. ARNOLD AND MARION R. ARNOLD, HIS WIFE, AND GARY A. LAABS, TRUSTEE UNDER ARNOLD 1981 TRUST DATED JUNE 30, 1981, IN INSTRUMENT RECORDED MARCH 06, 1985, IN BOOK 2780, PAGE 240, OFFICIAL RECORDS.**  
**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**  
**REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.**
- (c) **AN EASEMENT OVER SAID LAND FOR THE RIGHTS OF INGRESS TO AND EGRESS FROM CONTIGUOUS LANDS OF FIRST PARTIES' ON EXISTING ROADS, OR ON FUTURE ROADS TO BE BUILT BY SECOND PARTY AND INCIDENTAL PURPOSES, AS RESERVED BY SAM L. ARNOLD AND MARION R. ARNOLD, IN INSTRUMENT RECORDED JUNE 04, 1985, IN BOOK 2617, PAGE 305, OFFICIAL RECORDS.**  
**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**  
**REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.**
- (d) **THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "BOUNDARY LINE AGREEMENT", BY AND BETWEEN GARY A. LAABS, AS TRUSTEE UNDER THE ARNOLD 1981 TRUST DATED JUNE 30, 1981 AND MARION R. ARNOLD, AND PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, RECORDED JUNE 23, 1987, IN BOOK 3213, PAGE 293, OFFICIAL RECORDS.**

- (e) **AN EASEMENT OVER SAID LAND FOR THE RIGHT OF INGRESS AND EGRESS ON EXISTING ROADS, OR ON FUTURE ROADS TO BE BUILT AND INCIDENTAL PURPOSES, AS RESERVED BY GARY A. LAABS, AS TRUSTEE UNDER THE ARNOLD 1981 TRUST DATED JUNE 30, 1981 AND MARION R. ARNOLD, IN INSTRUMENT RECORDED JUNE 23, 1987, IN BOOK 3213, PAGE 293, OFFICIAL RECORDS.**

**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**

- (f) **MATTERS REGARDING THE SOUTHERLY BOUNDARY LINE DESCRIPTION OF APN 037-060-013 AS DISCLOSED BY RECORD OF SURVEY FILED MAY 13, 1992 IN BOOK 12 OF RECORD OF SURVEYS AT PAGE 153.**
- (g) **THE TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN UNRECORDED "MASTER SPECIAL USE AGREEMENT" EXECUTED BY AND BETWEEN THE UNITED STATES DEPARTMENT OF AGRICULTURE AND PACIFIC GAS AND ELECTRIC COMPANY ISSUED UNDER F.P.C. LICENSE NO. 2310.**

EXHIBIT I

Permitted Uses

The following are Permitted Uses:

1. The Express Third Party Uses.
2. The uses and activities expressly permitted under Exhibit F.
3. Except as otherwise limited by this Easement, the right to sell, encumber, or otherwise transfer the Property, portions thereof, or interests therein, to anyone Grantor chooses.
4. The right to trim and cut down and clear away any and all trees, brush and vegetation (a) which constitute a hazard to persons or property, and/or (b) for purposes of fire management, disease or insect control or otherwise as necessary or appropriate for prudent land management (i.e., not motivated by commercial benefit), and/or (c) for other vegetation management operations, including but not limited to fuel reduction projects, thinning of tree stands and meadow restoration projects. The foregoing may include pesticide use to control vegetation (brush, grass, weeds, etc.) and/or insects.
5. Consistent with Section 9.2, the right to install, maintain, repair, replace and maintain gates and fences.
6. The right to perform all activities required to comply with any and all Applicable Laws.
7. The right to maintain, repair, restore, replace and reconstruct all structures and improvements now or hereafter located on the Property, provided any replacement structures or improvements shall be located in substantially the same location and within the same footprint as the structure or improvement being replaced, and shall be substantially the same height as the structure or improvement being replaced.
8. The right to install minor, temporary structures necessary or appropriate in connection with the performance of prudent and customary land management activities, Hydro Project Activities, or the protection, preservation, or enhancement of the Beneficial Public Values.
9. (a) The right to undertake commercial and/or non-commercial forest management activities on the Property for any of the following purposes: (1) to promote the health and sustainability of the Property's natural resources; (2) to protect and enhance the Property's riparian resources; (3) to maintain an ecologically appropriate species mix of overstory and understory vegetation; (4) to protect and enhance wildlife habitat for native species historically present on the Property; (5) to protect cultural resources on the Property; (6) to control invasive and non-native vegetation; and (7) to

prevent, mitigate, and/or respond to any natural disaster (such as wildfire, significant insect and disease outbreak, or significant wind damage).

(b) Forest management activities for the purposes outlined in Paragraph (a) may include, but shall not be limited to, timber harvesting; salvage logging; conversion of vegetation types; prescribed fire; pre-commercial and commercial thinning of conifer and hardwood trees; fuels management; tree planting; control of undesirable vegetation and pests; habitat maintenance and enhancement; and road and watercourse crossing construction, maintenance, repair, and enhancement. Grantor shall carry out all such forest management activities in compliance with Applicable Law.

(c) Grantor shall provide to Grantee any existing or future forest management plan as part of the Annual Work Plan review process pursuant to Section 7.3 of this Easement. Grantor and Grantee shall review and discuss such plan (along with any proposals Grantee may have regarding this Permitted Use by Grantor pursuant to Section 7.3.4(b) of this Easement) periodically as part of such Annual Work Plan review process. Said forest management plan shall be updated periodically, as appropriate.

10. [Intentionally Omitted.]

11. The right to construct, reconstruct, replace, remove, maintain and use the types of facilities and improvements described in paragraph (7) of Exhibit C that are unrelated to Hydro Project Activities and do not constitute a Required Action provided that such facilities shall be subject to Grantee's approval in the manner provided for Discretionary Actions.

12. In accordance with Applicable Laws, the right to control or eliminate noxious weeds and non-native plant species on the Property, and the right to control animals that (a) pose or threaten to pose a hazard to persons or property, including Hydroelectric Facilities and Associated Water Delivery Facilities, or (b) adversely impact or threaten to adversely impact (i) one or more of the Beneficial Public Values, (ii) Grantor's Hydro Reserved Rights or Hydro Project Activities, (iii) the Hydroelectric Facilities and Associated Water Delivery Facilities, or (iv) an Express Third Party Use.

13. The right to erect reasonably sized signs (illuminated and non-illuminated) to support and manage safety and permitted uses of the Property, including signs regarding authorized and unauthorized entry and uses or other appropriate markers in prominent locations on the Property, such as boundary fences, trails, and access roads.



**Conservation Easement Funding Agreement  
Lower Drum Folsom Planning Unit, PG&E Retained Lands  
(Parcel #874 & 875)**

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 Wildlife Heritage Foundation, a California nonprofit public benefit corporation (“**Grantee**”) (each a “**Party**” and collectively the “**Parties**”) 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 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. 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 retained Watershed Lands consisting of approximately 12 acres of real property located in Placer County, State of California, as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the “**Property**”).

E. 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 Placer 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 December 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. Effective upon the Effective Date, the Stewardship Council grants **One Hundred Eleven Thousand Seven Hundred and Eighty-Seven Dollars (\$111,787)** (the “**Grant Funds**”) to Grantee to be used solely for the following purposes:

a. One Hundred and One Thousand and Seven-Hundred Eighty-Seven Dollars (\$101,787) of the Grant Funds shall be used to implement conservation easement monitoring as described in Sections 3 and 4 below (the “**Monitoring Funds**”).

b. Ten Thousand Dollars (\$10,000.00) of the Grant Funds shall be used for conservation easement defense and enforcement costs as described in Section 5 below (the “**Defense and Enforcement Funds**”).

3. Use of Grant Funds. 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.

a. Grantee may “pool” the Monitoring Funds with other funds Grantee uses for monitoring of other conservation easements held by Grantee, and Grantee may use the Monitoring Funds to monitor any of its conservation easements as long as Grantee meets its obligations as described in Section 4 below.

b. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of (1) the Monitoring Funds into an account which shall be restricted to the stewardship and monitoring of conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property; and (2) the Defense and Enforcement Funds into an account which shall be restricted to the legal defense or enforcement of conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property. The requirement to provide evidence of deposit will be satisfied when Grantee submits to the Stewardship Council the form attached as **Exhibit B**.

4. 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 baseline 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 Monitoring Funds shall include:

- a. Regular on-site inspection and monitoring to ensure that the terms of Conservation Easement 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 Property;
- c. Communications with the fee title owner of the 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;
- d. Responding to any inquiries or concerns raised by entities that have leases or licenses on the Property or other stakeholders who have an interest in ensuring the beneficial public values are protected.

5. 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 the 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.

6. 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 fourth 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.

7. 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 baseline 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.

8. 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.

9. 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, Grantee shall transfer the remaining balance of the Grant Funds to the successor conservation easement holder. Assignee's receipt of any funds from Grantee shall be conditioned upon the assignee's agreement in writing to assume all of Grantee's obligations under this Agreement.

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



11. 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.

12. 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.

13. 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.

14. Assignment. This Agreement may not be assigned by the Grantee in whole or in part except as provided in Section 9 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.

15. 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.

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



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

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

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

Name: Heidi Krolick

Title: Executive Director

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

**Wildlife Heritage Foundation,**  
a California Nonprofit Public Benefit Corporation

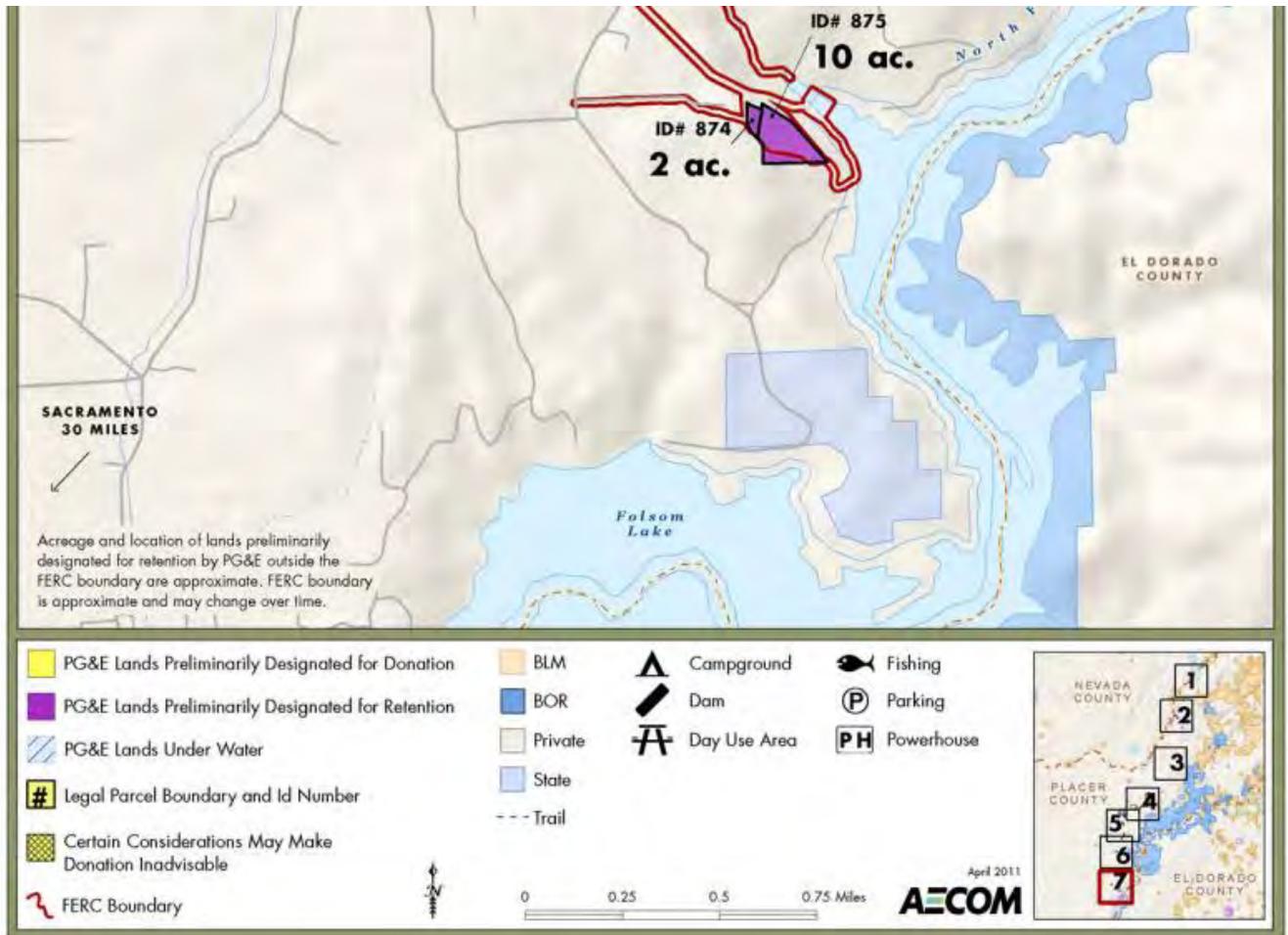
By: \_\_\_\_\_

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

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

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

**Exhibit A  
Property Map  
Lower Drum Planning Unit – Folsom Parcels**





**Exhibit B**

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

<b>Date:</b>	<b>Planning Unit/Property Title:</b> Lower Drum Planning Unit - Folsom Parcels (retained)
<b>Grantee Name:</b> Wildlife Heritage Foundation	<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 Monitoring Funds as set forth in Section 4 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 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 5 of the Grant Agreement.			
<b>Name:</b>		<b>Title:</b>	
<b>Signature:</b>		<b>Date:</b>	

Please include a copy of the bank statement referencing the deposit.

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

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**

**Deed of Conservation Easement and Agreement**

<p>RECORDING REQUESTED BY</p> <p><b>PACIFIC GAS AND ELECTRIC COMPANY</b> <b>Land Department</b> <b>Attention: Paul Coviello</b> <b>1850 Gateway Blvd, Room 7043C</b> <b>Concord, CA 94520</b></p>	
<p>WHEN RECORDED MAIL TO</p> <p><b>PACIFIC GAS AND ELECTRIC COMPANY</b> <b>245 Market Street, N10A, Room 1015</b> <b>P.O. Box 770000</b> <b>San Francisco, California 94177</b></p>	
<p>The undersigned Grantor declares that the documentary transfer tax is \$-0- (R&amp;T Code 11911 not applicable—No realty sold/no consideration)</p>	<p>(Space Above this Line for Recorder's Use)</p>
<p>LD#</p>	

A.P.N. 037-051-007, 037-060-013

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

**DEED OF CONSERVATION EASEMENT AND AGREEMENT**  
**(FOLSOM LAKE, LOWER DRUM PLANNING UNIT)**

Between

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation,  
as Grantor

and

WILDLIFE HERITAGE FOUNDATION, a California non-profit public benefit corporation,  
as Grantee

**Note to the County Recorder:** This is a conservation easement within the meaning given to such term in California Government Code §27255 and is to be included in the index developed and maintained pursuant to such section.

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**[Drafting Note – Update Table of Contents after drafting.]**

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**DEED OF CONSERVATION EASEMENT AND AGREEMENT  
(FOLSOM LAKE, LOWER DRUM PLANNING UNIT)**

THIS DEED OF CONSERVATION EASEMENT AND AGREEMENT (this "**Easement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Effective Date**") by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**Grantor**"), and WILDLIFE HERITAGE FOUNDATION, a California non-profit public benefit corporation ("**Grantee**"), with reference to the following facts:

**RECITALS**

A. The Property. Grantor is the owner of approximately 12 acres of real property located in Placer County, State of California, as more particularly described in the attached Exhibit A (the "**Property**").

B. FPA and FERC Jurisdiction. The Property lies within the boundaries of one or more hydroelectric projects licensed to Grantor pursuant to Part I of the Federal Power Act, 16 U.S.C. §§792-823d ("**FPA**").

1. FPA and FERC Requirements. The FPA requires regulation of the construction, operation, and maintenance of non-federal hydroelectric power projects pursuant to licenses issued by the Federal Power Commission, or its successor, the Federal Energy Regulatory Commission ("**FERC**"). Each such license requires the licensee to undertake appropriate measures on behalf of both developmental and environmental public interest uses of a waterway, including as relevant fish and wildlife protection and enhancement, irrigation, flood control, water supply, and recreation, together with whatever other beneficial public uses the license identifies as a "Project Purpose." The license requires the licensee to acquire and retain all interests in non-federal lands and other property necessary or appropriate to carry out the Project Purposes.

2. FPA and FERC Non-Project Uses. The FPA provides FERC with authority to regulate the use of a licensed project's lands and waters not only by the licensee but also by any other entity. FERC refers to such third-party use as "non-project use of project lands and waters." Even where the third-party use may be compatible with and even promote a specified Project Purpose, such use is "non-project," because it is not in the license as a direct obligation of the licensee. As a FERC licensee for the Property which is the subject of this Easement, Grantor must (except for very minor matters) apply to FERC for approval to convey to a third party any easement over project lands. FERC approval requires conveyance instruments to contain recorded covenants providing that the non-project use will not interfere with Project Purposes, and requires its licensees to enforce such covenants and protect the project values.

3. Removal of FERC Jurisdiction. FERC jurisdiction and authority over a licensed hydropower project is removed if and when (1) the project is decommissioned and the project license is surrendered or otherwise terminated; or (2) FERC determines that the project does not require a license to continue to operate, and the license expires or is otherwise terminated. Neither FERC nor the hydropower project license can bestow, remove, or alter water or other property rights; therefore, the end of FERC jurisdiction over the project has no effect on existing property rights in project lands and waters, including any conservation easements on such lands.

C. Grantor Party to Settlement Agreement. Grantor 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).

D. Grantor Party to Stipulation. 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**").

E. Governing Documents and Beneficial Public Values. The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (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 Grantor 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.**"

F. Stewardship Council and Land Conservation Plan. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (the "**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 (the "**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.

G. California Civil Code §815. The Legislature of the State of California, as set forth in California Civil Code §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 in its predominantly natural, scenic, agricultural, historical, forested, or open-space condition,

and that it is "the public policy and in the public interest of this state to encourage the voluntary conveyance of conservation easements to qualified nonprofit organizations."

H. Grantee Qualified Nonprofit Organization. Grantee is a tax-exempt nonprofit organization qualified under §501(c)(3) of the Internal Revenue Code and is eligible to acquire and hold a perpetual conservation easement pursuant to §815.3(a) of the California Civil Code.

I. Grantor's Continuing Hydro Project Activities. Grantor has used and continues to use the Property for the purposes related to the generation of electricity from hydropower facilities and related to the delivery, storage, and consumptive and nonconsumptive use of water as described more fully on attached Exhibit B (the "**Hydro Project Activities**"). In furtherance of the Hydro Project Activities, Grantor has improved portions of the Property with power-related facilities, access roads, recreational facilities, buildings and other structures. The Governing Documents provide that "[c]onservation easements on 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."

J. Perpetual Protection of Beneficial Public Values. Grantee and Grantor intend through this Easement to ensure the perpetual protection of the beneficial public values on the Property as identified in the LCP, on and subject to the terms and conditions of this Easement. Specifically, the parties intend to assure that the beneficial public values identified in the LCP and set forth on Exhibit D (the "**Beneficial Public Values**") will be protected and preserved in perpetuity and that uses of the Property that are inconsistent with protecting and preserving these Beneficial Public Values will be restricted, all as set forth in this Easement; provided, however, that Grantor shall retain all interests not transferred to Grantee by this Easement, including, but not limited to Grantor's Hydro Reserved Rights described in Section 7 below.

## **AGREEMENT**

In consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to California Civil Code §815 et seq., Grantor and Grantee further hereby agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee a perpetual "conservation easement" as defined by §815.1 of the Conservation Easement Act of 1979 (California Civil Code §815 et seq.) in gross, in, on, over and across the Property (the "**Conservation Easement**"), subject to and in accordance with the terms and conditions of this Easement.

2. Purpose. It is the purpose of this Easement to protect and preserve in perpetuity the Beneficial Public Values on the Property by restricting any use of the

Property that will significantly impair the Beneficial Public Values, all subject to and in accordance with the terms and conditions of this Easement (the "**Purpose**"). As used in this Easement, the terms "impair" and "impairment" mean to diminish in quantity, quality, value, strength or viability. As used in this Easement, the terms "significant" and "significantly," when used with "impair" and "impairment," respectively, mean a greater than negligible adverse impact, for more than a transient period. The parties agree that Grantor's retention of certain rights specified in this Easement, including the Hydro Reserved Rights, is consistent with the Purpose of this Easement.

3. Baseline Documentation Report. The parties acknowledge that certain existing conditions particularly relevant to the Property are documented in a baseline documentation report (the "**Baseline Documentation Report**"). Grantor and Grantee each have a copy of the signed Baseline Documentation Report, executed by both parties to acknowledge their approval and receipt of the Baseline Documentation Report. The parties agree that the Baseline Documentation Report contains an accurate representation of such existing conditions of the Property as of the Effective Date, and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of this Easement. The foregoing notwithstanding, if a dispute arises with respect to any of the conditions 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.

4. Commission and FERC. The terms and conditions of this Easement are subject to any conditions imposed by the Commission pursuant to **[Note: citation to decision/resolution to be inserted]** or by FERC pursuant to any hydroelectric project license for the Property or any applicable orders or regulations that FERC may issue from time to time. Notwithstanding anything to the contrary in this Easement, Grantor, its successors, and assigns have the right to perform any and all acts required by an order of FERC, or its successors, without the prior approval of Grantee or any other person. Grantor expressly reserves the right to comply with all FERC orders and regulations as they may be amended from time to time. In addition, Grantee shall comply with any information requests or reporting obligations required by the Commission or FERC, whether directly to the Commission or FERC, or through Grantor; provided that Grantor shall reimburse the reasonable costs and expenses incurred by Grantee in responding to such requests. Execution of this Easement by Grantor does not imply tacit Commission or FERC approval of a non-project use on the Property nor does it obligate Grantor to seek Commission or FERC approval for non-project uses proposed by Grantee.

5. Rights Conveyed to Grantee. Subject to the terms and conditions of this Easement, Grantor grants and conveys to Grantee the following affirmative rights:

5.1 Identification, Monitoring and Enforcement. The right to identify with Grantor the Beneficial Public Values of the Property, the right to monitor and enforce the protection and preservation of such Beneficial Public Values in accordance with the terms of this Easement, the right to enforce the terms of this Easement, the right to enjoin any activity on the Property or other use of the Property which violates the

terms of this Easement, and the right to enforce the restoration of such areas or features of the Property as may hereafter be damaged in violation of this Easement.

**5.2 Access.** The right for Grantee and Grantee's directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, permittees and invitees ("**Grantee's Representatives**") to enter onto the Property at reasonable times, during normal business hours, not more than twice per calendar year and upon not less than ten (10) business days' advance written notice in order to monitor and inspect the Property, to enforce the rights which are granted herein, to determine whether the activities conducted on the Property are in compliance with the terms of this Easement, and to enforce the restoration of such areas or features of the Property as may have been damaged in violation of this Easement, all in compliance with the provisions of Section 10. Grantee will limit the number of Grantee Representatives entering the Property to those who are reasonably necessary to undertake the inspections, and such entry will be for no more days than are reasonably necessary to carry out the inspections. Grantor's representatives shall have the right to accompany Grantee's Representatives during bi-annual monitoring visits or on any other visit permitted by this Section 5.2. Notwithstanding the foregoing, Grantee shall also have the right of entry upon the Property upon not less than twenty-four (24) hours' advance written notice where such entry is necessary to (i) prevent, terminate, or mitigate a violation of the terms of this Easement; or (ii) monitor actions taken pursuant to the bi-annual inspections contemplated by this Section 5.2. All access and entry allowed under this Section 5.2 will be made in a manner that will not unreasonably interfere with the permitted use(s) of the Property by Grantor, its successors in interest, and any occupant(s) or user(s) of the Property and shall comply with any entry and access guidelines established by Grantor and restrictions contained in any Third Party Use Agreements. Without limiting the preceding sentence, with respect to the switchyard at the Property, Grantee shall comply with any and all of Grantor's on-site safety and security requirements and any other rules and regulations that may be implemented by Grantor. With respect to Grantee's access and entry undertaken pursuant to this Section 5.2, Grantee agrees to cooperate with Grantor and to abide by any and all orders or instructions issued by Grantor, its employees, agents or representatives. Upon request, if Grantee's employees or other representatives will be entering into restricted areas of the Property, Grantee shall have its employees who will be entering such areas attend safety presentations of Grantor, so that such employees understand all safety precautions and protocols concerning high voltage transmission lines and the electrical substation.

**5.3 Grantee Signs.** Grantee shall have the right, but not the obligation, at its sole cost and expense, to erect, maintain, and/or remove, one or more reasonable, non-illuminated signs or other appropriate markers in locations on the Property visible from any public roads or other adjoining property, bearing information indicating (a) that the Property is protected by the Conservation Easement, and/or (b) the participation of Grantee and of any funder in the stewardship of the Conservation Easement, the wording, size, number, design, and location of which shall be decided upon by Grantee and Grantor, each exercising its reasonable discretion.

6. Prohibited Uses. Grantor will not engage in, or permit others to engage in, the prohibited uses set forth on Exhibit F hereto, except as otherwise provided therein (the "**Prohibited Uses**"), which Grantor and Grantee agree are inconsistent with the Purpose of this Easement.

7. Grantor's Reserved Rights.

7.1 Hydro and Other Reserved Rights. As provided in California Civil Code §815.4, all interests not expressly transferred and conveyed to Grantee by this Easement shall remain in Grantor, including the right to engage in and permit or invite others to engage in all uses of the Property not affected by this Easement nor prohibited by this Easement or by law. In compliance with California Civil Code §815.4, Grantor and Grantee acknowledge and agree that Grantor expressly reserves all rights accruing from the ownership of the Property and not expressly transferred and conveyed to Grantee by this Easement, including without limitation the right to engage in or permit or invite others to engage in all uses of the Property that do not significantly impair the Beneficial Public Values and are not expressly prohibited by this Easement. Without limiting the foregoing, Grantor shall have the right to engage in and permit or invite others to engage in the permitted uses set forth in Exhibit I (the "**Permitted Uses**"). In addition and notwithstanding any other provision of this Easement, Grantor expressly reserves the right to engage in or permit or invite others to engage in those uses set forth in Exhibit C ("**Hydro Reserved Rights**"), subject to the restrictions set forth in Sections 7.3 and 7.4 below.

7.2 Definitions. As used in this Section 7, the following defined terms shall have the meanings set forth below:

7.2.1 Anticipated Significant Actions. As used herein, "**Anticipated Significant Actions**" are (a) those Required Actions (which include Specified Required Actions pursuant to Section 7.2.3), that involve a Prohibited Use and/or that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values, (b) Discretionary Actions that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values, and (c) Permitted Uses that Grantor determines in Grantor's reasonable discretion exercised in good faith are likely to significantly impair one or more of the Beneficial Public Values. Except as provided in Section 7.3.1, no Grantee notification, consultation or consent shall be required for actions, activities or improvements that are not Anticipated Significant Actions.

7.2.2 Required Actions. As used herein, "**Required Actions**" are those intended actions, activities or improvements that Grantor determines in Grantor's sole discretion exercised in good faith are required on the Property by any one or more of the following: (a) the Commission, FERC, or any other governmental entity having jurisdiction over Grantor's use, ownership, operation, or management of the Property, including the Hydro Project Activities, or (b) any Applicable Law (as defined in Section 8), or (c) any Third Party Use Agreements, or (d) to comply with professional practices,

standards and/or policies governing the Hydro Project Activities. All references in this Agreement to "Required Actions" shall include Specified Required Actions (as defined below) unless otherwise noted.

**7.2.3 Specified Required Actions.** As used herein, "**Specified Required Actions**" are those Required Actions that require a specified action, activity or improvement on the Property, with respect to which Grantor has no material discretion over the specific details of implementation, including, without limitation, the manner, timing, and location of the Specified Required Action. Without limiting Grantor's notification obligations pursuant to Section 7.3.1 below, no Grantee consultation or consent shall be required with respect to any Specified Required Action.

**7.2.4 Discretionary Action.** As used herein, a "**Discretionary Action**" is an intended action, activity or improvement that is not a Required Action or a Permitted Use, and does not involve a Prohibited Use.

**7.2.5 Hydro Operating Zone.** As used herein, a "**Hydro Operating Zone**" is a spatially delineated area of the Property intended to primarily contain (or immediately adjacent to an area of the Property containing) Hydroelectric Facilities and Associated Water Delivery Facilities, as defined and described on Exhibit B hereto. The initial delineated Hydro Operating Zones are set forth on Exhibit G hereto; provided, however, that, subject to Sections 7.3 and 7.4 below, Grantor shall have the right, as a Discretionary Action governed by Sections 7.3 and 7.4 below, to expand, contract, add or remove Hydro Operating Zones from time to time.

**7.3 Annual Work Plan Notification, Consultation and Consent Requirements.**

**7.3.1 Delivery and Contents of Annual Work Plan.** No later than February 15th of each calendar year after the Effective Date, Grantor shall prepare and deliver to Grantee an annual work plan for the Property (an "**Annual Work Plan**"). In the Annual Work Plan, Grantor shall inform Grantee of the Anticipated Significant Actions Grantor anticipates undertaking on the Property during such calendar year. The Annual Work Plan shall include the following:

(a) a reasonably detailed description of the Anticipated Significant Actions Grantor intends to commence within such calendar year, together with a bullet point list of those actions Grantor intends to commence during such calendar year that Grantor determines do not constitute Anticipated Significant Actions;

(b) a bullet point list of all actions undertaken by Grantor during the immediately preceding calendar year that Grantor determined did not constitute Anticipated Significant Actions and were not described in a previous Annual Work Plan (or otherwise disclosed to Grantee);

(c) an indication of whether the Anticipated Significant Actions will occur within or outside of a Hydro Operating Zone;

(d) Grantor's determination of which Anticipated Significant Actions are Discretionary Actions;

(e) Grantor's determination of which Anticipated Significant Actions are Required Actions, including a reasonably detailed explanation of the basis for Grantor's determination;

(f) Grantor's determination of which Anticipated Significant Actions are Specified Required Actions, including a reasonably detailed explanation of the basis for Grantor's determination;

(g) Grantor's determination of which Anticipated Significant Actions are Permitted Uses, including a reasonably detailed explanation of the basis for Grantor's determination;

(h) Grantor's estimated timeline for commencement and completion of each of the Anticipated Significant Actions;

(i) a description of Grantor's anticipated efforts to avoid or minimize harm to or impairment of the Beneficial Public Values from the Anticipated Significant Actions;

(j) if and when available, Grantor shall use reasonable efforts to provide copies of any underlying filings (including filings, if any, under the California Environmental Quality Act), permits (e.g., burn permits, stream alteration permits, or timber harvest plans), orders or rulings associated with the Anticipated Significant Actions; and

(k) any Third Party Use Agreement renewals or replacements as contemplated by Section 9.1.2 below.

**7.3.2 Review of Annual Work Plan.** Grantor and Grantee shall meet (in person or electronically) within sixty (60) days after Grantee's receipt of the Annual Work Plan to review the Annual Work Plan. Grantee has the right to request reasonable additional information regarding actions identified in the Annual Work Plan. As part of the Annual Work Plan review process, Grantor and Grantee will consult on Express Third Party Uses as contemplated by Section 9.1 below and Informal Uses as contemplated by Section 9.2 below. Periodically, at such annual review meetings, the content requirements for the Annual Work Plan as set forth in Section 7.3.1 above may be modified, confirmed by mutual written agreement of the parties.

**7.3.3 Anticipated Significant Actions within Hydro Operating Zones.** Without limiting Grantor's notification obligations pursuant to Section 7.3.1 above, no Grantee consultation or consent shall be required with respect to any Anticipated Significant Actions within a Hydro Operating Zone.

**7.3.4 Anticipated Significant Actions Outside Hydro Operating Zones.** The following provisions shall apply with respect to Anticipated Significant Actions outside of a Hydro Operating Zone:

(a) **Specified Required Actions.** Without limiting Grantor's notification obligations pursuant to Section 7.3.1 above, no Grantee consultation or consent shall be required with respect to any Specified Required Actions outside of a Hydro Operating Zone.

(b) **Other Required Actions and Permitted Uses.** With respect to Required Actions and Permitted Uses disclosed in the Annual Work Plan that are not Specified Required Actions and are to be undertaken outside of a Hydro Operating Zone, Grantor and Grantee agree that, at or prior to the meeting to review the Annual Work Plan, Grantee may (but shall be under no obligation to) propose alternative methods and practices to avoid or minimize harm to or impairment of one or more Beneficial Public Values by such Anticipated Significant Actions ("**Proposed Methods and Practices**"). Grantor shall implement the Proposed Methods and Practices, to the extent Grantor determines in its sole discretion exercised in good faith that the Proposed Methods and Practices (i) may be implemented in a commercially reasonable manner balancing the harm to Beneficial Public Values with any increased cost or burden to Grantor, (ii) where applicable, will allow for the completion of a Required Action in a timely manner, and (iii) are reasonably likely to avoid potential harm to or impairment of one or more Beneficial Public Values. If Grantor determines that one or more of the foregoing conditions has not been satisfied, Grantor shall specify the reasons for this determination in detail, and Grantor and Grantee shall cooperate in good faith and with diligence to attempt to resolve Grantor's objections to Grantee's Proposed Methods and Practices consistent with this paragraph.

(c) **Discretionary Actions.** With respect to Discretionary Actions disclosed in the Annual Work Plan that are to be undertaken outside of a Hydro Operating Zone, such Discretionary Actions shall be subject to Grantee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed by Grantee. If Grantee fails to grant or deny Grantor's request for consent within one hundred eighty (180) days following Grantee's receipt of Grantor's request for consent, Grantee shall be deemed to have consented to the particular Discretionary Action described in the request. If Grantee withholds its consent to such proposed Discretionary Action to be undertaken outside of a Hydro Operating Zone, Grantee shall specify its objections in detail and, wherever possible, propose commercially reasonable alternatives, methods and/or practices to avoid or mitigate harm to or impairment of the Beneficial Public Values while substantially achieving the purposes of Grantor's proposed Discretionary Action. Grantor and Grantee shall cooperate in good faith and with diligence to attempt to resolve Grantee's objections in a manner that sufficiently mitigates Grantee's objections to its reasonable satisfaction.

**7.4 Anticipated Significant Actions Not Identified in Annual Work Plan.** If Grantor intends to undertake an Anticipated Significant Action not identified in an Annual Work Plan, Grantor shall notify Grantee (a "**Notice of Action**"), and include the

information required by Section 7.3.1 above. Additionally, Grantor and Grantee shall meet (in person or electronically) within sixty (60) days after Grantee's receipt of the Notice of Action to review Grantor's proposed Anticipated Significant Actions. Any Anticipated Significant Action (other than a Specified Required Action) identified in a Notice of Action which is proposed to occur outside of a Hydro Operating Zone shall be subject to Section 7.3.4 above. Where this Section 7.4 applies, references to the "Annual Work Plan" in Section 7.3.4 above shall be deemed to be references to the applicable Notice of Action except that Grantor shall not be required to provide the list of actions set forth in Section 7.3.1(b) above.

**7.5** Emergency Actions. Notwithstanding any other provisions of this Section 7, in the case of an emergency or other exigent circumstance affecting the safety of persons and/or property, Grantor may exercise its Hydro Reserved Rights and take any other remedial actions in an unrestricted manner on all or any portion of the Property within or outside of a Hydro Operating Zone without consultation with Grantee and without Grantee's consent. Grantor shall provide copies of any required notifications to applicable regulatory agencies of the emergency action and shall notify Grantee of those emergency actions taken, such notice to be provided to Grantee as soon as practicable but in any event within thirty (30) days after the emergency action has occurred.

**7.6** Water Rights. The Parties acknowledge that Grantor's exercise of water rights relating to water located or flowing on or under the Property, including those described in Exhibit C, are governed by this Section 7.

**8.** Responsibility for Operations. Nothing in this Easement shall be construed as giving any right or ability to Grantee to exercise physical or managerial control of the day-to-day operations of the Property or of Grantor's activities on the Property. Grantor shall have and retain all responsibility for, and shall bear all costs and liabilities of, the ownership of the Property. In connection with Grantor's use or occupancy of the Property, Grantor shall have and retain all responsibility for, and shall bear all costs and liabilities of, compliance with any present and future applicable laws, ordinances, rules, regulations, permits, licenses, authorizations, orders and requirements, whether or not in the current contemplation of the parties, which may affect or be applicable to the Property or any part of the Property (including, without limitation, any subsurface area), all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, or any other governmental or quasi-governmental body or bodies exercising similar functions, having or acquiring jurisdiction of the Property (in each case, an "**Applicable Law**"), except as expressly stated otherwise in this Easement. Without placing any limitation on the foregoing sentence, the parties agree as follows:

**8.1** Condition of Property. Grantee shall have no duty or responsibility for (a) the operation or maintenance of the Property except to the extent specifically undertaken by Grantee as permitted under this Easement, (b) the monitoring of any

hazardous conditions thereon, or (c) the protection of Grantor, the public, or any other person or entity from any risks relating to conditions on the Property.

**8.2 Taxes.** Grantee shall have no duty or responsibility for real property taxes and assessments levied on the Property.

**8.3 Permits and Approvals.** Grantor shall be solely responsible for obtaining any and all applicable governmental permits and approvals for, and otherwise complying with all Applicable Laws relating to, any activity or use of the Property by Grantor which is permitted by this Easement; provided, however, Grantor shall have no responsibility pursuant to this Easement for obtaining permits and approvals required on behalf of unrelated third parties who occupy or use the Property or for an unrelated third party's failure to comply with Applicable Laws. Grantee shall be solely responsible for obtaining any and all applicable governmental permits and approvals for, and otherwise complying with all Applicable Laws relating to, any activity or use of the Property by Grantee which is permitted by this Easement.

**8.4 Limitation on Restoration Obligations.** Nothing in this Easement shall require Grantor to take any action to restore the condition of the Property after (a) any Act of God, which includes, without limitation, fire, climate change, flood, storm, earth movement, or natural evolutionary changes in the condition of the Property from that described in the Baseline Documentation Report; (b) any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or to any person resulting from such causes; or (c) the non-permitted acts of unrelated third parties so long as Grantor has satisfied its obligations under Section 9.3.

**9. Third Party Use of the Property.**

**9.1 Express Third Party Uses.** Exhibit H hereto describes the existing third party uses of the Property permitted with the express agreement of Grantor ("**Express Third Party Uses**"). Subject to Section 7 above, Express Third Party Uses shall also include any future third party use implemented by Grantor as a Required Action or as a Discretionary Action approved by Grantee in accordance with Section 7. Grantor retains the right to maintain, renew, and replace all agreements memorializing the 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:

**9.1.1 Increases in Intensity or Expansion of Location or Size or Change in Use.** Any (i) increase in the intensity, or (ii) expansion of the location or size, or (iii) a change in the use, of an Express Third Party Use (whether through a new agreement or an amendment to an existing agreement), that Grantor determines in Grantor's reasonable discretion exercised in good faith is likely to significantly impair the Beneficial Public Values shall be subject to Grantee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed by Grantee, except

if such change in Express Third Party Use constitutes a Required Action in which case the consultation provisions of Section 7 above shall apply.

**9.1.2 Renewal or Replacement of Third Party Use Agreements.**

All Third Party Use Agreements existing on the date hereof are identified on Exhibit H. As Third Party Use Agreements are renewed or replaced (either with the existing user or a new user), Grantor, in consultation with Grantee as part of the Annual Work Plan consultation in accordance with Section 7.3 above, shall include contractual provisions to bring the continuation of the Express Third Party Use and the preservation of the Beneficial Public Values into alignment to the fullest extent reasonably practicable.

**9.1.3 Consultation on Express Third Party Uses.**

As part of the Annual Work Plan review process under Section 7.3 above, Grantor and Grantee will consult on existing Express Third Party Uses, including recommendations, if any, on how to bring the Express Third Party Uses and the preservation of the Beneficial Public Values into alignment to the fullest extent reasonably practicable.

**9.1.4 Enforcement of Third Party Use Agreements.**

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

**9.2 Informal Uses and Public Access.**

Grantor and Grantee recognize that the Property has been used by third parties for recreational, cultural, access, and other non-commercial or informal purposes without formal written agreements to conduct such activities (the "**Informal Uses**"). Grantor and Grantee further recognize that access is inherent or may be inherent in the enjoyment of the Beneficial Public 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 (other than Hydro Operating Zones) that is substantially consistent with the public access existing on the Effective Date, subject to Section 7 and the following limitations:

**9.2.1 Rules and Regulations.**

Grantor reserves the right to make reasonable rules and regulations to control, limit, or, as necessary, exclude Informal Uses and public access.

**9.2.2 Liability Limitation.**

Grantor and Grantee claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

**9.2.3 Periodic Review of Informal Uses.**

As part of the Annual Work Plan review process under Section 7.3 above, Grantor and Grantee will consult on Informal Uses, including recommendations made by Grantor or Grantee, if any,

regarding the necessity of controlling, limiting or excluding the Informal Uses to ensure the preservation of the Beneficial Public Values.

**9.3 Unauthorized Third-Party Uses.** If Grantor or Grantee discovers any unauthorized third-party use or activity on the Property (not including any third party violation covered by Section 9.1.4 above) that violates the terms of this Easement (and if Grantee makes such discovery, Grantee gives Grantor written notice thereof), Grantor shall use reasonable efforts, in consultation with Grantee, to stop or prevent any such unauthorized use of the Property, at Grantor's sole expense; provided that in no event shall Grantor's obligations under this Section 9.3 require Grantor to pursue legal action or incur other substantial costs. If Grantee demonstrates that Grantor's efforts in compliance with this Section 9.3 have not prevented, or are unlikely to prevent, the unauthorized third-party use or activity on the Property that violates the terms of this Easement, Grantee may meet and confer with Grantor to propose additional efforts to prevent such use or activity which Grantee may undertake, at Grantee's sole expense. Grantor shall consider such proposal in good faith and, if Grantor permits Grantee to use such additional efforts, the scope and duration of such efforts shall be determined by Grantor, and Grantee shall comply with any requirements imposed by Grantor in connection with such efforts.

**10. Enforcement and Remedies.**

**10.1 Procedures Upon Violation.** If a party hereto (the "**Non-Breaching Party**") determines there is a breach of the terms of this Easement or that a breach is threatened, written notice of such breach (the "**Notice of Breach**") and a demand for corrective action sufficient to cure the breach shall be given by the Non-Breaching Party to the party allegedly breaching this Easement (the "**Breaching Party**"). Within fourteen (14) days after delivery of a Notice of Breach, Grantor and Grantee shall meet at a location in the County where the Property is located or as otherwise agreed to 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 mutually determine that it is appropriate and desirable, a duly qualified expert in the subject matter of the alleged breach (the "**Consulting Expert**") shall attend the meeting. Grantor and Grantee shall each pay one-half of the costs of retaining the services of the Consulting Expert for such discussion; provided, however, that if Grantor and Grantee are unable to agree upon a Consulting Expert, each party may retain the services of an expert at its own expense. If Grantor and Grantee are unable to agree on appropriate corrective action (or if any such corrective action is required) 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, particular corrective action to cure the breach (the "**Notice of Easement Violation**"). If a violation is not cured within thirty (30) days after the delivery of the Notice of Easement 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 10.2 below.

**10.2 Litigation.** If the parties are not able to resolve a claim or dispute pursuant to Section 10.1 above, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Easement, to recover any damages to which Non-Breaching Party may be entitled for violation of the terms of this 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 and/or any other form of relief required to achieve the restoration of the Property to the condition in which 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 of this Easement, all such damages recovered by Grantee (after appropriate costs of suit are reimbursed) shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary contained in this 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 Easement, whether foreseeable or unforeseeable.

**10.3 Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Easement and the Non-Breaching Party reasonably determines that irreparable harm would result if the Non-Breaching Party were required to complete the process set forth in Section 10.1, the Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently.

**10.4 Remedies Cumulative.** The remedies described in this Section 10 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 §815 *et seq.*, inclusive. The failure of a party to discover a violation or to take immediate legal action shall not bar taking such action at a later time.

**10.5 Costs of Enforcement.** All costs incurred in enforcing the terms of this Easement, including, but not limited to, costs of suit and reasonable attorneys' fees as set forth in Section 20.11, shall be borne by the Breaching Party, but only to the extent that a breach of this Easement is determined to have occurred. If, after the Non-Breaching Party delivers a Notice of Easement Violation, it is determined that there was no breach of this Easement by the Breaching Party, the Non-Breaching Party shall pay all of the Breaching Party's costs and expenses incurred in connection with the alleged breach.

**10.6 No Waiver.** Enforcement of this Easement against a party shall be at the discretion of the Non-Breaching Party, and any forbearance by the Non-Breaching Party to exercise its rights under this Easement in the event of any breach of any term of this Easement shall not be deemed or construed to be a waiver by the Non-Breaching Party of such term or of any subsequent breach of the same or any other term of this Easement or of any of such party's rights under this Easement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy shall impair

such right or remedy or be construed as a waiver. A party's permission to the other party to carry out, or failure to object to, any proposed use or activity by the other party shall not constitute consent to any subsequent use or activity of the same or different nature.

**11. Indemnification and Insurance.**

**11.1 Indemnification by Grantee.** Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Grantor, its parent corporation, subsidiaries, affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (collectively, "**Grantor Indemnitees**") from and against all claims, losses, actions, demands, damages, costs, expenses (including, but not limited to, experts' fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "**Claims**") arising out of or in connection with this Easement or the Property to the extent caused by the negligence or willful misconduct of the Grantee Indemnitees.

**11.2 Indemnification by Grantor.** Grantor shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Grantee, its parent corporation, subsidiaries, affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (collectively, "**Grantee Indemnitees**") from and against all Claims arising out of or in connection with this Easement or the Property except to the extent caused by the negligence or willful misconduct of the Grantee Indemnitees.

**11.3 Release.** Entry onto the Property by Grantee and Grantee's Representatives shall be at Grantee's sole risk and expense, and Grantee accepts all risk relating to the condition of the Property. Notwithstanding the provisions of Section 11.2, Grantor shall not be liable to Grantee for, and to the maximum extent permitted by law, Grantee hereby waives and releases Grantor and the other Grantor Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss to Grantee and/or Grantee's Representatives resulting from or attributable to any occurrence relating to the condition of the Property, except if arising solely from Grantor's gross negligence or willful misconduct.

**11.4 Insurance.** Grantee shall procure, carry and maintain in effect during all access to the Property the insurance specified in Exhibit E hereto, provided that Grantor reserves the right to periodically review and reasonably modify the insurance requirements specified in Exhibit E in effect to be generally consistent with requirements of other prudent property owners allowing access to their properties by conservation easement holders. All insurance shall be written on forms and with insurance carriers acceptable to Grantor in its commercially reasonable judgment. Prior to Grantee's initial entry onto the Property, and thereafter at least thirty (30) days prior to the expiration date of any policy, Grantee shall provide Grantor with evidence of the insurance coverage, or continuing coverage, as applicable, satisfying the requirements of this Section 11.4 and Exhibit E. Grantee is also responsible for causing Grantee's agents and contractors entering the Property to comply with the insurance requirements

of this Easement at all relevant times, the insurance being specified in Exhibit E. Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold the Grantor Indemnitees harmless against claims, losses, costs (including attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of Grantee's consultants, contractors or subcontractors, to comply with the insurance requirements set forth in this Section 11.4 and Exhibit E. Except for the right to access the Property under Section 5.2 above, which shall be conditioned upon carrying insurance required herein, no failure to carry such insurance or to provide a certificate thereof by any such deadline shall alter or affect in any manner any of the rights or obligations of the parties under or with respect to this Easement. The foregoing insurance requirements shall not apply in the event that the Grantee is a governmental agency with a self-insurance program reasonably acceptable to Grantor.

**12. Grantee Transfer of Easement.**

**12.1 Voluntary Transfer.**

12.1.1 If Grantee desires to assign its interest under this Easement, Grantee shall provide Grantor and the Sierra Nevada Conservancy ("**SNC**") with written notice of such intention to transfer to an assignee which is (a) qualified to hold a conservation easement under §815.3 of the California Civil Code; and (b) willing and with the financial capability (taking into account any stewardship funds to be transferred by Grantee with this Easement) and organizational experience to assume all of the responsibilities imposed on Grantee under this Easement; and (c) acceptable to Grantor in its reasonable discretion. Grantee shall allow the SNC, in consultation with Grantor, a period of not less than sixty (60) days within which 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 12.1.1.

12.1.2 Grantee is responsible for identifying a suitable assignee pursuant to Section 12.1.1. However, if a suitable assignee is not identified, then SNC shall have sole discretion to elect to become the assignee of Grantee's interest hereunder.

12.1.3 As conditions to any assignment of Grantee's interest under this Easement, Grantee shall (a) require the assignee to expressly agree in writing to assume Grantee's obligations hereunder, and (b) ensure that such assignee has the resources to fulfill its obligations under this Easement. Notwithstanding anything in this Section 12.1 to the contrary, this Easement shall not be transferred by Grantee to any governmental entity, public agency or Native American tribe without the consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

**12.2 Involuntary Transfer.** If Grantee ever ceases to exist or no longer qualifies under §815.3 of the California Civil Code, the Stewardship Council (or its designee), or if the Stewardship Council (or its designee) shall cease to exist, the Attorney General of the State of California, shall petition a court of competent

jurisdiction to transfer this Easement to an organization that meets all of the designation criteria specified in Section 12.1.

**13. Subsequent Property Transfers by Grantor.**

**13.1 Rights of Grantor.** Subject to the provisions of Sections 7 and 9 above, this Section 13, Section 20.12 below, and Exhibit F, Paragraph 1 below, Grantor shall have the unrestricted right to sell, encumber, or otherwise transfer the Property or portions thereof to anyone Grantor chooses. Notwithstanding the foregoing, Grantor shall disclose the existence of this Easement (including reference to the recording information) in any deed or other legal instrument by which Grantor divests itself of a real property interest in all or a portion of the Property, including, without limitation, a leasehold interest, and all such conveyances shall be made expressly subject to the terms of this Easement. Grantor shall notify Grantee periodically of any contemplated grants by Grantor to any third party of any interest in any portion of the Property, whether such interest is a fee, easement, lease, mortgage or other interest. Additionally, Grantor shall notify Grantee in writing not more than thirty (30) days after any grant by Grantor to any third party of any interest in any portion of the Property, whether such interest is a fee, easement, lease, mortgage or other interest. The failure of Grantor to perform any act required by this Section 13 shall not impair the validity of this Easement or limit its enforcement in any way or create any obligation on the part of Grantee. Grantor recognizes that Grantee may incur direct and indirect costs for monitoring and administration of the Conservation Easement in the event fee title to the Property is transferred under this provision. Accordingly, upon Grantor's sale, transfer or conveyance of fee title of the Property, Grantor shall pay, or cause to be paid, to Grantee a one-time payment of a sum representing the increased cost of such Conservation Easement stewardship, as reasonably determined at such time by Grantee. Such one-time payment shall be in addition to any reimbursements required pursuant to Section 13.2.4 or Section 17 of this Easement.

**13.2 Potential Release of Hydro Reserved Rights.**

**13.2.1 Conveyance of Entire Property.** In the event:

(a) Grantor intends to transfer fee title to the entire Property to an unaffiliated third party;

(b) the Hydro Project Activities and any uses and facilities that are unrelated to the Hydro Project Activities but undertaken as a Required Action at the Property have been formally and permanently terminated by Grantor and, as appropriate, decommissioned pursuant to a regulatory proceeding; and

(c) no Hydroelectric Facilities and Associated Water Delivery Facilities, nor other facilities unrelated to Hydro Project Activities installed pursuant to a Required Action are located at the Property,

then, subject to any final orders or decommissioning requirements issued by the FERC and/or other agency(ies) with jurisdiction over the Hydro Project Activities and such other unrelated uses prior to said transfer of the entire Property, Grantor shall release, relinquish and forever terminate, in a manner that shall be binding upon all successors in interest to the Property, (i) all rights of Grantor described in Exhibit C, (ii) the exceptions to the Prohibited Uses for Required Actions and Specified Required Actions set forth in Exhibit F, (iii) the exceptions to the Prohibited Uses in Exhibit F relating to activities within the Hydro Operating Zone, and (iv) Permitted Uses, to the extent related to the Hydro Project Activities, as set forth in Exhibit I (items (i), (ii), (iii) and (iv) being referred to collectively as the "**Reservations**"). Following such release, relinquishment and termination of Reservations, all Anticipated Significant Actions (except for Prohibited Uses and continuing Permitted Uses) shall be subject to Grantee's consent as Discretionary Actions and the Easement shall be interpreted more restrictively in a manner recognizing the release of Reservations. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

**13.2.2 Partial Conveyance.** In the event:

(a) Grantor intends to transfer fee title to less than the entire Property (the "**Transferred Parcel**") to an unaffiliated third party;

(b) the Hydro Project Activities and any uses and facilities that are unrelated to the Hydro Project Activities but undertaken as a Required Action at the Transferred Parcel have been formally and permanently terminated by Grantor and, as appropriate, decommissioned pursuant to a regulatory proceeding; and

(c) no Hydroelectric Facilities and Associated Water Delivery Facilities, nor other facilities unrelated to Hydro Project Activities installed pursuant to a Required Action are located at the Transferred Parcel,

then, subject to any final orders or decommissioning requirements issued by the FERC and/or other agency(ies) with jurisdiction over the Hydro Project Activities and such other unrelated uses, prior to said transfer of the Transferred Parcel, Grantor shall release, relinquish and forever terminate, in a manner that shall be binding upon all successors in interest to the Transferred Parcel, the Reservations with respect to the Transferred Parcel. Following such release, relinquishment and termination of Reservations, all Anticipated Significant Actions (except for Prohibited Uses and continuing Permitted Uses) on the Transferred Parcel shall be subject to Grantee's consent as Discretionary Actions and the Easement shall be interpreted more restrictively in a manner recognizing the release of Reservations as to the Transferred Parcel. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I on the Transferred Parcel shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

**13.2.3 Grantor's Continuing Reserved Rights.** Nothing in Section 13.2.2 shall limit the rights of Grantor in this Easement with respect to the portion of the Property retained by Grantor.

**13.2.4 Easement Amendment.** In the event of a conveyance and release of Reservations pursuant to this Section 13.2, Grantor and Grantee may agree to amend this Easement, or to create a separate Easement for the Transferred Parcel and for the remaining portion of the Property in accordance with Section 17, to reflect the release of Reservations and, where appropriate, to reflect separate ownership of the Transferred Parcel and the remainder of the Property. In accordance with Section 17 below, Grantor shall reimburse Grantee for all reasonable costs incurred in connection with the drafting, review, negotiation, approval and recording of any amendment or separate Easement pursuant to this Section, including costs incurred in consideration of whether an amendment and/or new Easement(s) is/are necessary or appropriate.

**13.2.5 Transfer Restrictions Remain Applicable.** Nothing herein shall affect Grantor's obligations under Section 1 of Exhibit F.

**14. Extinguishment and Condemnation.**

**14.1 Extinguishment.** If circumstances arise in the future such as render the Purpose of this Easement impossible to accomplish, this Easement shall only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Grantor's economic hardship shall not be a reason to extinguish this Easement.

**14.2 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, including a private sale in lieu of eminent domain, so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined pursuant to Section 14.3, 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. Grantor and Grantee acknowledge that any and all awards to Grantor and Grantee may be subject to the approval of the Commission and/or the FERC.

**14.3 Proceeds.** Pursuant to California Civil Code §815.2(a) the 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 and to protect the public investment which is involved in the conveyance of the Conservation Easement. 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 current 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 current 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 14.3.

**15. Estoppel Certificates.** Grantee shall, within thirty (30) days after receiving Grantor's written request therefor (not to exceed once during any twelve (12) month period), execute and deliver to Grantor a document certifying, to the actual knowledge of the person executing the document without any duty of investigation, that Grantor is in compliance with any obligation of Grantor contained in this Easement, or otherwise evidencing the status of such obligation to the extent of Grantee's actual knowledge thereof, as may be reasonably requested by Grantor.

**16. Notices.** Any notice or other communication required or permitted under this Easement 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 Grantor:

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:

Wildlife Heritage Foundation  
563 Second St., Suite 120  
Lincoln, CA 95648  
Attn: Darla Guenzler, Executive Director  
**[Easement Grantee to confirm address.]**

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 16.

**17. Amendment.** This Easement may not be amended, except by written amendment executed by Grantor and Grantee or their respective successors and assigns and recorded in the official public records of the jurisdiction where the Property is located. If circumstances arise under which an amendment would be appropriate, any such amendment shall be consistent with Grantee's conservation easement amendment policy(ies), and the Purpose of this Easement, including continuing to protect and preserve the Beneficial Public Values, and shall not affect the perpetual duration of this Easement or the qualification of the Conservation Easement as a

conservation easement under California Civil Code §815 *et seq.* (or successor thereto). Grantee shall promptly record the amendment in the official records of the County in which the Property is located, and shall thereafter promptly provide a conformed copy of the recorded amendment to Grantor. The party requesting the amendment shall reimburse the non-requesting party for all reasonable costs incurred in connection with the drafting, review, negotiation, approval and recording of such amendment. Grantor shall be deemed to be the "party requesting the amendment" in connection with any amendment and/or new conservation easement(s) pursuant to Section 13 above and the "reasonable costs incurred" shall include consideration of whether an amendment and/or new conservation easement(s) is/are necessary or appropriate.

**18. Hazardous Substances.**

**18.1 Definitions.** The following terms have the meanings ascribed to them below for purposes of this Easement:

**18.1.1 "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.

**18.1.2 "Hazardous Substances"** means any hazardous or toxic material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements, including, 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; 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) which 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 are 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) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) which contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) which contains radon gas.

18.1.3 "**Necessary Remediation**" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements.

18.1.4 "**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.

## 18.2 Allocation of Responsibility for Hazardous Substances.

18.2.1 Generally. Grantor shall (as between Grantor and Grantee) bear the cost for the Necessary Remediation of Hazardous Substances.

18.2.2 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.

18.2.3 Grantor Responsibility for the Cost of Necessary Remediation. Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil and groundwater, whether occurring in the past or at any time in the future, which are present on the Property, provided that Grantee did not cause, in whole or in part, such Hazardous Substance contamination.

18.2.4 No Owner or Operator Liability. The parties do not intend this Easement to be, and this Easement shall not be, construed such that it creates in or gives to Grantee any of the following solely as the result of being a holder of the Conservation Easement:

(a) The obligations or liability of an "owner" or "operator" or "arranger," as those terms are defined and used in Environmental Requirements;

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

(c) The obligations of a responsible person under any applicable Environmental Requirements;

(d) The right to investigate and remediate any Hazardous Substances associated with the Property; or

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

### **18.3** Hazardous Substances Indemnification.

**18.3.1** By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee and the other Grantee Indemnitees 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, penalties, fines, taxes, obligations, controversies, debts, expenses, accounts, damages (including, without limitation, punitive damages), judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise, including, without limitation, 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 Hazardous Substances present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Easement (collectively, "**Environmental Claims**"), except to the extent caused, in whole or in part, by the negligent or intentional act of Grantee or any other of the Grantee Indemnitees.

**18.3.2** 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 Environmental Claims, to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

## **19.** Carbon Rights.

**19.1** Promotion of Climate Stability. Grantor and Grantee anticipate that the protection and preservation of the Beneficial Public Values will promote climate stability, especially the ability of the forest to store atmospheric carbon as a means to mitigate global warming, which is recognized as being of public benefit by the 1993 United Nations Framework Convention on Climate Change, the federal Energy Policy Act of 1002, section 1605(a) and (b), the United States Climate Challenge Program, the

2007 reports of the International Panel on Climate Change, and California legislation such as that embodied in Fish and Game Code Section 1356.

**19.2 Reservation of Carbon Rights.** Grantor exclusively reserves to itself, and to its personal representatives, heirs, successors and assigns, any and all carbon rights and obligations appurtenant to or accruing from the Property as may exist as of the date of recordation of this Easement or as may be granted, discovered, created, declared or developed in the future, including, but not limited to, the right to (subject to and in accordance with Section 7 hereof) use, store, sequester, accumulate, and/or depreciate carbon within or on the Property and the right to trade, sell, transfer, or lease these rights. Grantor and Grantee acknowledge and agree that these carbon rights are consistent with the Beneficial Public Values, and this Easement shall not extinguish or otherwise impair the carbon rights and obligations appurtenant to or accruing from the Property.

**19.3 Carbon Certification.** In furtherance of Grantor's exercise of the carbon rights reserved hereunder, Grantor may elect to enter into an agreement not inconsistent with this Easement respecting such reserved rights as may be required by a third party that Grantor chooses ("**Carbon Certification Party**") in order to facilitate the sale, transfer or lease of the carbon rights and may record such agreement in the official records of any County where the Property is located. To the extent reasonably required by any Carbon Certification Party and requested by Grantor, Grantee, at Grantor's cost and expense, shall cooperate with Grantor by accommodating Grantor's establishment, verification or certification of the carbon rights in connection with the Property. Grantor agrees to notify Grantee at least thirty (30) days prior to any sale, transfer or lease of these carbon rights or the recording of an agreement with respect thereto, unless Grantor has previously notified Grantee in an Annual Work Plan.

**20. General Provisions.**

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

**20.2 No Public Dedication.** Nothing contained in this Easement shall be construed or deemed to be an express or implied dedication or gift of all or any portion of the Property for use or access by the general public nor shall this Easement or any of the rights granted hereunder be construed as an acknowledgement of any claim of prescriptive or other similar rights in or over the Property.

**20.3 Liberal Construction.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed to effect the Purpose of this Easement and the policy and purpose of California Civil Code §815 *et seq.*, while recognizing Grantor's reserved rights. If any provision in this Easement is found to be ambiguous, an interpretation consistent with the Purpose of this Easement, which recognizes Grantor's reserved rights and that would render the provision valid shall be favored over any interpretation that would render it invalid.

**20.4 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 Easement.

**20.5 Severability.** If any provision of this Easement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Easement, and to this end the provisions of this Easement are intended to be and shall be severable.

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

**20.7 No Forfeiture.** Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

**20.8 Successors.** The Conservation Easement created by this instrument shall be a servitude running with the land in perpetuity. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns and shall run with the Property. However, this Easement shall not create or bestow any lien or property right in any third party. Grantor and Grantee agree that no third party beneficiary to this Easement exists and that nothing contained herein shall be construed as giving any person third party beneficiary status or any right of enforcement hereunder.

**20.9 Recordation.** Grantee shall promptly record this Easement in the official records of the County in which the Property is located, and shall thereafter promptly provide to Grantor a copy hereof showing the recording information. Grantee may re-record this Easement at any time as may be required to preserve its rights in this Easement.

**20.10 Termination of Rights and Obligations.** A party's rights and obligations under this Easement shall terminate only upon transfer of the party's interest in all or portions of either the Conservation Easement or the Property, except that liability for acts or omissions occurring prior to transfer shall survive the transfer.

**20.11 Attorneys' Fees.** In the event that any party shall bring an action to enforce its rights under this Easement, 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 Easement into any judgment on this Easement.

**20.12 Mortgage Liens Subordinate.** No provision of this Easement is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, provided that any lien securing such loan (a "**Mortgage Lien**"), regardless of date, shall be subordinate to the terms of this Easement and Grantee's rights under this Easement. Under no circumstances may Grantee's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any Mortgage Lien.

**20.13 Pre-Existing Water Rights.** In accordance with Section 12(e) of the Stipulation, this Easement does not impact the authority of third-party holders of water rights to exercise those rights.

**20.14 Table of Contents and Captions.** The table of contents and captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon construction or interpretation.

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

**20.16 List of Exhibits.** The following exhibits are attached hereto and incorporated herein by this reference:

<u>Exhibit A</u>	Property Description
<u>Exhibit B</u>	Description of Hydro Project Activities and Hydroelectric Facilities and Associated Water Delivery Facilities
<u>Exhibit C</u>	Hydro Reserved Rights
<u>Exhibit D</u>	Beneficial Public Values
<u>Exhibit E</u>	Insurance Requirements
<u>Exhibit F</u>	Prohibited Uses
<u>Exhibit G</u>	Hydro Operating Zone(s)
<u>Exhibit H</u>	Express Third Party Uses and Third Party Use Agreements
<u>Exhibit I</u>	Expressly Permitted Uses

**20.17 Counterparts.** This Easement 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 Easement shall be controlling.

IN WITNESS WHEREOF, Grantor has granted to Grantee, and Grantee has accepted, this Easement, and the parties mutually agree to the terms and covenants set forth above, as of the Effective Date.

**GRANTOR:**

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**GRANTEE:**

WILDLIFE HERITAGE FOUNDATION,  
a California non-profit public benefit  
corporation

By: \_\_\_\_\_  
Name: Darla Guenzler  
Its: Executive Director

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 \_\_\_\_\_

EXHIBIT A

Legal Description of Property

[Follows this page]

EXHIBIT B

Description of Hydro Project Activities  
and  
Hydroelectric Facilities and Associated Water Delivery Facilities

As used in this Easement, "**Hydro Project Activities**" are those existing and future uses of the Property, and the existing and future Hydroelectric Facilities and Associated Water Delivery Facilities (as defined below) now or hereafter located on, above, or under the Property, associated with the operation of the Drum-Spaulling FERC Project (FERC Project No. 2310), and shall include any future uses of the Property, and the existing and future Hydroelectric Facilities and Associated Water Delivery Facilities now or hereafter located on, above, or under the Property, associated with compliance with any future FERC License, FERC License renewal or other regulatory requirements.

As used in this Easement, "**Hydroelectric Facilities and Associated Water Delivery Facilities**" are those existing and future facilities, structures, buildings, and improvements now or hereafter located on, above, or under the Property, and associated with the operation of the Drum-Spaulling FERC Project (FERC Project No. 2310), including, but not limited to, the following existing and future improvements: powerhouse switchyard, and associated infrastructure facilities; improvements for existing and future water delivery and other requirements of power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water use; electrical transmission lines.

EXHIBIT C

Hydro Reserved Rights

Grantor's reserved rights on the Property include the following, which are expressly excluded from the transfer and conveyance of the conservation easement granted in this Easement and reserved to Grantor:

Subject to the provisions of Section 7, the right to conduct Hydro Project Activities on the Property, including construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing and future Hydroelectric Facilities and Associated Water Delivery Facilities, including project replacements and improvements required for existing and future water delivery and other requirements for power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water, and for communications in connection with the foregoing and for compliance with any future FERC License, FERC License renewal or other regulatory 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 construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing Hydroelectric Facilities and Associated Water Delivery Facilities, and the construction, operation, repair, alteration, maintenance, removal, 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, store, convey and appropriate water; and

(3) The right to increase or otherwise modify water diversion, storage and transmission capacities of Hydroelectric Facilities and Associated Water Delivery Facilities; and

(4) The right to exercise: 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 which are now or hereafter located or flowing on, under or abutting the Property; and

(5) The right to decommission all or any portion of existing and future Hydroelectric Facilities and Water Delivery Facilities in accordance with the applicable license issued by the FERC, or as otherwise allowed by Applicable Law; and

(6) The right to enlarge, improve, reconstruct, relocate and replace said Grantor's existing facilities and additional facilities with any other number, size, or type of transformers, poles, towers, or structures, or underground wires, cables, pipelines and conduits, or other devices and equipment either in the original location or at any location or locations within the Property; and

(7) The right to construct, operate, use, repair, alter, maintain, remove, replace and expand Grantor's existing and future facilities for transformation, transmission and distribution of electric energy and for communication purposes and also the rights to reconstruct, replace, remove, maintain and use the same as Grantor shall at any time and from time to time deem necessary in Grantor's sole discretion exercised in good faith, together with the rights to excavate for, construct, install, repair, reconstruct, replace, remove, maintain and use, at any time and from time to time, additional facilities for the transformation, transmission and distribution of electric energy and for communication purposes, consisting of such devices and equipment with suitable concrete pads and adequate protection therefore necessary for transforming electric energy, one or more lines of underground wires and cables (enclosed at Grantor's option within conduits), and one or more lines of towers, poles and/or other structures, wires and cables, including both underground and overhead ground wires, and all necessary and proper foundations, footings, cross arms and other appliances and fixtures for use in connection with said towers, poles and/or other structures, wires and cables.

EXHIBIT D

Beneficial Public Values

The Purpose of the Conservation Easement for the Property is to protect the Beneficial Public Values of the Property, as summarized below and described in more detail in the Baseline Documentation Report:

- (a) Habitat for 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. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors
- (b) Oak woodland resources on the Property.
- (c) The scenic viewshed of the Property in keeping with the surrounding environment, providing a contiguous forested landscape visible to passersby on the nearby roads and highways, and providing views of the North Fork of the American River.
- (d) Identified historical and cultural values, to the extent they are protected by state and federal law

EXHIBIT E

Grantee Insurance Requirements

Grantee shall procure, carry and maintain the following insurance coverage:

- A. Workers' Compensation and Employers' Liability
  - 1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal.
  - 2. Employers' Liability insurance shall not be less than One Hundred Thousand Dollars (\$100,000) for injury or death each accident.
- B. Commercial General Liability
  - 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
  - 2. The limit shall not be less than One Million Dollars (\$1,000,000) each occurrence/ Two Million Dollars (\$2,000,000) aggregate for bodily injury, property damage and personal injury.
  - 3. Coverage shall: a) By "Additional Insured" endorsement add as insureds Grantor, its directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee; b) Be endorsed to specify that Grantee's insurance is primary.
- C. Business Auto
  - 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
  - 2. The limit shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.
- D. Additional Insurance Provisions
  - 1. Upon change in carrier or coverage, or otherwise upon Grantor's request, Grantee shall furnish Grantor with certificates of insurance and endorsements of all required insurance for Grantee.
  - 2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantor.

3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, CA 94177

A copy of all such insurance documents shall be sent to Grantor's Land Agent as specified under Notices in the body of this Easement.

4. Upon request, not to exceed once annually, Grantee shall furnish Grantor complete copies of policies.
5. Upon request, not to exceed once annually, Grantee shall furnish Grantor the same evidence of insurance for Grantee's agents or contractors as Grantor requires of Grantee.

EXHIBIT F

Prohibited Uses

As provided in Section 6 of this Easement, Grantor will not engage in, or permit others to engage in, the following Prohibited Uses:

1. Number of Fee Owners; Subdivision.

(a) Limit on Number of Fee Owners. Except for Specified Required Actions, notwithstanding the fact that the Property, at any time, might be comprised of more than two (2) separate legal parcels, fee title to the Property shall be held by no more than two (2) separate owners at any given time, provided, however, that the foregoing shall not prohibit undivided ownership of the Property by multiple owners (e.g. tenants in common), subject to the restrictions on the rights of undivided owners provided below, and the terms and conditions of this Easement shall perpetually apply to the Property as a whole. The existence of any separate legal parcels shall not be interpreted to permit any use or activity on an individual legal parcel that would not have been permitted on said parcel under the terms and conditions of this Easement as applied to the Property as a whole. This section only applies to conveyances of fee ownership and not to conveyances of any property interests other than fee ownership (e.g. leasehold interests). In respect to ownership of the Property or permitted separate legal parcels, as the case may be, ownership may be (among others) in the form of a partnership, limited partnership, limited liability company, corporation or other legal entity or as undivided interests such as tenants in common, whether by choice or by operation of any Applicable Laws, but no owner of an undivided interest shall thereby have (i) the right of exclusive occupancy or exclusive use of any separate portion of the Property (or permitted separate legal parcel), or (ii) any right to have the Property (or permitted separate legal parcel), partitioned in kind, whether pursuant to California Code of Civil Procedure §872.010 et seq. ("**CCP**") or any successor statute or otherwise. In the event that a partition action is brought and a court determines that the remedy of partition must be granted, Grantor, on behalf of itself and its successors and assigns hereby irrevocably agrees the remedy shall not be a physical subdivision of the Property (or permitted separate legal parcel), but instead may be a partition by appraisal pursuant to CCP §873.910 or any successor statute or a judicially supervised sale of Grantor's entire estate in the Property (or permitted separate legal parcel) pursuant to CCP §873.510 or any successor statute, subject, however, to this Easement, followed by a division of sales proceeds among the parties entitled thereto. Grantor recognizes that Grantee will incur direct and indirect costs for monitoring and administration of the Conservation Easement in the event fee title to a portion of the Property is transferred under this provision. Accordingly, upon Grantor's sale, transfer or conveyance of fee title to less than all of the Property in accordance with this subsection (a), Grantor shall pay, or cause to be paid, to Grantee a one-time payment of a sum representing the increased cost of such Conservation Easement stewardship, as reasonably determined at such time by Grantee. Such one-time payment shall be in addition to any reimbursements required pursuant to Section 13.2.4 or Section 17 of this Easement.

(b) Limit on Subdivision. Except for Specified Required Actions, Grantor shall not subdivide the Property with the result of frustrating the ownership restrictions set forth in subsection (a) above. For example, the following actions would not frustrate the ownership restrictions in subsection (a) above: (i) merger and reduction of the number of separate legal parcels comprising the Property; or (ii) reconfiguring by lot line adjustment the existing internal boundaries of legal parcels within the outer boundaries of the Property; or (iii) clarifying boundary lines with adjacent landowners; or (iv) subdivisions to facilitate Hydro Project Activities. Grantor shall (i) as part of the Annual Work Plan review in accordance with Section 7, or at least ninety (90) days prior to any Grantor subdivision activity (whether or not prohibited hereunder), furnish Grantee with the subdivision application or filings; and (ii) provide to Grantee reasonably sufficient information to identify the boundaries of each legal parcel. This information will become part of the Baseline Documentation Report. At the election of either party, the parties shall execute and record an amendment of this Easement to reflect any change to the legal description of the Property set forth in Exhibit A or any other changes and allocations resulting from permitted subdivision that are not established to the reasonable satisfaction of the parties by recordation in the Public Records of the plan of subdivision approved under Applicable Law.

2. Development Rights. Except for Specified Required Actions provided in Section 7, the development rights associated with all or any portion of the Property may not be transferred to, or used or exercised in connection with, any property other than the Property, such rights of transfer, use and exercise being hereby terminated and extinguished in perpetuity. The phrase "development rights" means any and all rights, however designated, now or hereafter associated with the Property or any portion thereof that may be used pursuant to applicable zoning laws, land use laws or other governmental laws or regulations, to compute permitted size, height, bulk, or number of structures, development density, lot yield, or any similar development variable on or pertaining to the Property or any other property.

3. Mining and Drilling. There shall be no mining, drilling, removing, fracking, or exploring for or extracting of minerals, oil, gas, coal, or other hydrocarbons, soils, sands, gravel, loam, rocks or any other material on, under, or at the Property. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

- (a) Specified Required Actions provided in Section 7;
- (b) Drilling, removal and extraction of soils, sands, gravel, loam, rocks or any other material on, under, or at the Property in connection with studies and testing to the extent related to Grantor's exercise of the Hydro Reserved Rights;
- (c) Testing, drilling and operating groundwater wells, and construction or placement of any structures or improvements within the Hydro Operating Zone to the extent related to Grantor's exercise of the Hydro Reserved Rights; and
- (d) The use of soil, sand, gravel and other similar material located on the Property as appropriate for road maintenance, erosion control and in connection

with a Required Action subject to the following limitations: (i) such disturbance shall be kept to the minimum necessary to exercise such rights, (ii) any such soils, sands, and other materials shall not be removed from the Property, and (iii) all such utilization activities shall be conducted in a manner that minimizes to the greatest extent practicable impacts to the Beneficial Public Values.

4. Construction and Placement of Structures and Improvements. There shall be no construction or placement of any structures or improvements on the Property, including (but not limited to) residential, industrial, office, or other buildings, underground or aboveground tanks. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

(a) Required Actions provided in Section 7;

(b) Permitted Uses under Exhibit I;

(c) Construction or placement of any structures or improvements within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights; and

(d) Structures and improvements made in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values (including, for example, garbage enclosures, benches, interpretive kiosks, and appropriately located and sized caretaker structure).

5. Vehicles. Except for Required Actions provided in Section 7, or in the case of an emergency or other occurrence affecting the safety of persons and/or property, there shall be no use of any motorized vehicles off of existing roadways on the Property except vehicles used as necessary to carry out prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values. Motorized off-road recreational use shall not constitute an activity "related to the protection or preservation of the Beneficial Public Values" as provided in the preceding sentence.

6. Dumping or Salvage. Except for Required Actions provided in Section 7, there shall be no dumping, storage or other disposal on the Property of soil, trash or garbage except for (a) refuse generated on the Property which may be disposed of on the Property on a temporary basis prior to its removal from the Property in areas where the Beneficial Public Values of the Property are not significantly impaired, or (b) compostable refuse generated on the Property which may be disposed of on the Property in a responsible manner which does not significantly impair the Beneficial Public Values of the Property. Except for Required Actions provided in Section 7, there shall be no dumping, storage (other than on a temporary basis) or other disposal of ashes, sludge, Hazardous Substances, or other unsightly or dangerous materials outside of the Hydro Operating Zone. Except for Required Actions provided in Section 7, there shall be no storage or disassembly of inoperable automobiles, trucks, or other

vehicles or equipment for purposes of sale, or rental of space for that purpose outside of the Hydro Operating Zone.

7. Non-Native Animal Species. Except for Required Actions provided in Section 7, there shall be no release anywhere on the Property of non-native animal species other than livestock without Grantee's prior written approval in accordance with Section 7, as required.

8. Vegetation. Except for Required Actions provided in Section 7, there shall be no removal, cutting or destruction on the Property of native vegetation except (a) in an emergency and/or for purposes of disease or insect control or (b) to prevent property damage, personal injury, or flooding or (c) as permitted in Exhibit I, Sections 4 and 9, or (d) with Grantee's prior written approval in accordance with Section 7, as required.

9. Roads and Trails. Except for Required Actions provided in Section 7 or as required to implement a Required Action, or in the case of an emergency or other occurrence affecting the safety of persons and/or property, there shall be no construction of any new roads or trails on the Property; provided, however, the construction of new roads and trails (or the relocation of existing road and trails) on the Property to protect, preserve or enhance the Beneficial Public Values shall be permitted with Grantee's prior written approval in accordance with Section 7, as required. As used herein, the term "construction" shall not include the creation of roads or trails through repeated use, although such activities shall be governed by this Easement.

10. Commercial Uses. There shall be no office, industrial, or other commercial use on the Property that is likely to significantly impair Beneficial Public Values. Notwithstanding the foregoing, the following shall not be Prohibited Uses:

- (a) Required Actions provided in Section 7;
- (b) Uses permitted by Third Party Use Agreements; and
- (c) Office, industrial, or other commercial uses within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights.

11. Alteration of Land or Excavation. Except for Required Actions provided in Section 7 or as otherwise explicitly permitted by the terms of this Easement, there shall be no filling, excavating, grading, draining or dredging outside of the Hydro Operating Zone, nor any change in the general topography of the Property; provided, however, such activities shall be permitted outside of the Hydro Operating Zone in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values.

12. Billboards. Except for Required Actions provided in Section 7 or permitted uses under Exhibit I or Grantee's signs permitted under Section 5.3, there shall be no placement of billboards or advertising facilities. The use of Grantor's logo and/or trade

style on a sign will not in and of itself constitute a billboard or advertising facility under this provision.

EXHIBIT G

Hydro Operating Zone

[Follows this page]

**EXHIBIT H**

**Express Third Party Uses and Third Party Use Agreements**

**1. Express Third Party Uses**

The Express Third Party Uses on the Property are all uses permitted by and pursuant to the Third Party Use Agreements.

**2. Third Party Use Agreements**

Third Party Use Agreements on the Property are those agreements and rights disclosed by the following:

- (a) RIGHTS OF THE PUBLIC, AS TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN NEWCASTLE POWERHOUSE ACCESS ROAD.**
- (b) A NONEXCLUSIVE EASEMENT OVER SAID LAND FOR INGRESS AND EGRESS AND ROADWAY AND UTILITY PURPOSES AND INCIDENTAL PURPOSES, AS ESTABLISHED BY ETTA L. WINTON, DONALD E. WINTON AND HAZEL D. WINTON, HIS WIFE, AND JOHN E. WINTON AND AUNE WINTON, HIS WIFE, THE PARTIES OF THE FIRST PART, AND SAM L. ARNOLD AND MARION R. ARNOLD, HIS WIFE, AND GARY A. LAABS, TRUSTEE UNDER ARNOLD 1981 TRUST DATED JUNE 30, 1981, IN INSTRUMENT RECORDED MARCH 06, 1985, IN BOOK 2780, PAGE 240, OFFICIAL RECORDS.**

**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**

**REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.**
- (c) AN EASEMENT OVER SAID LAND FOR THE RIGHTS OF INGRESS TO AND EGRESS FROM CONTIGUOUS LANDS OF FIRST PARTIES' ON EXISTING ROADS, OR ON FUTURE ROADS TO BE BUILT BY SECOND PARTY AND INCIDENTAL PURPOSES, AS RESERVED BY SAM L. ARNOLD AND MARION R. ARNOLD, IN INSTRUMENT RECORDED JUNE 04, 1985, IN BOOK 2617, PAGE 305, OFFICIAL RECORDS.**

**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**

**REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.**
- (d) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "BOUNDARY LINE AGREEMENT", BY AND BETWEEN GARY A. LAABS, AS TRUSTEE UNDER THE ARNOLD 1981 TRUST DATED JUNE 30, 1981 AND MARION R. ARNOLD, AND PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, RECORDED JUNE 23, 1987, IN BOOK 3213, PAGE 293, OFFICIAL RECORDS.**

- (e) **AN EASEMENT OVER SAID LAND FOR THE RIGHT OF INGRESS AND EGRESS ON EXISTING ROADS, OR ON FUTURE ROADS TO BE BUILT AND INCIDENTAL PURPOSES, AS RESERVED BY GARY A. LAABS, AS TRUSTEE UNDER THE ARNOLD 1981 TRUST DATED JUNE 30, 1981 AND MARION R. ARNOLD, IN INSTRUMENT RECORDED JUNE 23, 1987, IN BOOK 3213, PAGE 293, OFFICIAL RECORDS.**

**NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.**

- (f) **MATTERS REGARDING THE SOUTHERLY BOUNDARY LINE DESCRIPTION OF APN 037-060-013 AS DISCLOSED BY RECORD OF SURVEY FILED MAY 13, 1992 IN BOOK 12 OF RECORD OF SURVEYS AT PAGE 153.**
- (g) **THE TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN UNRECORDED "MASTER SPECIAL USE AGREEMENT" EXECUTED BY AND BETWEEN THE UNITED STATES DEPARTMENT OF AGRICULTURE AND PACIFIC GAS AND ELECTRIC COMPANY ISSUED UNDER F.P.C. LICENSE NO. 2310.**

EXHIBIT I

Permitted Uses

The following are Permitted Uses:

1. The Express Third Party Uses.
2. The uses and activities expressly permitted under Exhibit F.
3. Except as otherwise limited by this Easement, the right to sell, encumber, or otherwise transfer the Property, portions thereof, or interests therein, to anyone Grantor chooses.
4. The right to trim and cut down and clear away any and all trees, brush and vegetation (a) which constitute a hazard to persons or property, and/or (b) for purposes of fire management, disease or insect control or otherwise as necessary or appropriate for prudent land management (i.e., not motivated by commercial benefit), and/or (c) for other vegetation management operations, including but not limited to fuel reduction projects, thinning of tree stands and meadow restoration projects. The foregoing may include pesticide use to control vegetation (brush, grass, weeds, etc.) and/or insects.
5. Consistent with Section 9.2, the right to install, maintain, repair, replace and maintain gates and fences.
6. The right to perform all activities required to comply with any and all Applicable Laws.
7. The right to maintain, repair, restore, replace and reconstruct all structures and improvements now or hereafter located on the Property, provided any replacement structures or improvements shall be located in substantially the same location and within the same footprint as the structure or improvement being replaced, and shall be substantially the same height as the structure or improvement being replaced.
8. The right to install minor, temporary structures necessary or appropriate in connection with the performance of prudent and customary land management activities, Hydro Project Activities, or the protection, preservation, or enhancement of the Beneficial Public Values.
9. (a) The right to undertake commercial and/or non-commercial forest management activities on the Property for any of the following purposes: (1) to promote the health and sustainability of the Property's natural resources; (2) to protect and enhance the Property's riparian resources; (3) to maintain an ecologically appropriate species mix of overstory and understory vegetation; (4) to protect and enhance wildlife habitat for native species historically present on the Property; (5) to protect cultural resources on the Property; (6) to control invasive and non-native vegetation; and (7) to

prevent, mitigate, and/or respond to any natural disaster (such as wildfire, significant insect and disease outbreak, or significant wind damage).

(b) Forest management activities for the purposes outlined in Paragraph (a) may include, but shall not be limited to, timber harvesting; salvage logging; conversion of vegetation types; prescribed fire; pre-commercial and commercial thinning of conifer and hardwood trees; fuels management; tree planting; control of undesirable vegetation and pests; habitat maintenance and enhancement; and road and watercourse crossing construction, maintenance, repair, and enhancement. Grantor shall carry out all such forest management activities in compliance with Applicable Law.

(c) Grantor shall provide to Grantee any existing or future forest management plan as part of the Annual Work Plan review process pursuant to Section 7.3 of this Easement. Grantor and Grantee shall review and discuss such plan (along with any proposals Grantee may have regarding this Permitted Use by Grantor pursuant to Section 7.3.4(b) of this Easement) periodically as part of such Annual Work Plan review process. Said forest management plan shall be updated periodically, as appropriate.

10. [Intentionally Omitted.]

11. The right to construct, reconstruct, replace, remove, maintain and use the types of facilities and improvements described in paragraph (7) of Exhibit C that are unrelated to Hydro Project Activities and do not constitute a Required Action provided that such facilities shall be subject to Grantee's approval in the manner provided for Discretionary Actions.

12. In accordance with Applicable Laws, the right to control or eliminate noxious weeds and non-native plant species on the Property, and the right to control animals that (a) pose or threaten to pose a hazard to persons or property, including Hydroelectric Facilities and Associated Water Delivery Facilities, or (b) adversely impact or threaten to adversely impact (i) one or more of the Beneficial Public Values, (ii) Grantor's Hydro Reserved Rights or Hydro Project Activities, (iii) the Hydroelectric Facilities and Associated Water Delivery Facilities, or (iv) an Express Third Party Use.

13. The right to erect reasonably sized signs (illuminated and non-illuminated) to support and manage safety and permitted uses of the Property, including signs regarding authorized and unauthorized entry and uses or other appropriate markers in prominent locations on the Property, such as boundary fences, trails, and access roads.

## **Attachment C**

**State Board of Equalization Statement of No Tax Benefit**



STATE BOARD OF EQUALIZATION  
PROPERTY TAX DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0061  
1-916-274-3270 • FAX 1-916-285-0132  
[www.boe.ca.gov](http://www.boe.ca.gov)

TED GAINES  
First District, Sacramento

MALIA M. COHEN  
Second District, San Francisco

ANTONIO VAZQUEZ, CHAIRMAN  
Third District, Santa Monica

MIKE SCHAEFER, VICE CHAIR  
Fourth District, San Diego

BETTY T. YEE  
State Controller

BRENDA FLEMING  
Executive Director

February 2, 2021

Ms. Becky Zhu  
Supervisor, State and Local Tax  
Pacific Gas and Electric Company SBE #0135  
Tax Department, Mail Code B12G  
PO Box 7054  
San Francisco, CA 94120-7054

Re: Lower Drum – Folsom Easement Valuation

Dear Ms. Zhu:

In your email dated February 2, 2021 you requested written guidance from the State Board of Equalization (SBE) State-Assessed Properties Division as to the SBE's valuation method and assessment, in dollar value, associated with Pacific Gas and Electric Company's (PG&E) conveyance of a conservation easement to Wildlife Heritage Foundation. You specified the subject property is located in Placer County and described by SBE number:

135-31-82-1

As background, under Article XIII, Section 19 of the State Constitution provides the State Board of Equalization the authority to annually assess properties owned or used by companies transmitting or selling gas and electricity.

The SBE's assessment of the conservation easement on the subject parcels will be included in the full fee assessment to PG&E as they will continue to own the property in fee. There will be no separate valuation assessment of the conservation easement. Therefore, no change in assessed value is anticipated for future lien dates as a result of the conveyance of the conservation easement.

Sincerely,

A handwritten signature in black ink, appearing to read "P. DiNapoli", is written over a faint circular stamp.

Pamela DiNapoli  
Supervising Property Appraiser  
State-Assessed Properties Division

**Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding Lower Drum (Folsom)**

**WITHIN A MILE MAILING**

<b>OWNER</b>	<b>CARE OF</b>	<b>MAIL ADDRESS</b>	<b>CITY, STATE &amp; ZIP CODE</b>
See Attached			
<b>WATER AGENCY MAILING</b>			
Placer County Water Agency		P.O. Box 6570	Auburn, CA 95604-6570
Nevada Irrigation District		1036 West Main Street	Grass Valley, CA 95945
<b>Other (County) Co. Special Districts</b>			
<b>BOARD OF SUPERVISORS MAILING</b>			
The Honorable Bonnie Gore, District 1	Placer County Board of Superv	175 Fulweiler Ave.	Auburn, Ca 95603
The Honorable Robert Weygandt, District 2	Placer County Board of Superv	175 Fulweiler Ave.	Auburn, Ca 95603
The Honorable Jim Holmes, District 3	Placer County Board of Superv	175 Fulweiler Ave.	Auburn, Ca 95603
The Honorable Kirk Uhler, District 4	Placer County Board of Superv	175 Fulweiler Ave.	Auburn, Ca 95603
The Honorable Jennifer Montgomery, District 5	Placer County Board of Superv	175 Fulweiler Ave.	Auburn, Ca 95603
<b>CITIES/TOWNS AFFECTED MAILING</b>			
<b>NATIVE AMERICAN TRIBAL MAILING</b>			
United Auburn Indian Community of the Auburn Rancher	Mathew Moore, Chairperson	10720 Indian Hill Rd.	Auburn, Ca 95603
Shingle Springs Band of Miwok Indians	Nicholas Fonseca, Chairperson	PO Box 1340	Shingle Springs, Ca 95682
Washoe Tribe of Nevada and California	Neil Mortimer, Chairperson	919 Highway 395 South	Gardnerville, Ca 89410
<b>INDIVIDUALS &amp; ENTITIES WHO SUBMITTED COMMENTS</b>			
Stan (did not provide last name or contact info)			
<b>INDIVIDUALS &amp; ENTITIES WHO SPOKE AT BOARD MEETING ON May 1, 2019</b>			
None			
<b>OTHER ORGANIZATIONS THAT SUBMITTED LSP</b>			
Auburn Area Recreation & Park District			

STEPHEN K & DIANE L MAVY	GENERAL DELIVERY	BEDFORD WY 83112 9999
DONALD DEAN & KAREN M HUTCHINSON	P O BOX 1042	LOOMIS CA 95650 1042
CHARLES C & TANE C HORNER	P O BOX 1050	NEWCASTLE CA 95658
DEBORAH ANGOVE	P O BOX 1115	NEWCASTLE CA 95658
RICHARD A SORENSEN	P O BOX 1151	NEWCASTLE CA 95658
STEPHEN & BJORG AUSTRHEIMSMITH	P O BOX 1282	NEWCASTLE CA 95658
MICHAEL E PENDOWSKI	P O BOX 135	NEWCASTLE CA 95658
MARJORIE S BUNCE	P O BOX 181	LOOMIS CA 95650
RICHARD C & CLARA ANN ANDERSON	P O BOX 2103	GRANITE BAY CA 95746
WILLIAM A CONNOR	P O BOX 441	NEWCASTLE CA 95658
MARY ANN ROGERS CASSELL	P O BOX 4947	AUBURN CA 95604 4947
KARL A MERTZ	P O BOX 539	NEWCASTLE CA 95658
EDWARD C & MARY T LARSEN	P O BOX 6986	AUBURN CA 95604 6986
KATHLYN M ELLIOTT	P O BOX 750	NEWCASTLE CA 95658
ROBERT G & LINDA S LAWRENCE	P O BOX 755	NEWCASTLE CA 95658
JEFFREY R & LINDA M MILLER	P O BOX 7676	AUBURN CA 95604
JASMINE MARSHALL	P O BOX 803	LOOMIS CA 95650
GARY B SKADEN	P O BOX 997	LINCOLN CA 95648
VERNON L & CAROL DUVALL	P. O. BOX 1103	NEWCASTLE CA 95658
CHARLES DAVID & LESLIE ANN RODRICK	PO BOX 1148	NEWCASTLE CA 95658
SIERRA BAPTIST CHURCH OF AUBURN	PO BOX 1214	LOOMIS CA 95650
MARILEE M & LYNN F SEELEY	PO BOX 200	NEWCASTLE CA 95658 200
VANINA C CLAUS	PO BOX 2551	GRANITE BAY CA 95746
MCCULLOUGH INVESTMENT CO L P	PO BOX 2911	GRANITE BAY CA 95746
TODD ANDREW & NAOMI A DOWNEY	PO BOX 33	NEWCASTLE CA 95658
LORENA K MOLZAHN	PO BOX 5152	AUBURN CA 95604 5152
RYAN J & KIMBERLEE K RIVERA	PO BOX 5241	AUBURN CA 95604
PAUL W COPLEY	PO BOX 563	NEWCASTLE CA 95658
DUANE ALEXANDER & HANNAH DOBBAS DUFF	PO BOX 5760	AUBURN CA 95604
GREGORY ROBERT RHOADES	PO BOX 7	NEWCASTLE CA 95658
BEATRICE BEFFA	PO BOX 927	NEWCASTLE CA 95658 927
JOSEPH T SCANLON	10020 VAN RIPER LN	NEWCASTLE CA 95658
FERNANDO M FAJARDO	10030 SUMMERHILL LN	NEWCASTLE CA 95658
STEPHEN THOMSON	10030 VAN RIPER LN	NEWCASTLE CA 95658
LISA J SAYLORS	10035 HAYES DR	NEWCASTLE CA 95658
ANNE M & RASH PAUL D POUNDS	10035 SUMMERHILL LN	NEWCASTLE CA 95658
ALBERT LOUIS & CAROL ANN FREI	1004 CROATIA CT	ROSEVILLE CA 95661
WILLIAM T WOLTZ	10040 HAYES DR	NEWCASTLE CA 95658
BRADLEY L VOGES	10050 SCOTT RD	NEWCASTLE CA 95658
MICHAEL & CASEY WODEL	10050 SUMMERHILL LN	NEWCASTLE CA 95658
THOMAS L & SALLY BACKER	10055 SUMMERHILL LN	NEWCASTLE CA 95658
ROBERT O & TAMI J BROWN	10055 VAN RIPER LN	NEWCASTLE CA 95658
WILLIAM D & TERESA J MARKEL	10060 HAYES DR	NEWCASTLE CA 95658
JAIME & SUSAN WHEELER	10060 VAN RIPER LN	NEWCASTLE CA 95658
ROBBY A & LEISA K MAYER	10070 SUMMERHILL LN	NEWCASTLE CA 95658
CHARLES D & ELIZABETH K ENGLAND	10100 VAN RIPER LN	NEWCASTLE CA 95658
JOHN WINSLOW & DEANNA LOUISE HOGG	10101 HAYES DR	NEWCASTLE CA 95658
FRIDA P CURTIN	10105 VAN RIPER LN	NEWCASTLE CA 95658
KATHRINE H FEGETTE	10109 VAN RIPER LN	NEWCASTLE CA 95658
RONALD M & BARBARA K DANIELS	10110 VAN RIPER LN	NEWCASTLE CA 95658
MICHAEL J & GAIL L PROIETTE	10120 HAYES DR	NEWCASTLE CA 95658
JANE H & ERIC T STRUBLE	10120 VAN RIPER LN	NEWCASTLE CA 95658
MICHAEL C & MARILYN A MAYS	10125 HAYES DR	NEWCASTLE CA 95658
GORDON A CAMPBELL	10125 TIERRA DEL LAGO PL	NEWCASTLE CA 95658
JOANN DANIEL	10135 HAYES DR	NEWCASTLE CA 95658
DAVID R & SUSAN F WILLIAMS	10145 HAYES DR	NEWCASTLE CA 95658
CHARLES E GARDNER	10150 HAYES DR	NEWCASTLE CA 95658
BRUNO A BELLATO	10175 SCOTT RD	NEWCASTLE CA 95658
VINCENT L & REGACHO-ANACLERIO RENEE ANACLERIO	10180 SCOTT RD	NEWCASTLE CA 95658
BRIAN & DOROTHY M PETERSON	10180 TIERRA DEL LAGO	NEWCASTLE CA 95658 633
J3 DEVELOPMENT GROUP LLC	1019 NICHOLS DR	ROCKLIN CA 95765
GEORGE J SIROVY	10190 SCOTT RD	NEWCASTLE CA 95658

MICHELE D LEE		1020 VIA DEL GATO	ALAMO CA 94507 2036
DAVID W & KAREN L MANOS		10200 SCOTT RD	NEWCASTLE CA 95658
JACK L & JACQUELINE Y RHOADES		10208 VAN RIPER LN	NEWCASTLE CA 95658
WILBERT F BAUMBACH	BAUMBACH PATRICIA A T	10210 SCOTT RD	NEWCASTLE CA 95658
ABDI AKA & ABDOLHOSSEIN MOHANNA		1025 9TH ST #205	SACRAMENTO CA 95814
LOREN W & LUELLA J DAVIS		10260 SCOTT RD	NEWCASTLE CA 95658
TERESA F ERICEMUELLER	C/O NORTH TERESA	103 MARSHFIELD CT	LINCOLN CA 95648
STEVEN F & RHEA WENDY S CRAIG		10319 BOOM RUN RD	NEWCASTLE CA 95658
JERRY VINCENT WHISLER		10320 BOOM RUN RD	NEWCASTLE CA 95658
THOMAS SCOTT & CAROLYN D MCDONNELL		10339 BOOM RUN RD	NEWCASTLE CA 95658
EDWARD W & REBECCA L GILBERT		10344 BOOM RUN RD	NEWCASTLE CA 95658
AURORA LOAN SERVICES LLC		10350 PARK MEADOWS DR	LITTLETON CO 80124
ROBERT G & LINDA S LAWRENCE		10350 SCOTT RD	NEWCASTLE CA 95658
STEVEN JAY & SARAH HUDGINS		10389 BOOM RUN RD	NEWCASTLE CA 95658
GLENDA C ROSE		10390 BOOM RUN	NEWCASTLE CA 95658
PAT & JUDITH M TERRY		10400 BOOM RUN RD	NEWCASTLE CA 95658
DEBBI PARKER		10410 BOOM RUN RD	NEWCASTLE CA 95658
JACK NICOLAY		10410 SCOTT RD	NEWCASTLE CA 95658
GLEN & SOLVI SABOL		10419 BOOM RUN RD	NEWCASTLE CA 95658 9337
KATHERINE ANN SCHWEITZER		10430 BOOM RUN RD	NEWCASTLE CA 95658
AARON ANDREW & JUDY KAY FAUST		10459 BOOM RUN	NEWCASTLE CA 95658
CRIS A & KATHLEEN E BACHARACH		10515 BOOM RUN RD	NEWCASTLE CA 95658
RYAN & JULIA BURNHAM		10540 BOOM RUN	NEWCASTLE CA 95658 9337
JEANNE M & STEVEN E PARIS		10555 BOOM RUN RD	NEWCASTLE CA 95658
PLACER COUNTY OF	C/O FACILITY SERVICES	11476 C AVE	AUBURN CA 95603
GERALDINE GAWELLEK		1220 CLINTON RD	SACRAMENTO CA 95825
ALICE DOWDINCALVILLO		125 TRAVERSE ST	AUBURN CA 95603
ISMAIL ABUKHDAIR		1301 SIERRA OAKS CT	NEWCASTLE CA 95658
WAYNE DOUGLAS ASH		1353 ALBERTON CIR	LINCOLN CA 95648
CAROL G BRENNAN		1408 MARSEILLE LN	ROSEVILLE CA 95747
RICHARD S & ANN C BROWN		1485 RESPONSE RD #100	SACRAMENTO CA 95815
JAMES G & MARJORIE R GEE		1600 ELSDON CIR	CARMICHAEL CA 95608
PETER & MARY SPRING ALBRECHT		1721 VOORHEES AVE	MANHATTAN BEACH CA 90266
LONG VALLEY COMMUNITY HALL ASSOCIATION	C/O VANNATTA DIANA	1730 AUBURN FOLSOM RD	AUBURN CA 95603
KENNETH R & SUSAN M KUKRALL		1750 GINA LOUISE LN	NEWCASTLE CA 95658
PETER & DONNA CARROLL		1773 GINA LOUISE LN	NEWCASTLE CA 95658
MIKE & STACY LATHAM		1780 GINA LOUISE LN	NEWCASTLE CA 95658
CHARLES & MELANIE TWITCHELL		1790 AUBURN FOLSOM RD	AUBURN CA 95603
MICHELLE R SIMPSON		18 PALMA AVE	LA SELVA BEACH CA 95076
RICCI HOLDINGS A CA LP & SIDDIQUI JAVED T		1808 J ST	SACRAMENTO CA 95811 3010
ROBERT M & SNOW TSHANDY T BONK		1810 GINA LOUISE LN	NEWCASTLE CA 95658 9792
STEPHEN B WILLIAMS		1817 AUBURN FOLSOM	AUBURN CA 95603
KEITH K NAKAO		182 LONGLEY WAY	ARCADIA CA 91007
MARTIN J & JANET M GEE		1833 GINA LOUISE LN	NEWCASTLE CA 95658
HENRY & JOYCELIN M RAMIREZ		1836 POPLAR DR	WALNUT CREEK CA 94595
MARK GREGORY & KATHLENE IDA ONEIL		1840 GINA LOUISE LN	NEWCASTLE CA 95658
BRYSON & CARRIE SOLOMON		1857 BLUE SKIES WAY	ROSEVILLE CA 95747 4980
GENE R & MARIE R SCOTT		1858 AUBURN FOLSOM RD	AUBURN CA 95603
KATHY HINEGARDNER	CARROLL MIKEL A	1865 AUB FOLSOM RD	AUBURN CA 95603
DEBRA & BRYCE SILKWOOD		1871 AUBURN FOLSOM RD	AUBURN CA 95603
THOMAS WILLARD		1879 AUBURN FOLSOM RD	AUBURN CA 95603
WILLIAM L RAMSEY		1893 GINA LOUISE LN	NEWCASTLE CA 95658
HAROLD D & LAUREL L SMITH		1900 AUB FOLSOM RD	AUBURN CA 95603
DIETER ADOLF OETTLE		1900 GINA LOUISE LN	NEWCASTLE CA 95658
ERNEST BURTON MILLER		1920 VALLE VISTA PL	SAN LUIS OBISPO CA 93405
VIRGIL D & CAROLINE L RUEB		1940 AUBURN FOLSOM RD	NEWCASTLE CA 95658
LYNN J & KATIE P BALL		1945 AUBURN FOLSOM RD	NEWCASTLE CA 95658
JAIMIE ANN CONYERS		1949 AUBURN FOLSOM RD	NEWCASTLE CA 95658
MICHAEL J & RONDELL C WILEY		1951 AUBURN FOLSOM RD	NEWCASTLE CA 95658
ALBERT DEAN & ESTHER J RICHIE		1960 AUBURN FOLSOM RD	NEWCASTLE CA 95658
DONALD CROTHERS		1965 VISTA CIELO DR	NEWCASTLE CA 95658
DARRELL L & PATRICIA A BOUGHMAN		1970 VISTA CIELO DR	NEWCASTLE CA 95658

DUSTIN A & JAMIE L HOBBS	1975 AUBURN FOLSOM RD	NEWCASTLE CA 95658
GARY F & KING RENATE ONEAL	1975 VISTA CIELO DR	NEWCASTLE CA 95658
ROBERT & REBECCA KREZMAN	1980 GINA LOUISE LN	NEWCASTLE CA 95658 9792
JUAN J & PINEDA LUCIA C LOSADA	1980 VISTA CIELO DR	NEWCASTLE CA 95658
STEPHEN & JANA MALONEY	1985 VISTA CIELO DR	NEWCASTLE CA 95658
CHARLES I WATERS	199 LINCOLN WAY	AUBURN CA 95603
STEPHEN M & JEANI J HAWKINS	1990 VISTA CIELO DR	NEWCASTLE CA 95658
ANDREW & AMANDA WITHERS	1995 VISTA CIELO DR	NEWCASTLE CA 95658
LYNN M & MARQUARDT NICHOLAS C COURT	2035 MCEACHERN LN	NEWCASTLE CA 95658
JOAN E BAKOTICH	2040 BACK A WAYS LN	NEWCASTLE CA 95658
ERNEST DAVID HUNTOON	2044 MCEACHERN LN	NEWCASTLE CA 95658
MICHAEL J & MARCIA T KITCHELL	2055 AUBURN FOLSOM RD	NEWCASTLE CA 95658
JOHN H & OSANNA C YARALIAN	2060 AUBURN FOLSOM RD	NEWCASTLE CA 95658
BERT R & THERESA M DUDGEON	2064 MCEACHERN LN	NEWCASTLE CA 95658
TERRANCE WILLIAM & CINDY M KELLY	2075 BACK A WAYS LN	NEWCASTLE CA 95658
CHRISTOPHER D & SAMANTHA C GRAY	2075 MCEACHREN	NEWCASTLE CA 95658
JONATHAN RAY PAULING	2084 MC EACHERN LN	NEWCASTLE CA 95658 9735
REX A TOLLE	2085 MCEACHERN LN	NEWCASTLE CA 95658
PAUL DOUGLAS & AMY JEAN RICCI	2090 MCEACHERN LN	NEWCASTLE CA 95658
EUGENE E & MARILYN J HERRINGTON	210 HERRINGTON DR	AUBURN CA 95603
GARRETT & ELIZABETH WOODROOF	2110 AUBURN FOLSOM RD	NEWCASTLE CA 95658
MICHAEL T & JAN E NAKASHOJI	2125 BACK A WAYS LN	NEWCASTLE CA 95658
NORWIN E & BERTHA THRELKEL	2125 RATTLESNAKE RD	NEWCASTLE CA 95658
JERRY WAYNE & JONITA THRELKEL ELDER	2129 RATTLESNAKE RD	NEWCASTLE CA 95658
STEPHEN K & BARBARA A THIS	2135 BACK A WAYS LN	NEWCASTLE CA 95658
STEVEN T & MARCIE M RENAUD	2145 AUBURN FOLSOM RD	NEWCASTLE CA 95658
ELIZABETH A COMBS	2190 NEWCASTLE RD	NEWCASTLE CA 95658
CRAIG G & TERESA G RINEER	223 S MARIE PL	ORANGE CA 92848
CARL P & SHARON JOYCE UBIS	2230 PADDOCK LN	NEWCASTLE CA 95658
BRADLEY G TUCKER	2230 RATTLESNAKE RD	NEWCASTLE CA 95658 9722
ADAM C GROTH	2250 PADDOCK LN	NEWCASTLE CA 95658
JUSTIN & MELISSA COPE	2268 THISTLE PATCH RD	NEWCASTLE CA 95658
ROBERT P & BARBARA L HENK	2270 NEWCASTLE RD	NEWCASTLE CA 95658
JACK R & CAROL A PCHELKIN	2280 AUBURN FOLSOM RD	NEWCASTLE CA 95658
KURTIS RAY & LEE ANNA BOMGARDNER	2281 NEWCASTLE RD	NEWCASTLE CA 95658 9758
DOUGLAS D & SHARON M COSBIE	2284 PADDOCK LN	NEWCASTLE CA 95658
JARVIS MULLICAN	2300 AUBURN FOLSOM RD	NEWCASTLE CA 95658
CAROL A & WILLIAM E GAGE	2300 LOMA VISTA DR	SACRAMENTO CA 95825
LAURA J & STEVEN A BILLS	2305 NEWCASTLE RD	NEWCASTLE CA 95658
SCOTT W & TERESA MCINTOSH	2315 NEWCASTLE RD	NEWCASTLE CA 95658
ELIZABETH A NELSON	2319 NEWCASTLE RD	NEWCASTLE CA 95658
BARRY & CHARLOTTE ANN ELKIN	2321 PERSIMMON LN	NEWCASTLE CA 95658
JEFFREY J CARTER	2323 MANHATTAN BAR RD	AUBURN CA 95603
THOMAS & NANCY DOLAN	2327 NEWCASTLE RD	NEWCASTLE CA 95658 9755
JOHN C & CHARLOTTE R PINTER	2331 PERSIMMON LN	NEWCASTLE CA 95658
HELEN M SCHINDLER	2342 PADDOCK LN	NEWCASTLE CA 95658
RAMIRO H SENA	2344 PERSIMMON LN	NEWCASTLE CA 95658
PAUL W & SUZANNE D ROSS	2350 PERSIMMON LN	NEWCASTLE CA 95658
JOANN BROWN	2355 PERSIMMON LN	NEWCASTLE CA 95658
THOMAS CRAIG & RENEE DIANE SIMS	2357 NEWCASTLE RD	NEWCASTLE CA 95658
EARL R & KATHLEEN L FLICK	2361 PERSIMMON LN	NEWCASTLE CA 95658
JEFF DARNSTAEDT	2362 PADDOCK LN	NEWCASTLE CA 95658 197
MICHAEL D & JANICE M MCKINNEY	2382 PADDOCK LN	NEWCASTLE CA 95658
GERALD LOUIS ADAMS	2387 RATTLESNAKE RD	NEWCASTLE CA 95658
KERI & SCOTT NITTA	2393 LONG VALLEY RD	NEWCASTLE CA 95658
PETER & DELORES GROTTANELLI	2401 AUBURN FOLSOM RD	NEWCASTLE CA 95658
PATRICK DALE & SUSAN A PERRY	2424 LONG VALLEY DR	NEWCASTLE CA 95658
CHRISTOPHER P & ANISSA J HENNION	2430 PADDOCK LN	NEWCASTLE CA 95658
JONATHAN M & REBECCA B STANPHILL	2440 PADDOCK LN	NEWCASTLE CA 95658
MICHAEL R & CATHY M STANPHILL	2450 PADDOCK LN	NEWCASTLE CA 95658
CLIFFORD & DONNA SEIDEL	2451 AUBURN FOLSOM RD	NEWCASTLE CA 95658
DUANE D CHRISTIANSON	2468 PADDOCK LN	NEWCASTLE CA 95658 9746

STEVEN L & KERRY T ARNDT	2470 NEWCASTLE RD	NEWCASTLE CA 95658
TOM EDWARD & CYNTHIA ANN GANGLER	2480 RATTLESNAKE RD	NEWCASTLE CA 95658
CHELSEA REY	2487 RATTLESNAKE RD	NEWCASTLE CA 95658
MARLENE M MATSUO	2491 RATTLESNAKE RD	NEWCASTLE CA 95658
MATTHEW THOMAS & JENNIFER LYNN T SOLTERS	2495 NEWCASTLE RD	NEWCASTLE CA 95658
TODD MARSHALL & KIMBERLEY MILLER CHRITTON	25 ALTAMOUNT DR	ORINDA CA 94563
PHYLLIS F UYEMURA	C/O UYEMURA PHYLLIS	2500 COEFIELD RD
BRYAN M STILWELL	2510 LONG VALLEY DR	NEWCASTLE CA 95658
GWEN ELAINE SCHWARZ	2515 FLUME LN	NEWCASTLE CA 95658
STANLEY A & DELLA S BROWN	2520 FLUME LN	NEWCASTLE CA 95658
KAREN PEARSON	2521 LONG VALLEY DR	NEWCASTLE CA 95658
STEVEN D & NICOLINA B LONGHOFFER	2525 FLUME LN	NEWCASTLE CA 95658
WILLIAM E CONRON	2525 RATTLESNAKE RD	NEWCASTLE CA 95658
DOUGLAS L & ANDREA F BURGARD	2530 BURGARD LN	AUBURN CA 95603
DINO A & WENDY F ANDREOTTI	2540 BURGARD LN	AUBURN CA 95603
PATRICIA A HACK	2540 LONG VALLEY DR	NEWCASTLE CA 95658
LAWRENCE L & FAITH M BURGARD	2545 BURGARD LN	AUBURN CA 95603
DENNIS J & CONSTANCE M WARD	2547 LONG VALLEY DR	NEWCASTLE CA 95658
JOHN C MCCRACKEN	255 N SIERRA ST #1708	RENO NV 89507
DARRIN & RENEE STEWART	2550 BURL LN	NEWCASTLE CA 95658
ALICE F TAKAYAMA	2550 NEWCASTLE RD	NEWCASTLE CA 95658
ROBERT W & CAROL ANN STEARNS	2553 BURL LN	NEWCASTLE CA 95658
ALEXANDER & KELLY-CAMPBELL JACQUELINE TAMSING	2555 LONG VALLEY DR	NEWCASTLE CA 95658
RADION & TATIANA MUDRENKO	2555 NEWCASTLE RD	NEWCASTLE CA 95658
JONATHAN A & DIANA G WELSH	2573 BURL LN	NEWCASTLE CA 95658
ERIC E & ERIN E MIRAMON	2580 BURGARD LN	AUBURN CA 95603
CRAIG S & MARIANNE M WILSON	2580 BURL LN	NEWCASTLE CA 95658
BRIAN D & CYNTHIA L STEPHEN	2582 AUBURN FOLSOM RD	NEWCASTLE CA 95658
LESLIE A RALPH	2603 BURL LN	NEWCASTLE CA 95658
EILEEN R HAGGERTY	2620 BURL LN	NEWCASTLE CA 95658
LAURA A & DAVID M SCIARRINO	2631 SHIRLAND TRACT RD	AUBURN CA 95603
THOMAS J GRAHAM	2634 BURGARD LN	AUBURN CA 95603
KAELI HOGAN	2641 BURGARD LN	AUBURN CA 95603
SCOTT K & JOLI R ROBERTS	2641 BURGARD LN	AUBURN CA 95603
ROGER A & MARGARET H WEBER	2643 AUBURN FOLSOM RD	NEWCASTLE CA 95658
EMMA GALINDO & GEORGE VIJIL	2645 BRENZO WAY	NEWCASTLE CA 95658
PAUL D & SUSANNA LONG BECKLEY	2649 BURGARD LN	AUBURN CA 95603
TANIMA & MATHEW BRANDON BHADRA	2651 NEWCASTLE RD	NEWCASTLE CA 95658 9749
GLENN V & MARGARET M SCHELLER	2655 BURGARD LN	AUBURN CA 95603
JOSEPH J & ANGIE D SCHMIDT	2663 BURGARD LN	AUBURN CA 95603
DANIEL G & DIANE M ROSS	2670 BURL LN	NEWCASTLE CA 95658
ALFRED J F & HEIDE TRIMARCHI	2671 BURGARD LN	AUBURN CA 95603
GREGORY D & JOYCE A WOOD	2681 NEWCASTLE RD	NEWCASTLE CA 95658
DALE C ERICKSON	2685 AUBURN FOLSOM RD	NEWCASTLE CA 95658
KEVIN J BRADY	2688 BURGARD LN	AUBURN CA 95603
ERIC E & KATIE M STILWELL	2690 NEWCASTLE RD	NEWCASTLE CA 95658
SHERRIE L & ELDON R JONES	2691 NEWCASTLE RD	NEWCASTLE CA 95658
MICHAEL CONLEY	2694 BURGARD LN	AUBURN CA 95603 9464
RONALD D & SON ADAMS	2694 NEWCASTLE RD	NEWCASTLE CA 95658
BENJAMIN T & VIOLET I JOHNASEN	270 REDDING RD	CAMPBELL CA 95008
RICHARD N LOVOI	2700 BURL LN	NEWCASTLE CA 95658
JAMES D & KEVIN G LETCHER	2701 NEWCASTLE RD	NEWCASTLE CA 95658
COLLEEN MAHAFFEY-RATY	2701 RATTLESNAKE RD	NEWCASTLE CA 95658
SAMUEL B & NORMA R JOHNSON	2705 BURL LN	NEWCASTLE CA 95658
ERIC J & JOANNA FRIESEN	2720 RATTLESNAKE RD	NEWCASTLE CA 95658
SIERRA SKY LLC	275 GRASS VALLEY HWY	AUBURN CA 95603
LAWRENCE A & KAREN M JENKINS	2751 NEWCASTLE RD	NEWCASTLE CA 95658
JOHNNIE W & LINDA F SMITH	2765 SHIRLAND TRACT	AUBURN CA 95603
DANIEL C & KERRI L ERICKSEN	2815 RATTLESNAKE RD	NEWCASTLE CA 95658
PATRICIA M STRUNK	2821 NEWCASTLE RD	NEWCASTLE CA 95658
TOUNG CHUN & PUN KUN CHOE	2825 RATTLESNAKE RD	NEWCASTLE CA 95658
LISA A PEAT	2850 SHIRLAND TRACT RD	AUBURN CA 95603

JAMES J & MARJORIE I ADDY	2861 SHIRLAND TRACT RD	AUBURN CA 95603
KENNETH & RACHEL ENGLUND	2901 AUBURN FOLSOM RD	NEWCASTLE CA 95658 9788
SETH L HANSON	2901 RATTLESNAKE RD	NEWCASTLE CA 95658
ELLEN R STEFFEN	2940 BLACK OAK RD	AUBURN CA 95602
WALTER A MORGAN	2980 NEWCASTLE RD	NEWCASTLE CA 95658 9320
RACQUEL RUIZ	2980 RATTLESNAKE RD	NEWCASTLE CA 95658
JOHN T MORTENSEN	2991 NEWCASTLE RD	NEWCASTLE CA 95658
DOROTHY L FIELDS	3025 AUBURN FOLSOM RD	NEWCASTLE CA 95658
MARK A & KATHERINE O SHAIEB	304 RUBICON VALLEY	SAN RAMON CA 94582
JARETT GIBBS	3071 AUBURN FOLSOM RD	NEWCASTLE CA 95658 9254
LARRY GIBBS	3075 AUBURN FOLSOM RD	NEWCASTLE CA 95658 8254
TIMOTHY & CATHLEEN HAMILTON	3080 AUBURN FOLSOM RD	NEWCASTLE CA 95658
NERINA MARCELLE & BRIAN PREECE WINSOR	3081 RATTLESNAKE RD	NEWCASTLE CA 95658
RONALD KAWAHATA	3100 AUBURN FOLSOM RD	NEWCASTLE CA 95658 9715
CARLOS A & SUSAN MURRAY RODRIGUEZ	3100 NEWCASTLE RD	NEWCASTLE CA 95658
JONATHAN P & DEANNA T MARSH	3144 MANHATTAN BAR RD	AUBURN CA 95603
THOMAS H TRIMBLE	3144 MANHATTAN BAR RD	AUBURN CA 95603
LESLIE HARDER	315 28TH ST	SAN FRANCISCO CA 94131
ELAINE M & R DOWDIN	3150 MANHATTAN BAR RD	AUBURN CA 95603 9417
PATRICK FELIX & KATHRYN MARIE MACROBERTS	3160 NEWCASTLE RD	NEWCASTLE CA 95658
SILVIO B & MARGARET A CHIORINO	3165 AUBURN FOLSOM RD	NEWCASTLE CA 95658
THOMAS WAYNE & SUSAN JOAN MCGIVNEY	3175 AUBURN FOLSOM RD	NEWCASTLE CA 95658
MARGARET BRENNAN	3175 RATTLESNAKE RD	NEWCASTLE CA 95658
KEITH M DYCHE	3181 AUBURN FOLSOM RD	NEWCASTLE CA 95658
PATRICIA A FOSSI	3195 1\2 RATTLESNAKE RD	NEWCASTLE CA 95658
JAMES ROBERT & VICKI LYNN JOHNSON	3195 NEWCASTLE RD	NEWCASTLE CA 95658
CURTIS C SPROUL	3200 DOUGLAS BLVD #300	ROSEVILLE CA 95661
MARY & TODD GILLILAND	3200 GRANITE CREEK PL	NEWCASTLE CA 95658
JUNE A & STEPHEN F LEHMANN	3204 LAWNVIEW AVE	LOOMIS CA 95650
CRAIG J & JENNIFER SWAN	3210 GRANITE CREEK PL	NEWCASTLE CA 95658
VICTORIA D TEDFORD	3210 NEWCASTLE RD	NEWCASTLE CA 95658
MICHAEL & BRUNA FLETCHER	3215 HECTOR RD	NEWCASTLE CA 95658
BRIAN ADAM & MILLER SHERRI LEE BIEBER	3215 RATTLESNAKE RD	NEWCASTLE CA 95658
DUANE ANDREW & LYNN LEWIS	3219 HECTOR RD	NEWCASTLE CA 95658
ROBERT J & VICKY LYNN MEAGLIA	3220 GRANITE CREEK PL	NEWCASTLE CA 95658
JOHN F LEE	3240 GRANITE CREEK PL	NEWCASTLE CA 95658
CHRISTOPHER & MERRI HOLLY JONES	3245 GRANITE CREEK PL	NEWCASTLE CA 95658 9307
DARRYL TODD AZOUZ	3250 GRANITE CREEK PL	NEWCASTLE CA 95658
SCOTT RANDOLPH & GLENDA LEONA SCHNEIDER	3250 RATTLESNAKE RD	NEWCASTLE CA 95658
CAROLYN & MICAH BROSANAN	3260 HECTOR RD	NEWCASTLE CA 95658
DONALD E WINTON	C/O MARGARET FOSSI TR 3277 RATTLESNAKE RD	NEWCASTLE CA 95658
JESSICA KNIGHT	3300 HECTOR RD	NEWCASTLE CA 95658
LAURA E & MICHAEL F ZABKAR	3300 MANHATTAN BAR RD	AUBURN CA 95603
KATHLEEN E NELSON	3322 LAKE TERRACE DR	ELK GROVE CA 95758
SALVADOR & MARTHA QUIRARTE	3330 RATTLESNAKE RD	NEWCASTLE CA 95658
CONNIE S & PARSONS DONALD CASEY-PARSONS	3343 AUBURN FOLSOM RD	LOOMIS CA 95650
MICHAEL F & LYNN F FLAHERTY	3345 HECTOR RD	NEWCASTLE CA 95658
BRIAN ZAMBRANO	3350 RATTLESNAKE RD	NEWCASTLE CA 95658
THERESA K & WAGNER JEFF L WILSON	3365 RATTLESNAKE RD	NEWCASTLE CA 95658
CYNTHIA ENG LANDES COMISKEY	3370 RATTLESNAKE RD	NEWCASTLE CA 95658
JAMES A LAMANTIA	3380 HECTOR RD	NEWCASTLE CA 95658
JOHNNIE M LEDBETTER	3390 HECTOR RD	NEWCASTLE CA 95658
CARLOS & MARIANA DELAFUENTE	3397 HECTOR RD	NEWCASTLE CA 95658 9720
EUGENE E WELLS	3400 N LAKESHORE BLVD	LOOMIS CA 95650
RUSSELL J & EILEEN R FIELD	3401 RATTLESNAKE RD	NEWCASTLE CA 95658
SULAIMAN S ABALKHAIL	3415 HECTOR RD	NEWCASTLE CA 95658
BARBARA L & RIES WILLIAM F ZARTUN-RIES	3420 RATTLESNAKE RD	NEWCASTLE CA 95658
RICHARD A & BECKSTEAD-NELSON CRISTI A NELSON	3440 HECTOR RD	NEWCASTLE CA 95658
CARRIE & IAN GARRARD	3440 N LAKESHORE BLVD	LOOMIS CA 95650
JASON L MOORE-BROWN	3442 RATTLESNAKE RD	NEWCASTLE CA 95658
SUSAN M HOOP	3445 RATTLESNAKE RD	NEWCASTLE CA 95658
KENT D & CINDY J BRANDON	3450 HECTOR RD	NEWCASTLE CA 95658

ROBERT A & BOBILYN J MOTRONI	3465 RATTLESNAKE RD	NEWCASTLE CA 95658
MARTIN E VANRIPER	347 RIVERVIEW DR	AUBURN CA 95603
TOM & KAREN HENSON	3480 RATTLESNAKE RD	NEWCASTLE CA 95658
NICHOLAS & WENDY STRAWN RIGHOS	3494 HECTOR RD	NEWCASTLE CA 95658
MINDY & BRIAN BURLEY	3498 RATTLESNAKE RD	NEWCASTLE CA 95658
CALIFORNIA STATE OF	3500 RATTLESNAKE RD	NEW CA 95658
JAMES A & JUDITH M CARTER	3511 DEL PASO RD #345	SACRAMENTO CA 95835
MICHAEL P & AUDREY D DAWSON	355 GUNNELL RD	GRANTS PASS OR 97526
MARTIN TARAFDAR	3599 HECTOR RD	NEWCASTLE CA 95658
THERESA & RODERICK SANDEN	3609 MISSION AVE #F	CARMICHAEL CA 95608
SPARKS FAMILY	3701 N LAKESHORE BLVD	LOOMIS CA 95650
REINHOLD BURKHARDT	3707 MISSION RD	STOCKTON CA 95204
MATTHEW VENNER	3809 AUBURN FOLSOM RD	LOOMIS CA 95650
LEONS HOMES LLC	3921 NORTON CT	ROCKLIN CA 95677
GABE M & WENDY L PULLIAM	413 WHITE EGRET COVE	CHESAPEAKE VA 23322
LYNDA J & HARRY D FEIT	4202 ANTELOPE CT	ROCKLIN CA 95677
KENNETH G & HEATHER E HALL	4325 RIO CT	ROCKLIN CA 95677
WAYNE Y NAKAMOTO	445 BRENNEN CIR	ROSEVILLE CA 95678
JUDY FORD	445 PLACERADO AVE	AUBURN CA 95603 5349
JOHN & AMY DUCKWORTH DAWSON	4800 RUNWAY DR	FAIR OAKS CA 95628
JULI T KAWAHATA	4900 JOINER CT	FAIR OAKS CA 95628 5324
JOSE LUIS & ROSE ANN GUTIERREZ	4900 RATTLESNAKE BAR RD	PILOT HILL CA 95664 9222
CRAIG & CRISTINE DANIEL	505 HILLTOP DR	AUBURN CA 95603
RICK E & DEANNA M CLASSON	5804 ST FRANCIS CT	LOOMIS CA 95650
DAIRL & CLAUDINE JOHNSON	5871 VALLE VISTA CT	GRANITE BAY CA 95746
CAPITOL INVESTMENTS LLC	5940 KEY CT	LOOMIS CA 95650
RAYMOND PASQUETTI	6152 CRATER LAKE DR	ROSEVILLE CA 95678
PIERO P & CHARLOTTE U RUGGERI	6165 BLARNEY WAY	PILOT HILL CA 95664 9231
GARY A LAABS	6222 THORNTON AVE	NEWARK CA 94560
TOBE NOEL & MAHON HARRY M CORAZZINI	6315 S LOGAN CT	CENTENNIAL CO 80121
HENRY L PELUFFO	65 LOS PIEDRAS	PORTOLA VALLEY CA 94028
SERGII RYSHKO	6525 DEADERICK CT	ORANGEVALE CA 95662
ROGER D & IRENE I SMITH	6755 WELLS AVE	LOOMIS CA 95650 9306
RICHARD N SAUER	729 SUNRISE AVE #616	ROSEVILLE CA 95661
DANIEL & CYNTHIA SOLDANO	7333 SURETTE LN	LOOMIS CA 95650
ANGELA WEAVER	7377 ORCHARD CRIR	PENRYN CA 95663 9317
ANGEL & MARY K BETANCOURT	7410 DOUGLAS BLVD	GRANITE BAY CA 95746
TODD A & VIRGINIA STAUFFER	7444 6TH ST	RIO LINDA CA 95673
PINO ALEXA NICOLE DAL	790 DRAKE DR	NEWCASTLE CA 95658
RICHARD W & JANE A DESSLING	809 ORCHID PL	LOS ALTOS CA 94024
EDWARD P & DIANE P SLAVICH	848 57TH ST	SACRAMENTO CA 95819
DAVID & LISA MINCHAU	8940 GOLDEN GATE AVE	ORANGEVALE CA 95662
DOROTHY E GARDNER	906 3RD ST	TAFT CA 93268
JUSTIN A & CLANTON PAIGE A CARAPINHA	9205 LOS PUENTES RD	NEWCASTLE CA 95658
PHILIP & SHARON BLUEMEL	9211 LOS PUENTES RD	NEWCASTLE CA 95658
JARED DECK	9217 LOS PUENTES RD	NEWCASTLE CA 95658
CHARLES W RIPPEY	9221 LOS PUENTAS RD	NEWCASTLE CA 95658
MARI BRUCE	9240 BARBULA HILL RD	NEWCASTLE CA 95658
JASON & STACY CLOSE	9241 LOS PUENTES RD	NEWCASTLE CA 95658
JEFFERY H & LORI A CRAIG	9266 LOS PUENTES RD	NEWCASTLE CA 95658
LEROY S & CORINNE F BJORGUM	9275 BARBULA HILL RD	NEWCASTLE CA 95658
DUANE W & VALERIE J JEPSON	9275 JESSE LN	NEWCASTLE CA 95658
LARRY W THOMAS	9280 BARBULA HILL RD	NEWCASTLE CA 95658
KATRI & UNO RONALD Y KOKILA-UNO	9280 ROCK SPRINGS RD	NEWCASTLE CA 95658
DALE W & DIANE N PINGREE	9281 ROCK SPRINGS RD	NEWCASTLE CA 95658
DON P & JAN MILLER WHITE	9285 ROCK SPRINGS RD	NEWCASTLE CA 95658
BRIAN S & JOANN B PINGREE	9295 ROCK SPRINGS RD	NEWCASTLE CA 95658
JAMES B & CHRISTINA G LAUER	9303 BARBULA HILL RD	NEWCASTLE CA 95658 9752
DAVID & LINA SIDLOVSKIY	9305 RANCHO VISTA LN	NEWCASTLE CA 95658
MICHAEL PATRICK STEVEN & SATO JULIE ANNE LEIL MILO	9310 JESSE LN	NEWCASTLE CA 95658
ERIK R & ALLEN JESSICA FEEST	9310 ROCK SPRINGS RD	NEWCASTLE CA 95658
DOUGLAS G & JEANNINE E VICKERY	9315 ROCK SPRINGS RD	NEWCASTLE CA 95658

ARNOLD MARION R

ALLEN S & LEE ANN LATHAM	9355 ROBIN LN	NEWCASTLE CA 95658
CRAIG C & MILLIE G THOMSON	9365 ROCK SPRINGS RD	NEWCASTLE CA 95658
SUSAN H STONE	9370 ROBIN LN	NEWCASTLE CA 95658
SINGLETON R & CHILD HEIDI S MICHAEL	9375 ROBIN LN	NEWCASTLE CA 95658
GEORGE P & DEANN L ELLER	9381 COURTNEY WAY	ROSEVILLE CA 95747
SHIRLEY A BARBULA	9393 BARBULA HILL RD	NEWCASTLE CA 95658
RICHARD KENNETH & AMBER ELLIS SEGUINE	9405 BRIDGE CREEK LN	NEWCASTLE CA 95658
LINDA H DOANE	9411 ROCK SPRINGS RD	NEWCASTLE CA 95658
MICHAEL & SANDRA DOANE	9413 ROCK SPRINGS RD	NEWCASTLE CA 95658
AUGUST M CATALANO	9415 BRIDGE CREEK LN	NEWCASTLE CA 95658
JOSEPH D & LETICIA G ZAVALA	9425 BRIDGE CREEK LN	NEWCASTLE CA 95658
ANTONI & MARIA TOKARZ	9430 BRIDGE CREEK LN	NEWCASTLE CA 95658
JENNIFER L BOLAND	9435 BRIDGE CREEK LN	NEWCASTLE CA 95658
JEFFREY F & JENNIFER L KIRCHMAN	9440 JUNEWOOD LN	LOOMIS CA 95650
KAREN & JOSEPH HAHN	9449 JUNEWOOD LN	LOOMIS CA 95650
KIMBERLY & DENNY WILSON	9469 JUNEWOOD LN	LOOMIS CA 95650
THOMAS THERON & PEGGY CAROL LEWIS	9480 ROCK SPRINGS RD	NEWCASTLE CA 95658 9317
DIANE LEE HARRIS	9490 JUNEWOOD	LOOMIS CA 95650
CHRIS M & KIMBERLY E KNAPP	9491 ROCK SPRINGS RD	NEWCASTLE CA 95658
JOSHUA & JULIE KNAPP	9491 ROCK SPRINGS RD	NEWCASTLE CA 95658
TIMOTHY A & PENNY L DOANE	9493 ROCK SPRINGS RD	NEWCASTLE CA 95658
ROBERT K & CHERYL A PORTER	9495 JUNEWOOD CT	LOOMIS CA 95650
PABLO SUST	9500 CRIPPLE CREEK LN	NEWCASTLE CA 95658
JOHANN K & PEGGY B PETER	9511 ROCK SPRINGS RD	NEWCASTLE CA 95658
REDRICK R MCGRUDER	9515 RAYFEN LN	NEWCASTLE CA 95658
RANDALL REX & GWEN DALEY FREDERICK	9519 ROCK SPRINGS RD	NEWCASTLE CA 95658
JANE H HADA	9520 ROCK SPRINGS RD	NEWCASTLE CA 95658
LINDA J & CORDELL VANREES	9525 JUNEWOOD CT	LOOMIS CA 95650
OLI & JANA STEINHAUSER	9525 ROCK SPRINGS RD	NEWCASTLE CA 95658
MAXWELL L & LINDSAY J KATT	9545 ROCK SPRINGS RD	NEWCASTLE CA 95658
DELMER E & BEVERLY E MCGIHON	9550 CRIPPLE CREEK LN	NEWCASTLE CA 95658
MICHAEL A RODGERS	9555 RAYFEN LN	NEWCASTLE CA 95658
CARL DAVID & IRENE ANN WITTKOP	9565 CASTLE LN	NEWCASTLE CA 95658
DENNIS P & LINDA HADA	9570 ROCK SPRINGS RD	NEWCASTLE CA 95658
RICHARD A & MARIE D RUTENSCHROER	9580 RAYFEN LN	NEWCASTLE CA 95658
JOSEPH S RYAN	9585 CASTLE LN	NEWCASTLE CA 95658
ROBERT C N & LINDA B GRIGAS	9585 ROCK SPRINGS RD	NEWCASTLE CA 95658
DONNA SILVA	9588 ROCK SPRINGS RD	NEWCASTLE CA 95658
MITCHELL D VALDER	9590 JUNEWOOD LN	LOOMIS CA 95650 8875
ANTHONY J & CHERELYN D MARTELLO	9591 JUNEWOOD LN	LOOMIS CA 95650
NANCY J & ROBERT E BRAHMST	9594 JUNEWOOD LN	LOOMIS CA 95650
ROLAND & ASHLEY NEUFELD	9600 CRIPPLE CREEK LN	NEWCASTLE CA 95658
LANCE W & LAURA L L MCCASLAND	9605 CRIPPLE CREEK LN	NEWCASTLE CA 95658
RICKEY M & ALICE F BROWN	9606 CRIPPLE CREEK LN	NEWCASTLE CA 95658
KENNETH G & THAIS L BRADEN	9612 CRIPPLE CREEK LN	NEWCASTLE CA 95658
ERIC M & STACY M JURICKOVICH	9615 CASTLE LN	NEWCASTLE CA 95658
GARY NAGASAWA	9615 CRIPPLE CREEK LN	NEWCASTLE CA 95658
STEPHEN M PATTON	9625 ROCK SPRING RD	NEWCASTLE CA 95658
CHOKCHAIN & CHERYL JANSRIKESORN	9635 CASTLE LN	NEWCASTLE CA 95658
MARY L METCALF	9635 RAYFEN LN	NEWCASTLE CA 95658
JAMES & PAMELA IVALDI	9640 POWERHOUSE RD	NEWCASTLE CA 95658 9334
CRAIG E & JULIS-PHILLIPS SARAH E PHILLIPS	9642 CRIPPLE CREEK LN	NEWCASTLE CA 95658
HONGYUAN SHEN	9648 JUNEWOOD RD	LOOMIS CA 95650
RANDY R & KIMBERLY A DENNISTON	9650 POWERHOUSE RD	NEWCASTLE CA 95658
JEFFREY & ANNIE BURNETT	9655 CASTLE LN	NEWCASTLE CA 95658
DOROTHY M SHIRO	9655 CHEROKEE LN	NEWCASTLE CA 95658
TIM & DIANE LEGASPI	9661 ROCK SPRINGS RD	NEWCASTLE CA 95658
TODD ALLEN & ELIZABETH ANN HARMON	9662 CRIPPLE CREEK LN	NEWCASTLE CA 95658
MARK A & LISA A ISABELL	9665 CRIPPLE CREEK LN	NEWCASTLE CA 95658
MARK E & SANDRA A COOKNICK	9665 RAYFEN LN	NEWCASTLE CA 95658
ANTHONY & NANCY ARROYO ZISA	9670 CHEROKEE LN	NEWCASTLE CA 95658 9750
JEFFREY L GLOVER	9675 JUNEWOOD LN	LOOMIS CA 95650

BEUTLER KRIS

CANDACE A & TENNANT CHRISTINE CARLSON	9690 POWERHOUSE RD	NEWCASTLE CA 95658
RONALD JAMES & CHERYL JEANNE TIBURZI	9696 JUNEWOOD CT	LOOMIS CA 95650
DAVID A SCHWARTZ	9710 CHEROKEE LN	NEWCASTLE CA 95658
MARY ANN FARMAR	9720 POWERHOUSE RD	NEWCASTLE CA 95658
DOUGLAS L LUMSARGIS	9730 CHEROKEE LN	NEWCASTLE CA 95658
JAMES W & BARBARA R MAJOR	9730 POWERHOUSE RD	NEWCASTLE CA 95658
MARK TIMOTHY & CYNDEE LEE EDWARDS	9740 POWERHOUSE RD	NEWCASTLE CA 95658
CRISTIANA & BAKER DREW C BRUNDIGE	9746 POWERHOUSE RD	NEWCASTLE CA 95658
JO ANN DUNHAM	9748 POWERHOUSE RD	NEWCASTLE CA 95658
DAVID R & SUZANNE M CRACHY	9750 CHEROKEE LN	NEWCASTLE CA 95658 9750
MARTHA Y KUBO	C/O KUBO KELLEY K TRUST 9750 POWERHOUSE RD	NEWCASTLE CA 95658
RICHARD P & MARY S PELTON	9789 POWERHOUSE RD	NEWCASTLE CA 95658
RICHARD G HUBBARD	9790 POWERHOUSE RD	NEWCASTLE CA 95658
FREDRIC J SLOAN	9795 POWERHOUSE RD	NEWCASTLE CA 95658
LINDA D BEASLEY	9830 POWERHOUSE RD	NEWCASTLE CA 95658
JAMES N & DENISE A BLAKE	9835 POWERHOUSE RD	NEWCASTLE CA 95658
LARRY L & ALICE R SNOW	9860 POWERHOUSE RD	NEWCASTLE CA 95658
DON H & LISA PACKHEISER	9880 POWERHOUSE RD	NEWCASTLE CA 95658
KEVIN THOMAS & DIANE FINNEY	9900 ANGEL PL	NEWCASTLE CA 95658
MILAGROS D ZEA	9910 ANGEL PL	NEWCASTLE CA 95658
NANCY LIBBY	9920 ANGEL PL	NEWCASTLE CA 95658
TERRY WAYNE & DOMINGO CINDY DEAL	9940 HASKIN RANCH RD	NEWCASTLE CA 95658
JOHN L MOURIER	9960 HASKIN RANCH RD	NEWCASTLE CA 95658
DAVID M & KATHERINE A CAIN	9965 HASKINS RANCH RD	NEWCASTLE CA 95658
JOHN G & FRANCES L FUENTES	9970 SUTLEY TAYLOR RD	NEWCASTLE CA 95658
SCOTT D & KAREN MUNRO	9990 HASKIN RANCH RD	NEWCASTLE CA 95658
ROBERT CHARLES & FIONA ELIZABETH TUTTLE	9990 POWERHOUSE RD	NEWCASTLE CA 95658 9736
JOE T HEGSETH	99924 MOUNT EMILY RD	BROOKINGS OR 97415 8250
JOE T & COVINGTON ALICE L HEGSETH	99924 MT EMILY RD	BROOKINGS OR 97415 8250
ROBERT D & CHERI L R UREN	9995 ANGEL PL	NEWCASTLE CA 95658

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie

Green Power Institute  
Hanna & Morton  
ICF

IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

Office of Ratepayer Advocates  
OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy