

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6525E**  
**As of April 7, 2022**

Subject: PG&E's Advice 6525-E (Pit River Land Donation - 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: 03-11-2022

Date to Calendar: 03-14-2022

Authorizing Documents: D0312035

Authorizing Documents: D0811043

Authorizing Documents: D1008004

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>04-07-2022</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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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 11, 2022

**Advice 6525-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Pit River Land Donation - 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 disposition letter approving PG&E’s donation of fee simple title to approximately 3,244 acres of land in Shasta County, commonly known as Pit River (“Property”) to The Regents of the University of California (“UC”). This donation is being made in the public interest and will protect and preserve the Beneficial Public Values (“BPVs”) on the Property, including the habitat of fish, wildlife and plants, forest resources, the scenic viewshed of the Property, outdoor recreation and identified historic and cultural values by restricting any use of the Property that would significantly impair or interfere with the protection of these values. This donation is in accordance with the terms and conditions specified in the Settlement Agreement and Stipulation that were approved by the Commission in D.03-12-035 (“Stipulation”).

**Background**

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

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

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

### **Property Specific Considerations**

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

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

The Property, identified as Parcels 74 and 75 (totaling approximately 3,244 acres of land) on the map included in Attachment A, page 5, is in Shasta County. The Property is approximately 30 miles northeast of Redding and approximately 15 miles west of Burney. The Property is surrounded by private properties, private timber lands and Bureau of Land Management property.

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

Per the Stewardship Council recommendation, PG&E will convey fee simple title to UC. UC will then immediately convey a conservation easement (Attachment B) to the Shasta Land Trust ("SLT"), which will permanently protect the BPVs on the Property. The Property will be transferred subject to a Grant Deed with certain restrictions and reserved rights for the continued operation of Electric Activities, Hydro Project Activities and Hydroelectric Facilities and associated Water Delivery Facilities. For the complete text of the Grant Deed, see Attachment C.

Upon CPUC approval of this advice letter and the easements and transactions detailed herein, PG&E will grant to Shasta County a non-exclusive road easement. The grant of this road easement to Shasta County is a perfection of an existing use as a public two-lane county road. For the complete text of the road easement agreement see Attachment D.

The State Board of Equalization estimates the value of the Property is \$494,168 (Attachment E).

#### **A. Property Encumbrances and Uses**

There are recorded encumbrances on the Property for communication facilities, roads and transmission lines. There are no unrecorded encumbrances and no existing third-party agreements for economic uses 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, 5-6).

B. Public Access

The public can access the Parcels via Big Bend Road, Cove Road, Pit 6 Road and various utility maintenance roads.

Public access to the Property will not be changed because of the donation of the Property. For complete text regarding Public Access, please see the Conservation Easement (Attachment B, page 14).

C. PG&E's Assumption of Liability

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

PG&E conducted an initial environmental review including Environmental Site Assessments (ESAs) in 2011 as part of its diligence in preparation for donation of the Property and a follow up ESA or "refresh" in 2015. The ESAs assessed the past and present uses, ownership, and environmental conditions of the Property in order to identify potential issues that present known or possible environmental areas of concern. The ESAs included, but were not limited to, site reconnaissance, interviews, limited soil sampling and historical and regulatory document review. Two potential environmental issues were identified: The first was a debris area which was cleared and resolved in the ESA refresh in 2015.

The second potential issue was in regards to three abandoned vehicles and car shells at the Circle-H Ranch. During the ESA refresh it was observed that the vehicles and car shells had been removed and no environmental impacts were found at the site.

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

The Regents of the University of California  
Office of the President

c/o Real Estate Services & Strategies  
1111 Franklin Street, 6<sup>th</sup> Floor  
Oakland, CA 94607-5200  
billstewart@berkeley.edu

Shasta Land Trust  
PO Box 992026  
Redding, CA 96099-2026  
Attn: Executive Director  
pvienneau@shastalandtrust.org

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

As set forth in the Stipulation, the cornerstone of the LCC is the 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
- Preservation of Open Space
- Historic Values
- Outdoor Recreation by the General Public
- Agricultural Uses

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

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

A diverse range of plant, animal, fungal, and micro biotic communities exists in the ecosystems that make up the Protected Property. Habitat for these communities include a wide range of forest structures and the various ecological and anthropogenic processes that influence forest dynamics.

B. Sustainable Forestry

The Protected Property currently is heavily forested with Black Oak and Sierra mixed conifer forests being common on the east side of the Pit River. The Protected Property has been managed with sustainable forestry methods, in accordance with relevant state laws and regulations related to managed forests. As of 2017, two key components of the law are:

(a) Where feasible, the productivity of timberlands is restored, enhanced, and maintained.

(b) The goal of maximum sustained production of high-quality timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment, and aesthetic enjoyment.

The Protected Property will be managed in accordance with applicable forest practice acts and related laws.

As defined by the Stewardship Council in the 2007 Land Conservation Plan, sustainable forestry is the practice of managing dynamic forest ecosystems to provide ecological, economic, social, and cultural benefits for present and future generations.

C. Preservation of Open Space

The open and natural character of the Protected Property, along with the primary uses of the Protected Property for practicing sustainable forestry, research and teaching, and public environmental education, provides for open space values throughout the Protected Property.

D. Historic Values

The cultural character of the Protected Property includes lands historically utilized by Native Americans, as well as by other historical users.

E. Outdoor Recreation by the General Public

The Protected Property provides opportunities for outdoor non-motorized recreation, such as hiking and birdwatching, and environmental education by the general public.

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

F. Agricultural Uses

**(5) Environmental Information**

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

**Tribal Lands Policy**

The Tribal Lands Policy exempts fee transactions subject to the LCC. (Resolution, p. 59, ¶ 15.)

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

PG&E has reviewed the transaction and documents herein and has determined that the proposed transaction is compliant with requirements of the Stipulation. Additionally, this transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

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

**Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than March 31, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than

---

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

the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

Pursuant to the review process outlined in D.08-11-043 (as modified by D.10-08-004), PG&E requests that this Category 1 advice submittal become effective as soon as possible.

### **Notice**

In accordance with General Order 96-B, Section IV, and D.08-11-043, a copy of this advice letter is being sent electronically to parties shown on the attached list, Service List A.08-04-020 and I.02-04-026, Appendix A and additional parties identified by the Stewardship Council. Address changes to the General Order 96-B service list should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs>.

/S/

---

Sidney Bob Dietz II  
Director, Regulatory Relations

### **Attachments:**

- A Land Conservation and Conveyance Plan
- B Conservation Easement
- C Grant Deed
- D Road Easement to Shasta County
- E State Board of Equalization Land Appraisal Record
- F Environmental Agreement – (Fee Donee)
- G Environmental Agreement – (Easement Holder)

Note: (1) the Transaction Agreement between PG&E and UC is available upon request.

cc: Service List Appendix A - Advice Letter 6525-E  
Erin Healy, Stewardship Council  
Service List A.08-04-020 and I.02-04-026  
Additional Parties Identified by the Stewardship Council

\*\*\*\*\* SERVICE LIST Advice 6525-E \*\*\*\*\*  
APPENDIX A

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Oakland, CA 94607-5200  
billstewart@berkeley.edu

Shasta Land Trust  
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Redding, CA 96099-2026  
Attn: Executive Director  
pvienneau@shastalandtrust.org

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) #: 6525-E

Tier Designation: 1

Subject of AL: Pit River Land Donation - 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): Section 851, Agreement

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:

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form

# **Attachment A**

## **Land Conservation and Conveyance Plan**

# Final LCCP

May 2, 2018

Updated January 20, 2022



**Stewardship**  
Council

## Land Conservation and Conveyance Plan

Lands for Donation to University of California  
At Pit River Planning Unit

## **Executive Summary**

### **Subject**

LCCP Pit River Planning Unit (Lands for Donation to UC)  
Land Conservation Plan Identification Number (Parcels) 74 and 75 as shown on the map attached as Exhibit 1.

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

- The University of California – Center for Forestry (UC) to hold fee simple title to 3,244 acres within Parcels 74 and 75 of the Pit River planning unit.
- Shasta Land Trust (SLT) to hold the conservation easement on the 3,244 acres of Parcels 74 and 75 donated to UC.

### **Summary**

Approximately 3,244 acres within two parcels (Parcels 74 and 75) will be donated to UC and, consistent with the conditions in the Settlement Agreement, the Property will be subject to a perpetual conservation easement granted by UC to SLT. The remaining 9,234 acres within the planning unit will be addressed in future Land Conservation and Conveyance Plans (LCCPs).

Pending California Public Utilities Commission (CPUC) approval, and immediately following PG&E's conveyance of approximately 3,244 acres within Parcels 74 and 75 to UC, UC and SLT will enter into the conservation easement.

The 3,244 acres in Parcels 74 and 75 to be donated to UC are outside the McCloud-Pit Project boundary (FERC #2106) and PG&E has determined this acreage does not need to be retained for existing or future utility operations. Therefore, this acreage is available for donation, subject to PG&E's reserved rights.

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

### **Property Location**

The property subject to this LCCP consists of 3,244 acres in Shasta County east of the Pit River, in an area known as the Flatwoods.

### **Economic Uses and Agreements**

There are recorded encumbrances on the acreage for donation to UC in the Pit River planning unit for roads, communication facilities, and transmission lines. There are no unrecorded encumbrances or existing agreements for economic uses on the lands to be donated to UC.

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

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

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

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

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

The conservation easement for Parcels 74 and 75 within the Pit River planning unit lists the following Beneficial Public Values (BPVs) that are to be protected:

- Natural Habitat of Fish, Wildlife, and Plants:
  - A diverse range of plant, animal, fungal, and micro biotic communities exists in the ecosystems that make up the Protected Property. Habitat for these communities include a wide range of forest structures and the various ecological and anthropogenic processes that influence forest dynamics.
- Sustainable Forestry:
  - The Protected Property currently is heavily forested with Black Oak and Sierra mixed conifer forests being common on the east side of the Pit River. The Protected Property has been managed with sustainable forestry methods, in accordance with relevant state laws and regulations related to managed forests. As of 2017, two key components of the law are:
    - (a) Where feasible, the productivity of timberlands is restored, enhanced, and maintained.
    - (b) The goal of maximum sustained production of high-quality timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment, and aesthetic enjoyment.

- The Protected Property will be managed in accordance with applicable forest practice acts and related laws.
- As defined by the Stewardship Council in the 2007 Land Conservation Plan, sustainable forestry is the practice of managing dynamic forest ecosystems to provide ecological, economic, social, and cultural benefits for present and future generations.
- Open Space:
  - The open and natural character of the Protected Property, along with the primary uses of the Protected Property for practicing sustainable forestry, research and teaching, and public environmental education, provides for open space values throughout the Protected Property.
- Historic Values:
  - The cultural character of the Protected Property includes lands historically utilized by Native Americans, as well as by other historical users.
- Recreation:
  - The Protected Property provides opportunities for outdoor non-motorized recreation, such as hiking and birdwatching, and environmental education by the general public.

### **Tax Neutrality**

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

Pending CPUC approval of the fee title donation of the Property, Shasta County will receive a lump sum payment of \$162,475, consistent with the methodology described in the Property Tax Neutrality Methodology adopted on June 27, 2012 and amended most recently on November 15, 2017.

### **Hazardous Waste Disclosure**

PG&E has provided the Pit River Planning Unit Environmental Site Assessment Report dated April 29, 2011, with a refresh dated December 2015, to UC and SLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

### **Consideration of Parcel Split**

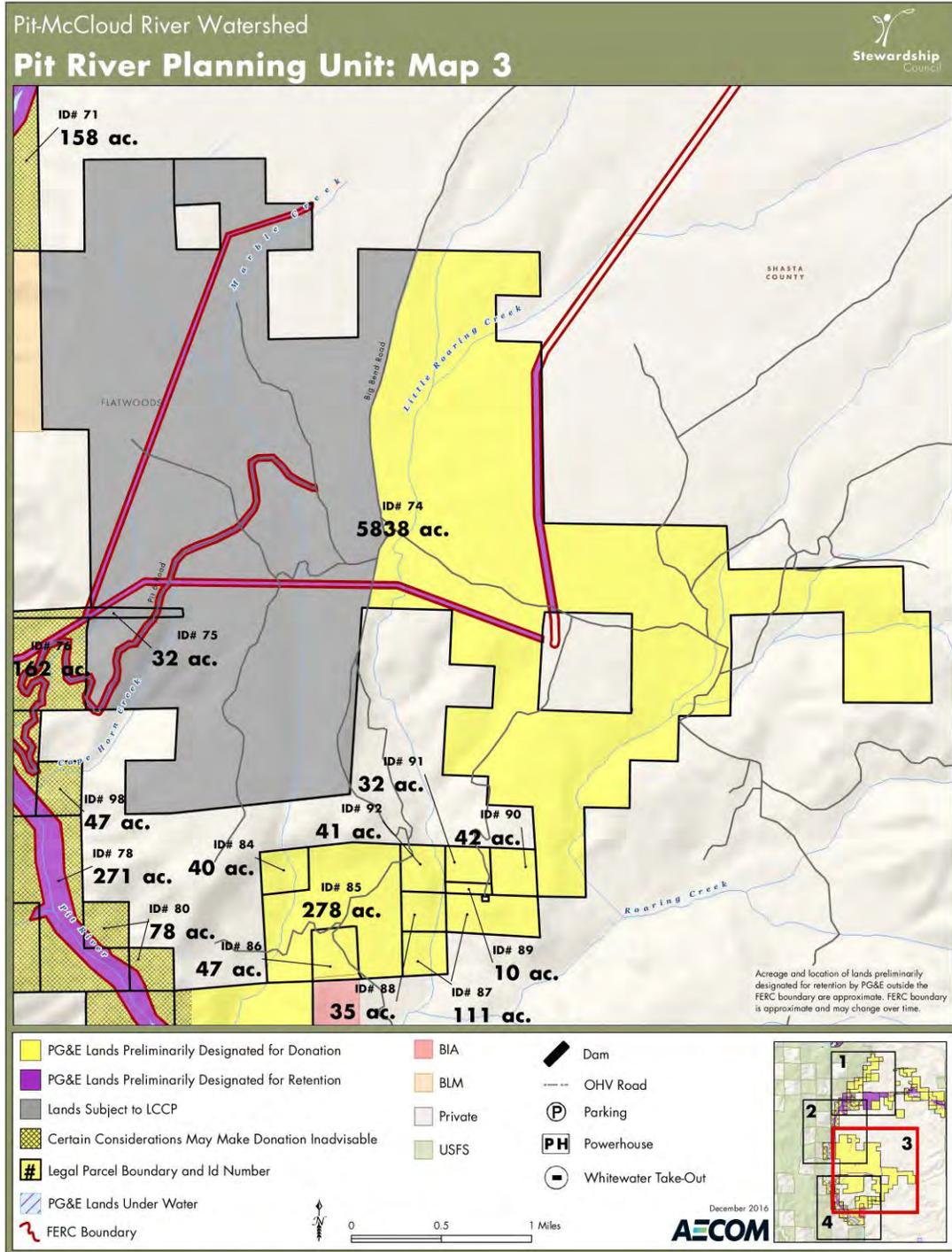
Within Parcels 74 and 75, approximately 133 acres will be retained by PG&E. PG&E determined that operational needs would be met sufficiently through the reservation of rights for ongoing hydroelectric operations on the remaining acres within these parcels. To effectuate transfer of a portion of the property, parcel splits will be required to comply with the California Subdivision Map Act (Government Code Section 66410, et seq). Certain exemptions to the Map Act apply to public utilities and/or to governmental entities and may apply to future conveyances of parcels within this planning unit.

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

This Pit River planning unit transaction will not result in a direct physical change or a reasonably foreseeable indirect physical change in the environment; therefore, the Stewardship Council does not believe that the transaction is a project under CEQA. In addition, the transfer of land to preserve open space, habitat, or historical resources is categorically exempt under Section 15325 of the CEQA Guidelines (CFR Title 14, Chapter 3) 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).

While the principal effect of the conservation easement will be to significantly restrict development on the site in perpetuity, the conservation easement reserves to UC the right to create features within a five-acre building envelope and to develop temporary appurtenances for the purpose of education and study, subject to the limitations in the conservation easement. However, UC is not proposing to carry out any permitted development or change in use at this time. Instead, at least for the time being, UC intends to manage the Property as PG&E does presently. If, in the future, UC decides to pursue new development or uses that are allowed by the conservation easement, it must first obtain all necessary permits and conduct any necessary CEQA review at that time. Public Resources Code 21080.28 states that CEQA review is not required even when physical changes to the property are reasonably foreseeable as a result of the transfer, provided that environmental review occurs before those changes occur.

**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 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 Pit River planning unit, is provided in Appendix 1.

Furthermore, the proposed LCCP will be made available for public review and comment before it is forwarded by the Watershed Planning Committee to the board for its review and approval.

**The Stewardship Council Board of Directors recommends that the University of California – Center for Forestry (UC) receive approximately 3,244 acres within two parcels (74 and 75) of the Pit River planning unit in fee and that the Shasta Land Trust (SLT) hold a conservation easement over the lands recommended for donation to UC in these parcels (74 and 75) of the Pit River planning unit.**

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

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

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

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

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

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

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

### **Acreage and Property Description**

3,244 acres in Parcels 74 and 75 will be donated to UC and, consistent with the conditions in the Settlement Agreement, the Property will be subject to a perpetual conservation easement granted by UC to SLT.

The Pit River planning unit is one of the largest planning units in terms of land acreage. The planning unit is located in Shasta County near the community of Big Bend. Many of the lands, especially along the Pit River, are very steep except for an area east of the Pit 6 Powerhouse called the Flatwoods, which includes Parcels 74 and 75. The Flatwoods area is not associated with a FERC Project.

The Pit River planning unit is within critical deer winter range and US Fish and Wildlife Service-designated northern spotted owl habitat area. Three special status plants have been identified along the Pit 5 Powerhouse Road and near the Pit 6 Reservoir and Cape Horn Creek. Presence of special status plants within the Flatwoods area is unknown, although occurrences of special status plants have been mapped adjacent to planning unit parcels.

There is very little existing recreational use and few recreational facilities in this planning unit. Most of the existing recreation use occurs in the Pit 5 bypass reach area. Dispersed use, mainly hunting, is the primary recreation use within the Flatwoods area.

The lands recommended for donation to UC in Parcels 74 and 75 are located within five PG&E Timber Management Units (TMUs) that contain a total of 3,655 timbered acres. Four of the five TMUs are currently managed by PG&E under a Sustainable Timber Management prescription, meaning that sustained timber production is regarded as the highest and best use of the land while also placing an emphasis on protecting water quality, wildlife and fisheries habitat, soils, carbon sequestration, and cultural resources. The fifth TMU receives no timber management.

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

The Pit River planning unit is located within the ancestral territory of the Pit River Tribe. Many cultural sites have been identified within the McCloud-Pit FERC Project boundary; however, there is no cultural resource information available for the Flatwoods area, where Parcels 74 and 75 are located.

### **Adjacent and Nearby Landowners**

The parcels subject to donation to UC are surrounded by private property, Bureau of Land Management property, and other planning unit parcels. Big Bend Road, a paved county road, runs through Parcel 74, as does Cove Road, a dirt county road, and Pit 6 Road, a paved FERC Project road. There are many private dirt and gravel roads running into and through this parcel, including Johnson Road, 170 I Road, Roaring Ridge Road, F Line Road, FS Line Road, FW Line Road, 50 PT Road, 70 PT Road, 100 PT Road,

Tantau Road, and Neebs Road, in addition to many unnamed roads. Access to Parcel 75 is available via Pit 6 Road, a paved FERC Project 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 recorded encumbrances on the acreage for donation to UC in the Pit River planning unit for roads, communication facilities, and transmission lines. There are no unrecorded encumbrances or existing agreements for economic uses on the lands to be donated to UC.

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

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

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

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

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

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

UC proposes to manage these lands as a research forest under the Center of Forestry. The conservation easement (Appendix 3) will permanently protect habitat by protecting plant, tree, and wildlife habitat that supports the health of the Pit River watershed and well-managed forests, and well-vegetated stream banks.

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

The conservation easement will ensure that no further development will occur unless specifically authorized by the conservation easement and consistent with the BPVs. The conservation easement permits the development of an education center within a five-acre building envelope, provided that the construction or placement of the education center and improvements is consistent with the Conservation Purpose and does not significantly impair the Conservation Values. The conservation easement will also protect historical and cultural resources, and conserve the scenic character of the lands, including viewsheds from public and private lands.

*3. Objective: Enhance recreational facilities in order to provide appropriate recreation management and enhance the recreation experience.*

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

The conservation easement allows for public access to the property that is substantially consistent with the public access currently existing on the property subject to reasonable rules and regulations. Although no recreational facilities are specifically proposed at this time, the conservation easement permits the development of an education center within a five-acre building envelope. No recreational facilities exist on the property recommended for donation to UC.

*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 management.*

UC is proposing to establish a research forest to help investigate and address the challenges confronting California's actively managed forests. Forest management activities will be subject to a publicly available Research Forest Plan that must be consistent with certain goals and requirements articulated in the conservation easement.

*5. Objective: Identify and manage cultural resources in order to ensure their protection.*

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. Recommendations for Conservation Easement and Fee Simple Donation**

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

#### **Conservation Easement**

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

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

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

Accordingly, immediately following PG&E's conveyance of the lands to be donated to UC in the Pit River planning unit, UC will convey the conservation easement to SLT.

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

The Settlement Agreement states that PG&E will not be expected to make fee simple donations of Watershed Lands with hydroelectric project features, and conservation easements and enhancements may not interfere with hydroelectric operations. In general, PG&E will retain fee title to those Watershed Lands within the boundaries of hydroelectric projects licensed by the FERC, as well as other properties required for

continuing and future utility operations. However, these Watershed Lands will be conserved via a conservation easement. See Appendix 6 for a description of PG&E's Land Conservation Commitment.

The 3,244 acres proposed for donation to UC in Parcels 74 and 75 were identified as available for donation, subject to PG&E's reserved rights.

### **Donee Selection Process**

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

- Organizations were invited to register via the Stewardship Council's Interested Donee Registry and were invited to submit a statement of qualifications (SOQ). The Stewardship Council reviewed the SOQs that were submitted to identify organizations that: (a) were determined to be a qualified nonprofit conservation organization; a federal, state or local governmental entity; or, a recognized tribe; (b) appeared to have sufficient financial and organizational capacity relative to the property interest sought within the planning unit; and, (c) appeared to be capable of satisfying the requirements of the Settlement and Stipulation for receiving a donation of fee title or to hold the conservation easement.
- Organizations interested in a fee title donation were invited to submit a land stewardship proposal ("LSP" or "proposal") describing their capacity and interest in preserving and enhancing the BPVs. The LSPs were posted on the Stewardship Council's website. On May 31, 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 Pit River planning unit from the US Bureau of Land Management, CAL FIRE, and the University of California- Center for Forestry. The Bureau of Land Management was not eligible to receive property due to the requirements of Section 12(b)(4) of the Stipulation pertaining to the Federal Power Act. Based on review of the LSPs, follow-up discussions with the interested organizations, and site visits the board recommended, collectively, CAL FIRE and University of California - Center for Forestry as the prospective recipients of fee title to approximately 10,116 acres of land in the Pit River and Tunnel Reservoir planning units. CAL FIRE was recommended for approximately 7,000 acres while UC was recommended for approximately 3,100 acres.
- 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.

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

3,244 acres within two parcels (74 and 75) will be donated to UC pending CPUC approval of the Section 851 filing for the transaction. The legal description of the parcels is included in the grant deed, which is provided in Appendix 2. The qualifications and capacity of UC to manage the Pit River property recommended for donation are described in Chapter 4.

The map provided in Exhibit 1 shows all of the land within Parcels 74 and 75 in the Pit River planning unit that will be donated. The map also shows key features in the planning unit and surrounding area, and the ownership of adjacent land.

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

##### **Selected Organizations**

At the conclusion of the selection process referenced below, the following organizations were endorsed by the Stewardship Council board on November 16, 2011 and January 22, 2015, respectively:

- University of California – Center for Forestry (UC) to hold fee simple title to 3,244 acres within Parcels 74 and 75.
- Shasta Land Trust (SLT) to hold a conservation easement over the 3,244 acres to be donated to UC in Parcels 74 and 75.

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

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

##### **A. UC:**

- The mission of the UC Center for Forestry is to sustain forested ecosystems through scientific inquiry. To this end, the UC Center for Forestry seeks to create and disseminate knowledge concerning ecosystem processes, human interactions and value systems, and restoration and operational management practices.
- The UC Center for Forestry assembles interdisciplinary teams of campus faculty, Cooperative Extension specialists and advisors, students, and staff from various agencies and organizations to develop research projects, outreach and public education activities, and policy analysis on issues affecting the state's forested lands.
- The UC Center for Forestry's five research stations have an explicit focus on understanding the science and stewardship of working forests. These five forests range in size from the 80-acre Baker Forest and Summer Camp in Plumas County to the 4,270-acre Blodgett Forest in El Dorado County.

##### **B. SLT:**

- Established in 1998, SLT's mission is to conserve the beauty, character, and diversity of significant lands in far northern California.
- SLT holds 17 conservation easements totaling over 24,000 acres.

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

- SLT is guided by a seven member board of directors with several standing committees and strong volunteer support. SLT's board includes an environmental chemist, current and retired educators, financial planner, director of local economic development organization, retired project manager from the Nature Conservancy, and retired planner.
- SLT is an accredited land trust by the National Land Trust Accreditation Commission.

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

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

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

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

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

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

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

On August 14, 2014, the California Public Utilities Commission approved Resolution E-4644. The resolution states that the Commission endorses the Guidelines Regarding

Satisfaction of Tax Neutrality and the Property Tax Neutrality Methodology adopted by the Stewardship Council.

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

**Achieving Property Tax Neutrality**

The Stewardship Council will provide funding to satisfy property tax payments in perpetuity for the Property. Based on the tax tables, which are current as of the date of this LCCP, the transfer of lands to UC is anticipated to result in the reduction of approximately \$6,499 in annual taxes paid to Shasta County (as shown in Table 2 below). If assessed values on the lands recommended for donation change prior to the transfer of the property, the Stewardship Council will revise the payment calculation.

**Table 2: Property Tax Detail**

Parcel ID	SBE Map Number	Taxes on Acres Transferred
74	135-45-32D-3, 135-45-32D-4, 135-45-84B-20, 135-45-84B-21, 135-45-84B-28, 135-45-85A-4, 135-45-85A-6, 135-45-84B-22, 135-45-84B-24, 135-45-84B-25, 135-45-84B-26, 135-45-84B-27, 135-45-85A-3, 135-45-85A-5	\$5,628
75	135-45-85A-3	\$871

After the CPUC has approved the fee title donation of the Property, the Stewardship Council will make a one-time payment of \$162,475 to the county. Shasta County will, in turn, be required to distribute the funds to the general fund and applicable special districts consistent with the Tax Rate Area in effect for the parcel.

**Other Economic and Physical Impacts**

The Settlement and Stipulation require an analysis of the physical and economic impacts of each fee title transfer. The transaction agreements for the donation of 3,244 acres within the Pit River planning unit have not mandated any changes to the physical or economic uses of the lands. The conservation easement reserves to UC the right to create features within a five-acre building envelope and to develop temporary appurtenances for the purpose of education and study, subject to the limitations in the conservation

easement. However, UC is not proposing to carry out any permitted development or change in use at this time. Instead, at least for the time being, UC intends to manage the Property as PG&E does presently. If, in the future, UC decides to pursue new development or uses that are allowed by the conservation easement, it must first obtain all necessary permits and conduct any necessary CEQA review at that time. Public Resources Code 21080.28 states that CEQA review is not required even when physical changes to the property are reasonably foreseeable as a result of the transfer, provided that environmental review occurs before those changes occur.

## **6. Hazardous Waste Disclosure**

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

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

PG&E has provided the Pit River Planning Unit Environmental Site Assessment Report dated April 29, 2011, with a refresher dated December 2015, to UC and SLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

### **Environmental Agreement**

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

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

Within Parcels 74 and 75, approximately 133 acres will be retained by PG&E. PG&E determined that operational needs would be met sufficiently through the reservation of rights for ongoing hydroelectric operations on the remaining acres within these parcels. To effectuate transfer of a portion of the property, parcel splits will be required to comply with the California Subdivision Map Act (Government Code Section 66410, et seq). Certain exemptions to the Map Act apply to public utilities and/or to governmental entities and may apply to future conveyances of parcels within this planning unit.

## **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 4) with each conservation easement holder whereby the holder will receive a monitoring and enforcement endowment from the Stewardship Council to fund its monitoring activities.

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

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

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

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

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

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

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

### **Schedule for Transaction**

- CPUC review and approval (2022)
- Close of escrow (2022)
- Stewardship Council release of funds to SLT per conservation easement funding agreement (2022)

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

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

## Appendix 1: Public Outreach Summary

### 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: Public Outreach Summary

- 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.

### **PIT RIVER 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 Pit River 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.

Comments were submitted by Friends of the River and The Sierra Club for the Pit River Planning Unit during public review of Volumes I and II of the LCP. The comments asked for assurance that the easement protect public access to trails along rivers and tributary creeks on the property including access to a whitewater run access point, as well as requesting timber management minimize adverse effects to the rainbow trout fishery and other wildlife habitat. Comments were noted but did not result in any changes to 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 Pit River planning unit to a Public Information Meeting that was held in Palo Cedro in 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 Pit-McCloud and Cow Battle Creek Watershed areas was hosted by the Stewardship Council on March 24, 2011, in Palo Cedro,

## Appendix 1: Public Outreach Summary

California. The meeting concerned eight planning units: Battle Creek, Burney Gardens, Cow Creek, Iron Canyon Reservoir, Kilarc, Lake McCloud, Pit River, and Tunnel Reservoir. Attendees at the workshop included a total of 49 individuals representing a wide variety of interests including local and federal governments, community organizations, and community members. The meeting was advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to the local newspaper, and a postcard sent to all landowners on record located within one mile of any PG&E parcel associated with the Pit River 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 eight planning units. Stations were set up with maps, other pertinent information, and easels with blank paper. One comment was received for the Pit River planning unit related to promoting fisheries management to preserve species for all the people of California as well as recreational opportunities.

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

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

#### *Land Conservation Program Funding Policy*

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

## Appendix 1: Public Outreach Summary

### *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.

### **V. 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.

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

### **VI. 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.

## Appendix 1: Public Outreach Summary

### **VII. 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.

RECORDING REQUESTED BY AND RETURN TO:

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

No Recording Fee Pursuant to Government Code 27383

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER TAX IS \$0

Transfer Tax Exempt due to Revenue & Taxation Code 11922

See Signature of Grantor Below  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD #

DEED

APN: 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

**GRANT DEED, RESERVATION OF RIGHTS AND EASEMENTS, AND GRANT OF ACCESS RIGHTS**

**I. CONVEYANCE OF FEE**

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“**Grantor**”) hereby grants, without warranty express or implied, to **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA** (“**Grantee**”), the real property (“**Property**”), located in the unincorporated area of the County of Shasta, State of California, described in and shown on Exhibit A hereto and made a part hereof.

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

**II. RECITALS**

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

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

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

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

E. Grantor has used and continues to use the Property for the purpose of generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”), and for other purposes as described more fully in Section IV below (collectively, “**Hydro Project Activities**”). Additionally, Grantor has used and continues to use the Property to erect, construct, reconstruct, replace, remove, operate, inspect, maintain and use facilities of the type hereinafter specified for the transformation, transmission and distribution of electric energy and for communication purposes (collectively “**Electric Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” and “**Electric Facilities**” refer to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities and/or the Electric Activities, as appropriate, as described more fully in Section IV below.

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

### III. GRANTEE ACCESS

GRANTEE shall have a non-exclusive right of surface access, ingress and egress to and from the Property over and across the Adjacent Lands, by means of existing roads, lanes, and routes thereon, if such there be (collectively, the “**Existing Roads**”), otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantor's Adjacent Lands (“**Access Rights**”). GRANTEE’s Access Rights shall only extend to portions of the Property that are only reasonably accessible by Adjacent Lands. “**Adjacent Lands**” means the lands excepted from Parcels 1 and 2 of the Property identified as Strip 1, Strip 2, and Strip 3 in Exhibit A hereto.

GRANTEE may allow SLT and any successor to SLT under the Conservation Easement to utilize the Access Rights but only for purposes of ingress and egress. GRANTEE acknowledges that the Adjacent Lands are a part of the FERC Project Nos. 233 & 2106 (“**Project**”), and when exercising the Access Rights on Project lands GRANTEE agrees to abide by FERC regulations and approvals that Grantor is required to comply with on Project lands.

a. GRANTEE’s use of the Access Rights shall not endanger health, create a nuisance, or otherwise be incompatible with overall Project recreational use.

b. GRANTEE shall take all reasonable precautions to ensure that the use of the Access Rights on Project lands will occur in a manner that will protect the scenic, recreational, and environmental values of the Project.

c. GRANTEE shall not make use of the Access Rights in any way which would be incompatible with overall Project requirements or unduly restrict public access to Project waters.

Notwithstanding the above, nothing herein shall impair or otherwise impede Grantor’s right for continued use of the Adjacent Lands, including those Adjacent Lands containing the Access Rights, in all ways and for all purposes Grantor deems necessary to fulfill its obligations as licensee under FERC projects.

### IV. RESERVATION OF RIGHTS AND EASEMENTS

1. Reserved Rights and Reserved Easements. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below (collectively, the “**Reserved Rights**”) as Grantor may determine in Grantor's sole discretion exercised in good faith is required for Grantor’s continued Hydro Project Activities and Electric Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities and Electric Facilities, together with easements as reasonably necessary or convenient for the exercise of the Reserved Rights (collectively the “**Reserved Easements**”). The Reserved Easements include a right of way for the continued operation and maintenance of electric lines and associated Electric Facilities, and the operation of future Electric Facilities within the easement area described in Exhibit B and shown on Exhibit B-1, attached hereto and made a part hereof (the “**Electric Line Easement Area**”).

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

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters (including subsurface flow) which are now or hereafter located or flowing upon or abutting the Property.

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

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

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water; provided, however, subject to any and all prior appropriative rights to such waters, Grantee shall be entitled to use reasonable amounts of water on the Property for domestic non-commercial uses, and to preserve the beneficial public values as identified in the LCP; and

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

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

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

(c) Grantor reserves the permanent right to conduct said Electric Activities within said Electric Line Easement Area for its Electric Facilities, described as follows:

Such poles, , aerial wires, cables, electrical conductors with associated crossarms, braces, transformers, anchors, guy wires and cables; and such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as Grantor deems necessary for the transmission and distribution of electric energy and for communication purposes.

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

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

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

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

(4) The right, from time to time, to trim or to cut down any unauthorized trees, crops, vines or other vegetation as described in Section V.3 that exceed ten feet (10') in height within the Electric Line Easement Area and may cause the Grantor to take reasonable measures to control re-sprouting trees; and

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

(6) To use such portion of the Property contiguous to the Electric Line Easement Area as may be reasonably necessary in connection with the construction, reconstruction, installation, inspection, maintenance, repair, replacement and removal of the Electric Facilities; and

(7) To mark the location of the Electric Line Easement Area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantee shall make of the Electric Line Easement Area.

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

## V. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed, Reservation of Rights and Easements, and Grant of Access Rights ("**Grant Deed**") is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (c) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions of record or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor's obligations under Part 1 of the FPA and any successor statute, without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

3. Grantee agrees that it shall not plant or maintain any trees, crops, vines or other vegetation that naturally exceeds a height of ten feet (10') at maturity within the Electric Line Easement Area.

4. Grantee shall have the right to use the Electric Line Easement Area for purposes which will not interfere with Grantor's full enjoyment of the rights hereby reserved; provided that:

(a) Grantee shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction or diminish or substantially add to the ground level in the Electric Line Easement Area; and

(b) Grantee shall not deposit, or permit or allow to be deposited, earth, rubbish, debris, or any other substance or material, whether combustible or noncombustible, on the Electric Line Easement Area, or so near thereto as to constitute, in the reasonable opinion of Grantor, a hazard to any of the Electric Facilities.

## VI. MISCELLANEOUS

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

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

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Grant Deed as of \_\_\_\_\_.

PACIFIC GAS AND ELECTRIC COMPANY,  
A California corporation

By: \_\_\_\_\_  
Andrew K. Williams  
Vice President, Shared Services

ACCEPTED AND AGREED:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,  
a California public corporation

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

EXHIBIT A  
**LEGAL DESCRIPTION OF PROPERTY**

**[Follows this page]**

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

State of California )  
County of San Francisco )

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 \_\_\_\_\_

Appendix 2: Grant Deed

EXHIBIT VERSION  
1/13/22

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 \_\_\_\_\_

RECORDING REQUESTED BY	(Space above this line reserved for Recorder's use)
WHEN RECORDED MAIL TO	

Exempt from Recording Fees Pursuant to Govt. Code §6103  
 Exempt from Documentary Transfer tax pursuant to R&T §11922  
 APN: 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

**CONSERVATION EASEMENT AND VOLUNTARY  
 AGREEMENT CREATING ENFORCEABLE RESTRICTIONS IN PERPETUITY  
 (PIT RIVER – MARBLE CREEK)**

THIS DEED OF CONSERVATION EASEMENT AND VOLUNTARY AGREEMENT CREATING ENFORCEABLE RESTRICTIONS IN PERPETUITY (“Easement”), is made and entered into this \_\_\_\_\_ (the “Effective Date”), by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California public corporation (“Owner”), and SHASTA LAND TRUST, a California nonprofit public benefit corporation (“Land Trust”).

This document also sets forth certain related agreements made by Owner and Land Trust (collectively, the “Parties”), as well as certain rights granted to Sierra Nevada Conservancy.

**RECITALS**

- A. OWNER. Owner is the owner of approximately 3,244 acres of real property located in the County of Shasta, State of California. That real property is more fully described below and in the attached Exhibit A as the “Protected Property.” The Owner maintains numerous natural California habitats, located on ecologically unique lands known collectively as the University of California Center for Forestry properties (the “CFF”). The mission of Owner with respect to the CFF is to contribute to improving the understanding of how California’s forests can continue to provide protection for our major watersheds, renewable wood products, fish and wildlife habitat,

### Appendix 3: Conservation Easement

scenic and recreational opportunities and a wide array of climate benefits. This is done by utilizing CFF research forests to support university-level teaching, research, and public service. Owner also currently owns approximately 6,500 acres of research forests in El Dorado, Tulare, Nevada, and Contra Costa counties. Owner acquired such property for the purposes of practicing sustainable forestry for habitat protection for native plants and wildlife, research and teaching, and public environmental education, all under the auspices of the CFF.

- B. LAND TRUST. Shasta Land Trust is a nonprofit corporation organized and operated exclusively for charitable purposes including preservation of land for scientific, historic, educational, ecological, agricultural, scenic or open space opportunities. Land Trust is a public charity as defined in section 501(c)(3) of the Internal Revenue Code and an organization qualified to hold conservation easements under California law, possessing the commitment and primary purpose to protect the Conservation Purposes (as defined in section 1 below) of this Easement and the resources to enforce the restrictions.
- C. PACIFIC GAS AND ELECTRIC COMPANY. Immediately prior to recordation of this Easement, Pacific Gas and Electric Company, a California corporation (hereinafter “PG&E”), transferred to Owner fee title in the Protected Property in accordance with that certain Grant Deed, recorded in the Official Records of the County of Shasta (the “Grant Deed”). The form of that Grant Deed is attached hereto as Exhibit C. Conveyance of the Protected Property to Owner in accordance with the Grant Deed was made subject to (1) PG&E’s reservation of certain rights in and to the Protected Property, as set forth in the Grant Deed (hereinafter “PG&E Reserved Rights”), and (2) those legally-enforceable third-party rights to use the Protected Property in effect as of the Effective Date.
1. PG&E transferred fee title to the Protected Property to Owner in connection with PG&E’s implementation of the “Land Conservation Commitment,” defined below, provided for in the following documents and described more fully below:
    - a. That certain Settlement Agreement (“Settlement Agreement”) as modified and approved by the Public Utilities Commission of the State of California (“Commission”) in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and
    - b. That certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“Stipulation”).
  2. The Settlement Agreement and the Stipulation (collectively, “Governing Documents”) require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, “Watershed Lands”), are conserved for a broad range of beneficial public values, including protection of natural habitat of fish, wildlife and plants; preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, “Beneficial Public Values”). The Protected Property is included in these Watershed Lands. The Stipulation provides that conservation easements will preserve or enhance reasonable public access. The Governing Documents describe the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of

### Appendix 3: Conservation Easement

the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents.

3. In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including, project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission (“FERC”) license, FERC license renewal or other regulatory requirements.
  4. The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.
  5. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation (“Stewardship Council”), was created to oversee and carry out the Settlement Agreement and Stipulation. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“Land Conservation Plan” or “LCP”). The LCP includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Protected Property.
  6. 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 preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment, its mission and the above-described public policy purposes, Owner desires to grant a conservation easement over the Protected Property to Land Trust.
  7. Owner and Land Trust each desires through this Easement to ensure permanent protection of the Conservation Values (defined below), subject to the PG&E Reserved Rights and the Express Third Party Uses (as defined in section 6 below). Specifically, Owner and Land Trust desire to assure that the Conservation Values will be protected in perpetuity as provided herein, and that uses of the Protected Property that are inconsistent with these Conservation Values will be prevented or corrected.
- D. **PROTECTED PROPERTY.** The Protected Property is that real property legally described in Exhibit A and generally depicted on the “Property Map” in the attached Exhibit B. The Protected Property is also identified as Assessor’s Parcel Numbers 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002.

The Protected Property is located in Shasta County south of the community of Big Bend. The Protected Property is part of the Pit-McCloud River watershed and is bounded by private forest

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lands to the east and a checkerboard of U.S. Forest Service (USFS) lands (Shasta-Trinity National Forest), Bureau of Land Management (BLM) lands and private lands to the west.

E. CONSERVATION VALUES. The Protected Property includes the following specific Beneficial Public Values (collectively, the “Conservation Values”):

- Natural Habitat of Fish, Wildlife, and Plants:
  - A diverse range of plant, animal, fungal, and micro biotic communities exists in the ecosystems that make up the Protected Property. Habitat for these communities include a wide range of forest structures and the various ecological and anthropogenic processes that influence forest dynamics.
- Sustainable Forestry:
  - The Protected Property currently is heavily forested with Black Oak and Sierra mixed conifer forests being common on the east side of the Pit River. The Protected Property has been managed with sustainable forestry methods, in accordance with relevant state laws and regulations related to managed forests. As of 2017, two key components of the law are:
    - (a) Where feasible, the productivity of timberlands is restored, enhanced, and maintained.
    - (b) The goal of maximum sustained production of high-quality timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment, and aesthetic enjoyment.
  - The Protected Property will be managed in accordance with applicable forest practice acts and related laws.
  - As defined by the Stewardship Council in the 2007 Land Conservation Plan, sustainable forestry is the practice of managing dynamic forest ecosystems to provide ecological, economic, social, and cultural benefits for present and future generations.
- Open Space:
  - The open and natural character of the Protected Property, along with the primary uses of the Protected Property for practicing sustainable forestry, research and teaching, and public environmental education, provides for open space values throughout the Protected Property.

- Historic Values:

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- The cultural character of the Protected Property includes lands historically utilized by Native Americans, as well as by other historical users.
- Recreation:
  - The Protected Property provides opportunities for outdoor non-motorized recreation, such as hiking and birdwatching, and environmental education by the general public.

Preservation, protection, and scientific understanding of these Conservation Values is of great importance to Owner, the people of Shasta County, and the people of the State of California and will provide significant benefit to the public.

- F. CONSERVATION POLICY. Preservation and protection of the Conservation Values, and the scientific understanding and management of the Conservation Values, are consistent with and will further certain delineated governmental policies including those established by the following:
- Section 815.2 of the California Civil Code, which defines perpetual conservation easements, and sections 815 and 815.1 of the California Civil Code, which articulate the California Legislature’s declaration that land predominantly in its natural, scenic, agricultural, historical, forested or open-space condition is among the most important environmental assets of the State of California and should be preserved.

### CONVEYANCE OF CONSERVATION EASEMENT

Pursuant to the laws of the State of California, and in particular sections 815 et seq. of the California Civil Code, and in consideration of the facts recited above and the mutual covenants contained herein, Owner hereby voluntarily conveys to Land Trust a perpetual conservation easement over the Protected Property. This Easement creates a property right immediately vested in Land Trust and consists of the rights, terms, and restrictions set out below, and Land Trust agrees by accepting this grant to preserve and protect in perpetuity the Conservation Values of the Protected Property for the benefit of this generation and the generations to come.

1. CONSERVATION PURPOSES. The purposes of this Easement are as follows (collectively, “Conservation Purposes”): (a) to ensure that the Protected Property will be retained in perpetuity in its natural, scenic, forested, non-motorized recreational, or open space condition; and (b) to prevent any use of the Protected Property that will significantly impair the Conservation Values. Subject to the following terms and conditions, Owner intends that this Easement will confine uses of the Protected Property to activities that are consistent with the Conservation Purposes. 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 considering the relevant lifespan of dominant species and the relevant timeframe of natural ecological processes.

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Owner and Land Trust acknowledge that the Governing Documents reflect the intention of the parties thereto (a) to honor Express Third Party Uses and (b) to continue to permit beneficial uses of the Protected Property that preserve and/or enhance the Conservation Values. This Easement shall allow uses on the Protected Property that are consistent with protection and preservation of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more of the other Conservation Values, Owner and Land Trust understand that achieving the Conservation Purposes requires preservation and protection, on balance, of all Conservation Values existing on the Protected Property, to the extent possible. Protecting and/or enhancing one or more Conservation Values may impair another Conservation Value, but this is not meant to be a permanent occurrence, nor a reason to re-prioritize one Conservation Value over another. All attempts should be made to balance over time on a collective basis, the Conservation Values on the whole Protected Property whenever possible. This Easement prohibits use of the Protected Property for any purpose that would significantly impair the Conservation Values, taking into account the relative condition and quality of each of the Conservation Values on the Protected Property as of the Effective Date. Nothing in this Easement precludes the Owner from complying with any and all applicable laws.

2. **OWNER RESERVED RIGHTS AND PERMITTED USES.** Subject to the PG&E Reserved Rights described in section 5 herein, Owner reserves and retains all rights accruing from and associated with Owner's ownership and use of the Protected Property, including the right to engage in or permit or invite others to engage in all uses of the Protected Property that are not limited, expressly restricted or prohibited by, and are consistent with the Conservation Purposes of this Easement. Owner may not, however, exercise these rights in a manner that significantly impairs Conservation Values. Additionally, before exercising any reserved right that Owner determines in Owner's reasonable discretion exercised in good faith might significantly impair Conservation Values, Owner must seek prior approval of Land Trust in accordance with section 10.5.

Without limiting the foregoing, Owner and Land Trust agree that the following rights are expressly reserved to Owner and the following uses and practices are consistent with this Easement, subject to the provisions of section 3.

2.1 **Right to Convey.** Except as expressly prohibited herein, Owner may sell, give, lease, bequeath, devise, mortgage, otherwise encumber, or convey the Protected Property. This right to convey the Protected Property shall be subject to the following provisions:

a. **Covered Transactions.** Any lease, deed or other conveyance or any encumbrance of the Protected Property shall be subject to this Easement. Owner agrees that this Easement shall be incorporated by reference in any deed or other legal instrument by which Owner transfers any interest in all or a portion of the Protected Property or by which Owner grants to a third party a right or privilege to use the Protected Property, including, without limitation, any easement, leasehold interest, or license agreement.

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- b. Notice to New Owner. Owner shall disclose this Easement, including a copy of the recorded Easement, to all prospective buyers of the Protected Property.
- c. Notice to Land Trust. Owner will notify Land Trust of any proposed conveyance of title, or the grant of any right or privilege, to the Protected Property at least fifteen (15) days before closing. Owner will provide Land Trust with the name and address of the new owner of the Protected Property and a copy of the deed, leasehold or license transferring title within fifteen (30) days after closing.
- d. Notice of Action Affecting Easement. To the extent that Owner is aware of any claim, legal proceeding, foreclosure, or other legal action, Owner will also notify Land Trust of any proposed condemnation or any claim, legal proceeding, foreclosure or other legal action that might affect title to the Protected Property or the validity or enforceability of this Easement.
- e. Mortgage Liens Subordinate. No provision of this Easement is to be construed as impairing the ability of Owner to use the Protected Property as collateral for any loan, provided that any lien securing such loan, regardless of date, shall be subordinate to the terms of this Easement and Land Trust's rights under this Easement. Under no circumstances may Land Trust's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any lien securing such loan.

The enforceability or validity of this Easement will not be impaired or limited by any failure of Owner to comply with this section 2.1.

### 2.2. Water and Irrigation.

- a. Owner reserves and shall retain all right, title, and interest in and to all tributary and non-tributary water, all appropriative, prescriptive, contractual or other water rights, and related interests in, on, under, or appurtenant to the Protected Property for use on or for the benefit of the Protected Property in a manner consistent with this Easement and in accordance with applicable federal, state, and local laws, regulations and requirements
- b. Owner may develop groundwater wells within the Protected Property for use in connection with the activities permitted in the Easement, subject to prior written approval of Land Trust in accordance with section 10.5.

### 2.3 Temporary Structures and Improvements. Owner may conduct the following activities:

Owner may install, remove, alter, and maintain such temporary infrastructure directly related to a particular project involving ecological management practices or a particular project involving scientific research, teaching, and outreach (including, but not limited to, temporary tents, fencing, and research instruments) as may, in Owners' reasonable judgment, be necessary to conduct said project, but remaining in place for no longer a duration than that of the particular project in conjunction with which said temporary infrastructure is being used. Owner may place on the Protected Property such small instrumentation as weather stations, water gauges, or other types of equipment for long-term environmental monitoring, as well as equipment that will allow transmission and receipt of telecommunication services. Owner may place a mobile home or

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trailer or similar installation outside of the five-acre building envelope (as described in section 2.4); provided, however, that any such placement that will exceed 12 months in duration shall only be permitted with Land Trust's prior written approval as to location of a mobile home or trailer or similar installation in order to minimize the cumulative impact on Conservation Values under section 10.5.

2.4 Permanent Structures. With prior written approval of Land Trust in accordance with section 10.5, Owner may conduct the following activities:

Owner may construct, operate and manage a center, within a five-acre building envelope, location of which to be determined in the future, together with driveway access and off-site utilities and communication lines needed for the improvements within the building envelope. The building envelope will be used solely to assist the Owner to fulfill its mission for CFF research forests to support university-level teaching, research, and public service. Owner may construct, replace, repair, and maintain, within the building envelope, all reasonable and necessary buildings, structures, and associated infrastructure required in connection with Owner's development, operation, and management of the center, including office and meeting space, housing for researchers, employees and visitors, and a structure for storing equipment and machines. Before constructing any improvement(s), (i) Owner and Land Trust shall designate the exact location of the building envelope by survey or other reasonably precise method, and (ii) Owner shall record documentation in the Official Records which identifies the designated location of the building envelope.

2.5 Roads. Owner may maintain, repair, or replace existing roads on the Protected Property. Owner may upgrade the existing road system, including to prevent erosion. Any road permitted by this paragraph shall be constructed and maintained in a manner that does not significantly impair the Conservation Values.

2.6 Trails. Owner may establish and maintain unpaved and paved paths or foot trails for non-motorized recreational uses, in a manner that does not result in significant erosion. Trails may be established and maintained when directly related to forest management, forest related research, forest related education, forest related outreach, wildlife management, or outdoor recreation. Trails may be decommissioned.

2.7 Fences. Existing fences may be repaired, replaced, and removed. New fencing and gates may be constructed, maintained, improved, replaced, or removed. New and replacement fencing and gates shall be constructed in a manner that allows the passage of small animals.

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

2.9 Hazardous Fuels Management. The right to trim and cut down and clear away any and all trees, brush and vegetation, (i) which constitute a hazard to persons or property, and/or (ii) for purposes of fire management, disease or insect control or otherwise as necessary or appropriate

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for prudent land management, and/or (iii) 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.

2.10 Control of Noxious and Problem Plants and Animals. In accordance with applicable laws, the right to control or eliminate noxious weeds and non-native plant species on the Protected Property, and the right to control animals that (a) pose or threaten to pose a hazard to persons or property, or (b) threaten to significantly impair one or more of the Beneficial Public Values, or an Express Third Party Use.

2.11 Alternative Forest Management Plan. If the Protected Property is not owned in fee by a University Owner (as defined in section 3), the succeeding Owner may conduct sustainable forest management activities on the Protected Property in accordance with a Forest Management Plan that is approved by the Land Trust. The management plan shall be developed by a Registered Professional Forester and shall provide sufficient detail to describe how the Conservation Values will be maintained or enhanced. The Forest Management Plan shall describe how forest management activity will comply with the legislative mandates and California Board of Forestry and Fire Protection policy and meets the requirements of the Forest Practice Act. Any modifications or amendments to an approved Forest Management Plan shall be subject to Land Trust's prior written approval.

3. FOREST MANAGEMENT, UNIVERSITY OF CALIFORNIA OWNER. For so long as the Protected Property is owned in fee by University of California, or successor university with substantially similar mission, purpose and track record (collectively, "University Owner"), University Owner reserves the right to manage the Protected Property as a "Research Forest" as defined below, in accordance with the mission of the University of California. The intent of this section is to recognize the unique nature of the desire and capacity of the University of California to manage the Protected Property as a Research Forest, which is of public benefit to the people of California. This section does not apply to landowners other than the University Owner.

3.1 Research Forest. "Research Forest" as used herein shall mean the Protected Property used and managed in accordance with the Research Forest Plan as described below. The objective of a Research Forest is to conduct research, education, and outreach that is relevant to the understanding and management of natural resources in California and the world. University Owner may conduct a wide range of activities, including timber harvests, on the Protected Property in accordance with the Research Forest Plan, described below.

3.2 Research Forest Plan. A "Research Forest Plan" is a long-term guiding document which describes how the Research Forest will be used to facilitate research, education, and outreach. The Research Forest Plan will be developed and updated as needed, by University of California staff and/or faculty. The director(s) of the Research Forest, having expertise in forest science and/or management, shall approve the plan. A research oversight committee may be used to provide input on the plan. The Research Forest Plan will provide a general description of the overall objectives of management activities across the Research Forest and will include a land use allocation plan that describes the variety of allowable forest management activities which may be used. The

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Research Forest Plan will be made publicly available. It is desirable for the University of California to incorporate a variety of stakeholder interests when prioritizing management activity. The Land Trust shall be given an opportunity to review and comment on the Research Forest Plan prior to its implementation. Land Trust understands that research and demonstration regarding sustainable forestry practices, other resource management goals, scientific experiments, best management practices, and other forestry-related research is an important component of University Owner's management of the Protected Property as a Research Forest. The first version of the Research Forest Plan shall be developed prior to conducting forest management activities that manipulate vegetation on the Protected Property. Subsequent versions will be developed at the University Owner's determination. The Land Trust shall be given one month to review and comment on the initial and subsequent versions of the Research Forest Plan.

3.3 Timber Operations. "Timber Operations," as defined in the California Forest Practice Rules, may be conducted by the University Owner in accordance with applicable laws and regulations. Timber harvest activity will, in general, be guided by the Research Forest Plan described above. Timber harvest planning documents that are required by regulatory agencies are expected to be more specific than the Research Forest Plan, which is a long-term guiding document. Timber Operations that require a permit may be subject to public and agency review. Permits shall be made publicly available as required by regulation. Permit exemptions and experimental forestland designations that are available to other private landowners in California may also be available to the University Owner. Timber Operations may provide revenue to the University Owner in order to support forest research, education, and outreach on Research Forests.

3.4 Forest Management Goals. University Owner and Land Trust intend that any timber harvesting activities conducted on the Protected Property in accordance with this Easement will maintain healthy forest stands, protect important riparian resources, manage for sustainable stands of native tree species historically present on the landscape, encourage regeneration of oak trees where applicable, improve resilience with respect to drought and pests, address infestation of insects or disease which threatens the viability of the forest, the build-up of fuel to reduce risks of catastrophic fire, enhance climate benefits through carbon sequestration and storage, establish and maintain a full and balanced range of stand ages and characteristics, allowed to move across the landscape over time, including early-seral, mid-seral and late-seral forest conditions, provide adequate amounts of snags and cavity trees, provide adequate amounts of downed woody debris, manage for edge effects, and maintain and enhance vegetation types and structural elements across the landscape that support fish and wildlife habitats for native species (collectively, the "Forest Management Goals"). The Forest Management Goals shall be accomplished by complying with the California Forest Practice Act, and Rules thereunder or any successor law (collectively, "Forest Practice Act") and the provisions set forth in this section.

3.5 Forest Management Rights. In order to facilitate operation as a Research Forest, the University Owner retains all rights to conduct management activities in accordance with applicable regulations. Activities include, but are not limited to, prescribed burning, pre-commercial thinning, herbicide application, mastication, mowing, planting, pruning, tilling, exotic species management, collection of non-timber forest products, road construction, road maintenance, and reconstruction, road decommissioning, and fuel manipulations.

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3.6 Notifications between University Owner and Land Trust. Recognizing that data about the Protected Property may be of mutual interest, it is the intent that monitoring information be shared between the University Owner and Land Trust. In addition to the notifications regarding the Research Forest Plan described above, the University Owner will make available monitoring data, if existing, when requested by the Land Trust and in the format used by University Owner. This includes information on existing forest structure and composition, which has traditionally been collected on Research Forest land in order to document changes and to guide management decisions. University Owner will provide such monitoring data within 60 days of receiving written request from Land Trust.

3.7 Access Management Rights. University Owner may restrict and condition the access described in section 7 as University Owner deems reasonably necessary to protect the mission and objectives of the Research Forest. Restrictions and conditions shall be lifted once access related impacts on research, education, and outreach have been resolved. Restrictions and conditions may include, but are not limited to, seasonal closures, temporary closures, group size limits, and pet restrictions. Access policies shall be described in the Research Forest Plan.

4. RESTRICTIONS. Except as specifically permitted in sections 2 and 3, any activity or improvement on or use of the Protected Property that is inconsistent with the Conservation Purposes is prohibited, including, without limitation, the following:

4.1 Industrial Activity. No industrial use of the Protected Property is allowed. Research activity related to an industrial activity may be allowed, in accordance with section 2 and section 3.

4.2 Commercial Activity. There shall be no commercial use of, or activity on, the Protected Property not directly related to forest management, forest related research, forest related education, forest related outreach, wildlife management, or outdoor recreation. As used in this Easement, the term “commercial” shall mean any use or activity that involves the exchange of cash, goods or services, barter, forgiveness of indebtedness, or any other remuneration in exchange for goods, services, lodging, meals, entertainment in any form, or the right to occupy space over a period of time.

4.3 Residential Use and Development. No residential use or development of the Protected Property is allowed, except as allowed for facilitating research, outreach, and education as described in section 2 and section 3.

4.4 Subdivision. The Protected Property is currently comprised of multiple legal parcels, all owned by Owner. Owner shall maintain all the parcels comprising the Protected Property, and all interests therein, under common ownership, as though a single legal parcel.

The general prohibition set out above does not prohibit legal division of the Protected Property into separate parcels to accommodate uses and activities specifically permitted by this Easement, provided that any division of the Protected Property under this section requires that the Protected Property remains in single ownership. Owner will provide 60 days prior written notice to Land Trust reasonably setting forth the details of Owner’s intended division in accordance with section 10.5(b) below.

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Except as expressly provided in the preceding paragraph, there shall be no legal or de-facto subdivision of the Protected Property, including through the granting of certificates of compliance; provided, however, that boundary line adjustments to clarify boundary lines with adjacent landowners arising from the lack of clarity with the current legal description of the Protected Property as reasonably determined by a surveyor and title company shall be permitted, subject to the Land Trust's prior written approval of the proposed boundary adjustment, which approval shall not be unreasonably withheld.

4.5 Development Rights. No portion of the Protected Property may be used to satisfy land area requirements for other property not subject to this Easement to calculate building density, lot coverage, open space, or natural resource use or extraction under otherwise applicable laws, regulations, or ordinances controlling land use. Development rights that have been encumbered or extinguished by this Easement may not be transferred to any other property or used to obtain any regulatory mitigation credits. All development rights not expressly preserved in this Easement are wholly transferred to Land Trust and entirely extinguished. This Easement shall not create any development rights.

4.6 Structures and Improvements. Except as explicitly allowed in this Easement, or in section 2, no temporary or permanent buildings, structures, utilities, roads or other improvements of any kind may be placed or constructed on the Protected Property.

4.7 Signs. No commercial signs, billboards, awnings, or advertisements shall be displayed or placed on the Protected Property except as allowed in section 2.8 above or as proposed by Land Trust or the Stewardship Council which shall be subject to prior approval by Owner, which approval shall not be unreasonably withheld.

4.8 Trails. Except as explicitly allowed in this Easement, or in section 2, trails may not be paved, or otherwise be covered with concrete, asphalt, or any other paving material, unless specifically required by law.

4.9 Fences. Fences may not be located or constructed in a manner that significantly impairs Conservation Values.

4.10 Dumping. No trash, non-compostable garbage, debris, unserviceable vehicles or equipment, junk, other unsightly materials or hazardous or toxic substances may be dumped or accumulated on the Protected Property. Temporary placement of building materials, debris or refuse containers ("Temporary Items") is permitted if incidental to activities and construction permitted by this Easement, provided Temporary Items are removed within a reasonable period of time.

4.11 Mining and Extraction. No mining, drilling, exploration for, or extraction of minerals, hydrocarbons, petroleum, oil, gas, steam, rocks, sand, gravel, soils or other materials on or below the surface of the Protected Property is permitted. No sale of surface or subsurface minerals or mineral rights, including gravel, sand, rock or soils from the Protected Property is permitted.

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4.12 Topography and Surface Alteration. Except as permitted in sections 2 and 3, or as necessary in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Conservation Values, no alteration or change in the topography or the surface of the Protected Property is allowed, including no ditching, draining, amendment, or filling and no excavation or removal of soil or other material.

4.13 Water. Subject to the PG&E Reserved Rights, the Protected Property includes all water and water rights, ditches and ditch rights, springs and spring rights, reservoir and storage rights, wells and groundwater rights, creeks and riparian rights and other rights in and to the use of water historically used on or otherwise appurtenant to the Protected Property. Owner shall not separately transfer, encumber, sell, lease or otherwise separate any water rights associated with the Protected Property held by Owner, nor any permits, licenses or contracts related to water rights on the Protected Property held by Owner, or change authorized or historic use of water rights without approval of Land Trust in accordance with section 10.5. Owner shall not abandon or allow the abandonment of, by action or inaction, any water rights on the Protected Property held by Owner or such permits, licenses or contracts without approval of Land Trust in accordance with section 10.5.

4.14 Vehicles. Limited off-road use of motorized vehicles is allowed only in conjunction with habitat or wildlife management, forest-related research, restoration, or enhancement. This provision is not intended to otherwise limit the use of motorized vehicles on roads or driveways permitted under this Easement or in conjunction with construction and maintenance of permitted buildings, structures, roads, trails and other improvements. Notwithstanding the foregoing, in the event of an emergency, the Owner may utilize motorized vehicles off-road if reasonably necessary for human or animal safety or care or to prevent material damage to the Protected Property or adjacent property.

5. PG&E RESERVED RIGHTS. All rights and obligations of Owner and Land Trust under this Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. If PG&E notifies Owner of its intention to any exercise of the PG&E Reserved Rights, Owner shall give written notice to Land Trust of said intention within thirty (30) days of the Owners receipt of such notification.

6. EXPRESS THIRD PARTY USES. Exhibit D hereto sets forth existing third party uses of the Protected Property that have been permitted with express agreement of Owner (“Express Third Party Uses”). Owner 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 Owner’s obligations with respect to the Express Third Party Uses, subject to the following conditions:

6.1 Increases in Intensity or Expansion of Location or Size or Change in Use. Any material (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 Owner determines in Owner’s reasonable discretion exercised in good faith are

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likely to significantly impair Conservation Values shall be subject to prior approval of Land Trust under section 10.5.

6.2 Renewal or Replacement of Third Party Use Agreements. All Third Party Use Agreements existing on the date hereof are identified on Exhibit D. As Third Party Use Agreements are renewed or replaced (either with the existing user or a new user), Owner, in consultation with Land Trust, shall include contractual provisions to bring the continuation of the Express Third Party Use and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

6.3 Enforcement of Third Party Use Agreements. If Owner or Land Trust discovers any default under a Third Party Use Agreement that significantly impairs the Conservation Values (and whoever makes such discovery shall give the other written notice thereof), Owner shall use reasonable efforts to enforce or otherwise remedy such violation including discontinuation of such use, at Owner's sole expense.

7. INFORMAL USES AND PUBLIC ACCESS. Owner and Land Trust recognize that the Protected Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities, ("Informal Uses"). Owner and Land Trust further recognize that access to the Protected Property is inherent, or may be inherent, in enjoyment of the Conservation Values and Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Owner shall allow public access to the Protected Property that is substantially consistent with public access existing on the Effective Date of the Easement. Owner reserves the right to make reasonable rules and regulations to control, limit, or, as necessary, exclude Informal Uses and public access. Owner shall not allow Informal Uses that significantly impair the Conservation Values.

7.1 New or Increased Public Access. New public access or informal uses or expansion of public access or informal uses on the Protected Property initiated by or expressly permitted by Owner shall require Land Trust's advance prior written approval under section 10.5, which approval shall not be unreasonably withheld.

7.2 Limits on Liability. Owner and Land Trust claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

7.3 Periodic Review of Informal Uses. As part of Land Trust's annual compliance monitoring, Owner and Land Trust shall (i) consult on known Informal Uses and public access on the Protected Property for the purpose of Land Trust's assessment of Owner's compliance with section 7; and (ii) develop recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure preservation of the Conservation Values.

8. LAND TRUST'S RIGHTS AND REMEDIES. To carry out the Conservation Purposes of this Easement, the rights conveyed herein to Land Trust are as follows:

## Appendix 3: Conservation Easement

8.1 Right to Enter. Land Trust has the right to enter the Protected Property at reasonable times and in a reasonable manner to undertake the activities set forth below. To ensure watershed values are protected, the Land Trust shall notify the Owner two weeks prior to entry, and shall abide by Owner's seasonal road closures to motorized vehicles during winter periods or other reasonable protective conditions established by Owner.

- a. To inspect the Protected Property and to monitor and document compliance with this Easement, including taking photographs, GPS readings, and other nondestructive measurements and tests.
- b. To obtain evidence for use in seeking enforcement of this Easement.
- c. To survey or otherwise mark the boundaries of all or part of the Protected Property if necessary to determine whether there has been a violation of this Easement.
- d. To interpret this Easement, apply this Easement to factual conditions on or about the Protected Property, respond to requests for information from persons having an interest in this Easement or the Protected Property, and apply this Easement to changes occurring or proposed within the Protected Property.
- e. To exercise such additional rights as may be reasonably necessary to effectuate the Conservation Purposes of this Easement.

8.2 Access. Owner assigns to Land Trust the right to use any right of way, easement, entry or approach to the Protected Property that Owner is entitled to use now or in the future to exercise the rights granted to Land Trust in this section 8. Owner shall execute any additional documents as may be necessary to evidence this assignment.

8.3 Right of Enforcement. Land Trust has the right in perpetuity to prevent or remedy any activity on or use of the Protected Property that violates this Easement through appropriate judicial action, or through other methods of dispute resolution, against Owner or other responsible party.

- a. Notice of Violation or Potential Violation. Land Trust may not initiate judicial action until Owner or other responsible party has been given written notice of the alleged, potential or threatened violation, of this Easement and sixty (60) days to remedy said alleged, potential or threatened violation. If Land Trust, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant impairment to the Conservation Values of the Protected Property, Land Trust may pursue its remedies hereunder for injunctive or other expedited relief without prior notice to Owner.
- b. Remedies. In enforcing this Easement, Land Trust shall have the right to exercise whatever remedies are available at law or in equity including without limitation:

1. Obtain temporary or permanent injunctive relief for any violation or threatened violation of this Easement.

### Appendix 3: Conservation Easement

2. Require restoration of the Protected Property to its condition prior to the violation at Owner's sole cost and expense.
3. Obtain specific performance or declaratory relief.
4. Recover damages resulting from a violation of this Easement or harm to the Conservation Values.
5. Recover other and additional relief in equity or at law as the court orders.

These remedies are cumulative and are available without proof of actual damage to the Conservation Values. Land Trust may exercise any other right or remedy that may at any time be available to Land Trust under this Easement or applicable law. If Land Trust exercises one remedy, Land Trust may nevertheless exercise any one or more other rights or remedies available to Land Trust at the same time or at any other time.

Land Trust and Owner agree that damages created by a violation of this Easement may be determined in at least some cases by calculating the cost of acquiring a conservation easement over similar property. Land Trust and Owner also recognize that restoration, regardless of cost, may be the only adequate remedy for certain violations.

Land Trust is entitled to seek expedited relief, ex parte if necessary, and shall not be required to post any bond applicable to a petition for such relief.

c. Costs of Enforcement. Should proceedings be brought to enforce or interpret any of the terms of this Easement, the prevailing party in any such proceedings shall be entitled to recover from the non-prevailing party its costs, including reasonable attorney's fees.

d. Enforcement Decisions. Enforcement of this Easement is solely at the discretion of Land Trust. Forbearance in enforcing any violation of the covenants hereunder shall not destroy the covenant and shall not constitute or be construed as a waiver by Land Trust of its rights hereunder in the event of any subsequent violation of the same or another covenant. Enforcement of the terms and provisions of this Easement shall be at the discretion of Land Trust, and the failure of Land Trust to discover a violation or to take action hereunder shall not be deemed or construed to be a waiver of Land Trust's rights hereunder in the event of any subsequent breach of the same or any other term of this Easement or of any of Land Trust's rights under the same. No delay or omission by Land Trust in the exercise of any right or remedy upon any breach by Owner shall impair such right or remedy or be construed as a waiver. Owner hereby waives any defense of laches, estoppel, or prescription.

e. Acts Beyond Owner's Control. Land Trust may not bring an action against Owner, nor require restoration, for any change to the Protected Property resulting from any of the following:

1. Causes beyond Owner's control such as changes caused by fire, flood, storm, natural deterioration or the unauthorized acts of third parties; provided, that Owner shall take all reasonable actions consistent with those undertaken by a prudent landowner to prevent unauthorized acts by third parties that could significantly impair the Conservation Values.

## Appendix 3: Conservation Easement

2. Reasonable actions taken in good faith under emergency conditions to prevent or mitigate damage resulting from such causes.

Actions by Owner's lessees, agents, employees or contractors are not considered unauthorized acts of third parties.

This section does not preclude Owner or Land Trust from recovering damages or bringing an action against any third party for trespass or other violation of their respective rights.

f. Enforcement Rights of Others. Nothing in this Easement is intended to create any right to enforce this Easement in any third party where no such right otherwise exists under this Easement or under law.

g. Limitation on Rights. Nothing in this Easement gives Land Trust the right or responsibility to exercise physical control over day-to-day operations on the Protected Property or to become involved in management decisions involving use or disposal of hazardous substances or to otherwise become an operator of the Protected Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act, or other similar or successor federal, state, or local laws regarding responsibility for environmental conditions associated with contamination ("Environmental Compliance Laws"). Owner and Land Trust do not intend this Easement to be, and this Easement shall not be, construed such that it creates in or gives to Land Trust any of the following:

1. The obligations or liabilities of an "owner" or "operator," as those terms are defined and used in Environmental Compliance Laws;
2. The obligations or liabilities of a person described in 42 U.S.C. §9607(a)(3) or (4);
3. The obligations of a responsible person under any Environmental Compliance Laws;
4. Any right to investigate, control, monitor or remediate any hazardous materials associated with the Protected Property;
5. Any authority to specify the chemicals or hazardous substances that may be used on the Protected Property, or
6. Any control over Owner's ability to investigate, remove, remediate or otherwise clean up any hazardous materials associated with the Protected Property.

9. **BASELINE DOCUMENTATION REPORT.** The current uses of the Protected Property, the state of any existing improvements, and the specific Conservation Values that are briefly described in this Easement are more fully described in a baseline documentation report dated \_\_\_\_\_ and on file at the office of Land Trust and incorporated herein by this reference ("Baseline Documentation Report"). Owner and Land Trust acknowledge that this Baseline Documentation Report prepared by Land Trust with assistance from Owner and signed

## Appendix 3: Conservation Easement

by both accurately represents the condition of the Protected Property as of the Effective Date and may be used by Land Trust in monitoring present and future uses of the Protected Property, in documenting compliance with this Easement, in interpreting impacts to Conservation Values, and in any enforcement proceeding. This Baseline Documentation Report, however, is not intended to preclude the use of other information and evidence to document the then or present condition of the Protected Property in the event of a future controversy.

### 10. GENERAL PROVISIONS.

10.1 Assignment. This Easement may only be assigned or transferred to a private nonprofit organization that, at the time of transfer, is (1) qualified to hold conservation easements pursuant to section 815.3(a) of the California Civil Code, (2) experienced in holding and monitoring conservation easements on properties similar to the Protected Property, and (3) willing and financially able to assume all the responsibilities imposed on Land Trust under this Easement. If no such private nonprofit organization exists or is willing to assume the responsibilities imposed by this Easement, then this Easement may be transferred to any public agency authorized to hold interests in real property as provided in section 815.3(b) of the California Civil Code. All transfers shall be duly recorded. Land Trust will notify Owner of any assignment within thirty (30) days after the assignment and will provide Owner with the name and address of the new holder.

a. Voluntary Assignment. Before assigning its interest under this Easement, Land Trust shall provide Owner and the Sierra Nevada Conservancy or its successor (“SNC”) with written notice of such intention to transfer (“Transfer Notice”). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria in this section. Land Trust shall allow Owner and SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria in this section 10.1. If Owner or SNC does not approve the proposed assignee, Owner or SNC, respectively, shall provide Land Trust with the reasons behind such decision.

b. Involuntary Assignment. If Land Trust ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with Owner, select an assignee that meets all the designation criteria specified in section 10.1 above. If SNC is unable to identify an assignee that meets all the designation criteria specified in section 10.1 above that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of Land Trust hereunder during any period that a successor assignee for such Land Trust is not yet in place.

c. Conditions of Assignment. As conditions to any assignment of this Easement, Land Trust and/or the SNC shall (1) require the assignee to expressly agree in writing to assume Land Trust’s obligations hereunder in perpetuity; and (2) ensure that assignee has the resources to fulfill its obligations under the Easement.

d. Successor to SNC. Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section 10.1 to

## Appendix 3: Conservation Easement

another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

10.2 Amendment. Under appropriate limited circumstances, this Easement may be amended by Land Trust and Owner; provided that no amendment shall be allowed that (a) is inconsistent with the Conservation Purposes; (b) would significantly impair the Conservation Values; (c) affects the perpetual duration of the Easement; (d) affects the validity of this Easement under California law or the status of Land Trust under section 501(c)(3) of the Internal Revenue Code or successor or related law; or (e) creates or results in impermissible private benefit or private inurement as prohibited by section 501(c)(3) of the Internal Revenue Code. Any amendment or modification must be in writing, signed by Land Trust and Owner, and recorded in the same manner as this Easement.

10.3 Termination. This Easement shall be of perpetual duration, it being the express intent of Owner and Land Trust that this Easement not be extinguished by, or merged into, any other interest or estate in the Protected Property now or hereafter held by Land Trust or any other party. This Easement may be terminated or extinguished in whole or in part only as set out in this section and through appropriate legal proceeding in a court of competent jurisdiction. Owner and Land Trust are committed to protecting and preserving the Conservation Values in perpetuity. Accordingly, this Easement is binding upon the University Owner and all future Owners of the Protected Property and conveys to Land Trust the right, duty and obligation to protect and preserve the Conservation Values to benefit this generation and generations to come. If one or more Conservation Values of this Easement may no longer be protected, that inability shall not be sufficient cause to terminate the entire Easement as long as any of the Conservation Values can be protected.

a. Change of Circumstances. This Easement may be terminated or extinguished if circumstances arise in the future that render the purpose of the Easement impossible to accomplish. In this event, this Easement may be extinguished only through judicial proceedings. Inability to carry on any or all of the permitted uses, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

b. Condemnation. This Easement may be terminated or extinguished pursuant to the proper exercise of the power of eminent domain. If this Easement is taken, in whole or in part, by exercise of the power of eminent domain, Land Trust shall be entitled to compensation in accordance with applicable law. Owner and Land Trust shall act jointly to recover the full value of their interests in the Protected Property subject to the taking or in-lieu purchase and all direct and incidental damages resulting therefrom. All expenses reasonably incurred by Owner and Land Trust in connection with the taking or in-lieu purchase shall be paid out of the amount recovered. Land Trust's share of the balance of the amount recovered shall be determined in accordance with section 10.3(c).

c. Proceeds upon Termination. This Easement constitutes a real property interest immediately vested in Land Trust. If the Protected Property is taken, in whole or in part, by exercise of the power of eminent domain, or is otherwise terminated, Land Trust shall be entitled

### Appendix 3: Conservation Easement

to compensation in accordance with applicable law for the value of the Easement taken, and Owner shall be entitled to compensation in accordance with applicable law for the value of the underlying fee title taken, subject to the Easement. Land Trust shall use all proceeds received as an award in a condemnation proceeding for a taking of the Easement in a manner consistent with the Conservation Purposes, or if the entire Easement is condemned, then Land Trust shall use the proceeds in connection with the stewardship of other conservation easements or fee title lands held by Land Trust.

10.4 Ownership Responsibilities, Costs and Liabilities. Owner retains all responsibilities and shall bear all costs and liabilities of any kind related to the use, ownership, and maintenance of the Protected Property. Land Trust shall have no obligation for the upkeep or maintenance of the Protected Property.

a. Taxes. Owner shall pay all applicable real estate taxes and assessments levied against the Protected Property, including any levied against the interest of Land Trust created by this Easement. Land Trust may, at its discretion, pay any outstanding taxes or assessments and shall then be entitled to reimbursement from Owner. The parties recognize that the initial Owner, The Regents Of The University Of California, is constitutionally exempt from paying property taxes.

b. Regulatory Compliance. All activities or construction permitted by this Easement shall be undertaken in accordance with applicable federal, state and local laws, regulations and ordinances, and nothing in this Easement shall be construed to exempt the Protected Property or Owner from otherwise applicable law. Owner is solely responsible for obtaining any required governmental permits.

c. Insurance and Indemnification by Owner. Notwithstanding any other provision herein to the contrary, Owner hereby agrees to indemnify, defend, and hold harmless Land Trust, its members, directors, officers, employees, volunteers, agents, and contractors and their heirs, successors and assigns (the "Indemnified Parties") from and against any costs, liabilities, penalties, damages, claims or expenses (including reasonable attorney's fees) and litigation costs which the Indemnified Parties may suffer or incur as a result of or arising out of: (a) the activities of Owner or Owner's officers, agents, employees, students, invitees, and guests on the Protected Property, (b) any representation or warranty made by Owner being untrue, or (c) any breach of this Easement by Owner. Land Trust shall not be liable to Owner for, and Owner hereby releases Land Trust from and waives any such liability for any bodily injury, death or property damage, in or about the Protected Property from any cause whatsoever other than those caused by the negligent acts of the Land Trust. From and after the date of a transfer of Owner's interest under this Easement, the successor Owner shall maintain in full force and effect, at its sole cost and expense, commercial general liability insurance, with a minimum combined single limit of liability of \$2,000,000.00, and Workers' Compensation and related insurance as required by applicable law. Land Trust shall be named as an additional insured on successor Owner's liability policy. Any deductible on successor Owner's insurance, and the carriers issuing successor Owner's insurance, shall be subject to Land Trust's reasonable approval. Successor Owner's liability insurance shall include a contractual liability endorsement expressly covering Successor Owner's indemnity obligations set forth in this section 10.4(c). Successor Owner's insurance policies shall expressly provide that they may not be canceled, reduced or amended

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until at least twenty (20) days' prior written notice is given to Land Trust.

d. Future Environmental Condition. Owner is solely responsible for Owner's use or release on the Protected Property of any hazardous or toxic substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act, or other similar or successor federal, state or local law or regulation regarding responsibility for environmental conditions associated with contamination. Owner shall take all steps necessary to assure any needed containment or remediation resulting from any release of such substance.

10.5 Notice and Approval. Any notice or request for approval required by this Easement must be in writing and is subject to the following.

a. Approval Writing. No activity requiring prior approval of Land Trust may proceed without Land Trust's written approval as set out in this section. Approval of Land Trust must be in writing to be effective. Failure of Owner to receive written approval from Land Trust constitutes denial of the request.

b. Timing and Contents of Notice. Except as otherwise provided herein, whenever notice is required, Owner shall notify Land Trust in writing not less than (60) days prior to the date Owner intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable and any other material aspect of the proposed activity in sufficient detail to permit Land Trust to make any informed judgment as to its consistency with this Easement. At a minimum, the notice should include:

1. The location, nature, scope and timetable of the proposed activity.
2. The proposed use, design, and location of any building, structure or improvement.
3. The plan for any needed restoration of the Protected Property following the approved activity.
4. Any potential impact on the Conservation Values.

c. Delivery. Any required notice or request for approval must be delivered personally or sent by first class mail or other nationally recognized delivery service to the appropriate party at the following addresses (or other address specified in writing):

To Owner:

The Regents of the University of California  
Office of the President  
c/o Real Estate Services & Strategies  
1111 Franklin St., 6<sup>th</sup> Floor  
Oakland, CA 94607-5200

And also:

Center for Forestry & Center for Fire Research and Outreach  
Attn: William Stewart, Forestry Specialist

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University of California at Berkeley  
130 Mulford Hall, MC #3114  
Berkeley, CA 94720-3114

To Land Trust:

Executive Director  
Shasta Land Trust  
PO Box 992026  
Redding, CA 96099-2026

To Sierra Nevada Conservancy (as relates to section 10.1):

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

When personally delivered, notice is effective upon delivery. When mailed, certified mail, postage prepaid, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt. When delivered by an overnight delivery service, notice is effective on delivery, if delivery is confirmed by the delivery service. A recipient cannot defeat delivery by refusing to accept the notice, and notice is deemed delivered if refused.

If Protected Property is owned by a trust, business entity or any common or jointly held ownership, Owner shall designate a representative authorized to receive notice on behalf of Owner and provide Land Trust with the name and address of the designated representative. Owner shall notify Land Trust of any change in the address for notices or in the designated representative and shall provide Land Trust with the new name, address and/or other changed contact information within fifteen (15) days after the change.

d. Approval Decisions. Land Trust may approve Owner's request only if Land Trust determines, in its reasonable discretion, that all the following conditions are met:

1. The notice conforms with section 10.5(a) through (c).
2. The proposed activity enhances or will not significantly impair the Conservation Values.
3. The proposed activity is not inconsistent with the Conservation Purpose.

Land Trust may condition its approval on Owner's acceptance of modifications that would, in Land Trust's reasonable judgment, make the proposed activity consistent with the Easement or otherwise meet the above conditions. Land Trust's approval shall not be unreasonably withheld. Land Trust's approval shall be (a) revocable at Land Trust's reasonable discretion, (b) limited in duration, and (c) specific to the individuals or entities who have requested approval to engage in the activity.

## Appendix 3: Conservation Easement

e. Nothing in this instrument shall require Land Trust to approve any activity that is prohibited by this Easement, would result in the amendment or termination of this Easement under state or federal law or is otherwise prohibited by law.

10.6 Binding Effect; Successors. This Easement creates a property right immediately vested in Land Trust that cannot be terminated or extinguished except as set out herein.

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 personal representatives, heirs, successors, and assigns in perpetuity.

If at any time Land Trust or other holder of this Easement becomes the owner of all or a portion of the fee interest in the Protected Property, this Easement shall not be deemed to merge with the underlying fee interest but shall remain in force and effect unless otherwise terminated or extinguished as set out herein.

10.7 Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer or termination of that party's interest in this Easement or the Protected Property, provided, however, that any liability for acts or omissions occurring prior to the transfer or termination will survive that transfer or termination.

10.8 Recording. Land Trust will record this Easement in a timely manner in the official records for the county in which the Protected Property is located. Land Trust may re-record this Easement or other documents necessary to protect its rights under this Easement or to assure the perpetual enforceability of this Easement.

10.9 Interpretation. This Easement shall be interpreted as follows:

a. Controlling Law and Construction. This Easement shall be governed by the laws of the State of California and construed to resolve any ambiguities or questions of validity of specific provisions in favor of giving maximum effect to its Conservation Purposes and to the policies and purposes of California Civil Code sections 815 et seq. and other California and federal law. If any provision in this instrument is found to be ambiguous, an interpretation consistent with this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. Owner and Land Trust and their counsel have reviewed and revised this Easement and agree that no rule of construction that ambiguities are to be resolved against drafting party shall be employed in the interpretation of this Easement.

b. Severability. A determination that any provision or specific application of this Easement is invalid shall not affect the validity of the remaining provisions or any future application.

c. Captions. Captions have been inserted in this document solely for convenience of reference and shall have no effect upon interpretation or construction.

d. Future Economic Condition. A change in the potential economic value of any use that is prohibited by or inconsistent with this Easement, or a change in any current or future uses of neighboring properties, shall not constitute a change in conditions that makes it impossible or

### Appendix 3: Conservation Easement

impractical to continue use of the Protected Property for its Conservation Purposes and shall not constitute grounds for terminating the Easement. Owner and Land Trust agree that any such changes will increase the benefit to the public of the continuation of this Easement. Both Owner and Land Trust intend that any such changes shall not be deemed to be circumstances justifying termination or extinguishment of this Easement. In addition, inability to carry on any or all of the permitted uses, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

e. Exhibits. The following exhibits are attached hereto and incorporated herein by this reference:

<u>Exhibit A</u>	Legal Description
<u>Exhibit B</u>	Property Map
<u>Exhibit C</u>	Grant Deed
<u>Exhibit D</u>	Express Third-Party Uses And Third Party Use Agreements

10.10 Additional Documents. Owner agrees to execute or provide any additional documents reasonably needed by Land Trust to carry out in perpetuity the provisions and intent of this Easement, including any documents needed to correct any error or mutual mistake, legal description or title matter or to comply with any law or regulation.

10.11 Entire Agreement. This document sets forth the entire agreement of the Owner and Land Trust with respect to this Easement and supersedes all prior discussions or understandings.

10.12 Counterparts. This Easement may be completed in counterparts with the signatures of the Owner and Land Trust to this Easement executed and notarized on separate pages which when attached to this document shall constitute one complete document.

10.13 Significance of Recitals and Terms. The Recitals to this Easement are integral and operative provisions of this Easement. In all matters of interpretation, whenever necessary to give effect to any clause of this Easement, the neuter or gender-specific pronouns include the masculine and feminine, the singular includes the plural, and the plural includes the singular.

10.14 Representation by Counsel. Owner and Land Trust each have been represented by legal counsel of their choosing in the negotiation and preparation of this Easement.

10.15 No Representation of Benefits. Owner acknowledges that neither Land Trust nor any of its employees or agents has made any representation or warranty concerning valuation of the property or the Easement, or the tax consequences of this transaction. Owner represents and warrants that (i) Owner has not relied upon any information furnished by Land Trust as to the availability or effect of any benefit to Owner or the value of this Easement or the Protected Property; (ii) Owner has relied solely upon personal judgment and/or professional advice furnished by professionals engaged by Owner.

10.16 Authority to Sign. Each individual executing this Easement on behalf of Owner or Land Trust represents and warrants to the other Party that the execution and delivery of this Easement and all related documents have been duly authorized by the Party for which the individual is

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signing and that the individual has the legal capacity to execute and deliver this Easement and thereby to bind the Party for which the individual is signing.

10.17 Reasonableness Standard. Except when a provision expressly provides for a party’s “sole discretion,” Owner and Land Trust shall follow a reasonableness standard, shall use their best efforts to make any determinations that are necessary or are contemplated to be made by them (either separately or jointly) under this Easement in a timely manner, shall cooperate with one another, and shall take all other reasonable action suitable to these ends.

10.18 No Oral Approval. Owner understands that any oral approval or oral representation made by a Land Trust officer, employee or agent does not meet the requirements of this Easement, does not otherwise bind or commit Land Trust, and may not be relied on by Owner. Owner agrees that no oral approval or oral representation made by Land Trust’s officers, employees or agents, or understood by Owner to have been made by Land Trust, its officers, employees or agents, shall be used by Owner to assert that Land Trust is, in any way, estopped or has made an election or has waived any provision of this Easement.

To Have and To Hold, this Conservation Easement And Voluntary Agreement Creating Enforceable Restrictions In Perpetuity unto the Grantee, its successors and assigns, forever.

In Witness Whereof, the Landowner and the Grantee, intending to legally bind themselves, have set their hands on the date first written above.

OWNER:  
THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA,  
a California public corporation

LAND TRUST:  
SHASTA LAND TRUST, a  
California nonprofit public benefit  
corporation

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

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

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

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

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

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

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

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

*The remainder of this page has been intentionally left blank.*



**ACKNOWLEDGMENT**

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, \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

(Seal)

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROPERTY**  
**[to be attached]**

**EXHIBIT B**  
**PROPERTY MAP**  
**[to be attached]**

**EXHIBIT C  
GRANT DEED  
[to be attached]**

**EXHIBIT D**  
**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

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

- a.** AN EASEMENT FOR BIG BEND ROAD OVER SAID LAND TO EXCAVATE, INSTALL, CONSTRUCT, RECONSTRUCT, REPAIR, REPLACE, MAINTAIN AND USE ROAD IMPROVEMENTS, TOGETHER WITH ASSOCIATED GRADING, SUPPORT AND LANDSCAPING, AS GRANTED TO COUNTY OF SHASTA, **add recording information.**
- b.** AN EASEMENT OVER SAID LAND FOR COMMUNICATION FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO CITIZENS UTILITIES COMPANY OF CALIFORNIA, IN DEED RECORDED JULY 24, 1985, IN BOOK 2165 PAGE 143, OFFICIAL RECORDS.
- c.** AN EASEMENT OVER SAID LAND FOR EXTRA HIGH VOLTAGE TRANSMISSION LINE AND INCIDENTAL PURPOSES, AS GRANTED TO TRANSMISSION AGENCY OF NORTHERN CALIFORNIA, A PUBLIC AGENCY, IN DEED RECORDED MAY 31, 1990, IN BOOK 2603 PAGE 670, OFFICIAL RECORDS.
- d.** AN EASEMENT OVER SAID LAND TO CONSTRUCT, RECONSTRUCT, MAINTAIN AND USE THE EXISTING ROAD AND INCIDENTAL PURPOSES, AS GRANTED TO MEGA RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP, IN DEED RECORDED JULY 11, 1990, IN BOOK 2617 PAGE 451, OFFICIAL RECORDS. (PG&E#: 2436-01-0202)
- e.** AN EASEMENT OVER SAID LAND TO CONSTRUCT, RECONSTRUCT, MAINTAIN AND USE THE EXISTING ROAD AND INCIDENTAL PURPOSES, AS GRANTED TO ALAN NANNINI, AS TRUSTEE OF THE PRIMARY FAMILY TRUST CREATED IN 1981, IN DEED RECORDED DECEMBER 10, 1990, IN BOOK 2669 PAGE 110 AND RE-RECORDED JANUARY 24, 1991, IN BOOK 2682 PAGE 581, OFFICIAL RECORDS.
- f.** THE TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN UNRECORDED "MASTER SPECIAL USE AGREEMENT" EXECUTED BY AND BETWEEN UNITED STATES DEPARTMENT OF AGRICULTURE AND PACIFIC GAS AND ELECTRIC COMPANY ISSUED F.P.C. LICENSE NO. 233.



**Conservation Easement Funding Agreement  
Pit River Planning Unit  
Lands Donated to University of California Center for Forestry**

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

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

D. In connection with the Land Conservation Commitment, Grantee has agreed to accept a perpetual conservation easement created pursuant to California Civil Code Section 815 *et seq.* (the “**Conservation Easement**”) over a portion of the PG&E Watershed Lands that is being donated by PG&E to the University of California Center for Forestry consisting of approximately 3,244 acres of real property in parcels 74 and 75 located in the County of Shasta, State of California, as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the “**Property**”).

E. Grantee has agreed to accept perpetual conservation easements over PG&E Watershed Lands that are subject to PG&E’s Land Conservation Commitment in the Cow Creek, Fall River Mills, Hat Creek, Lake Britton, Pit River, and Tunnel Reservoir planning units (the “**Watershed Properties**”).



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

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

1. Effective Date. This Agreement shall become effective upon the recording of the Conservation Easement in favor of Grantee in the Official Records of Shasta 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 June 30, 2023, 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 **Two Hundred Thirteen Thousand Nine Hundred Dollars (\$213,900)** (the "**Grant Funds**") to Grantee. The Grant Funds shall be payable to Grantee within thirty (30) days of the Effective Date. Grantee will use the Grant Funds for the purposes described in this Agreement and for no other purpose without the prior written consent of the Stewardship Council. The Stewardship Council reserves the right to require the total or partial return of Grant Funds in the event Grantee fails to comply with the terms and conditions of this Agreement.

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

a. No less than **One Hundred One Thousand Nine Hundred Fifty Dollars (\$101,950)** of the Grant Funds shall be deposited into a non-wasting endowment restricted solely for the purpose of funding Grantee's costs for the stewardship and monitoring of conservation easements on the Watershed Properties (the "**Monitoring and Stewardship Endowment Funds**"). The types of allowable expenditures of these funds are described in Sections 5 below.

b. **Ten Thousand Dollars (\$10,000)** of the Grant Funds shall be restricted to the legal defense and enforcement of conservation easements held by Grantee, including, but not limited to, the conservation easements established on the Watershed Properties (the "**Defense and Enforcement Funds**"). The types of allowable expenditures of these funds is described in Section 6 below.

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



4. Grant Deposit Requirements.

a. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the Monitoring and Stewardship Endowment Funds into an account which shall be restricted solely for the purpose of funding Grantee's costs for the stewardship and monitoring of conservation easements on the Watershed Properties and shall be treated as a non-wasting endowment.

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

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

5. Conservation Easement Monitoring. From and after the Effective Date, Grantee agrees to conduct regular monitoring of the Property to ensure compliance with the terms of the Conservation Easement. Grantee shall conduct on-site monitoring of the Property not less than annually to assess compliance with the terms and conditions of the Conservation Easement and note any material changes to the Property compared to the 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 the Monitoring and Stewardship Endowment Funds shall include, but not be limited to:

a. Regular on-site inspection and monitoring to ensure that the terms of the 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. Payments for staff, consultants and attorney time necessary to carry out Grantee's stewardship responsibilities with regard to its conservation easements;



d. 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;

e. 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.

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

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

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

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

7. Grant Report. Grantee agrees to submit to the Stewardship Council and/or its designee the following grant Status Reports pursuant to this Agreement. The initial Status Report shall be submitted to the Stewardship Council by the fourth quarter of the 2023 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, 2025. The due dates of the initial and final Status Reports can be changed by the Stewardship Council or its designee with at least 60 days written notice to Grantee. The Stewardship Council or its designee shall notify Grantee in a timely manner of the form and content of each Status Report, which shall include, at a minimum:

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

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



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

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

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

8. Records. Grantee will indicate the Grant Funds separately on its books of account, and maintain such records in accordance with generally accepted accounting principles. Grantee shall additionally maintain written records including the 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.

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

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

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

12. Representations and Warranties. Grantee warrants and represents that it is a tax exempt organization under Section 501(c)(3) of the IRC, and is not a private foundation as defined in section 509(a) of the IRC or is an exempt operating foundation described in Section 4940(d)(2) of the IRC. Grantee further represents and warrants that it shall not use the Grant Funds to attempt to influence legislation or



otherwise carry out lobbying activities within the meaning of Sections 501(h), 4911, 4945(d)(1) or 4945(e) of the IRC. No part of the Grant Funds may be used to attempt to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive. No part of the Grant Funds may be used for purposes other than charitable, scientific, literary, or educational purposes within the meaning of IRC Section 501(c)(3).

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

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

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

15. Assignment. This Agreement may not be assigned by the Grantee in whole or in part except as provided in Section 10 above. The Stewardship Council may assign its rights and delegate its obligations under this Agreement to a third party at the Stewardship Council's sole discretion. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit and burden of the Parties and their respective heirs, successors and assigns.

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

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



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

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

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

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

Title: Executive Director

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

**Shasta Land Trust,**  
a California Nonprofit Public Benefit Corporation

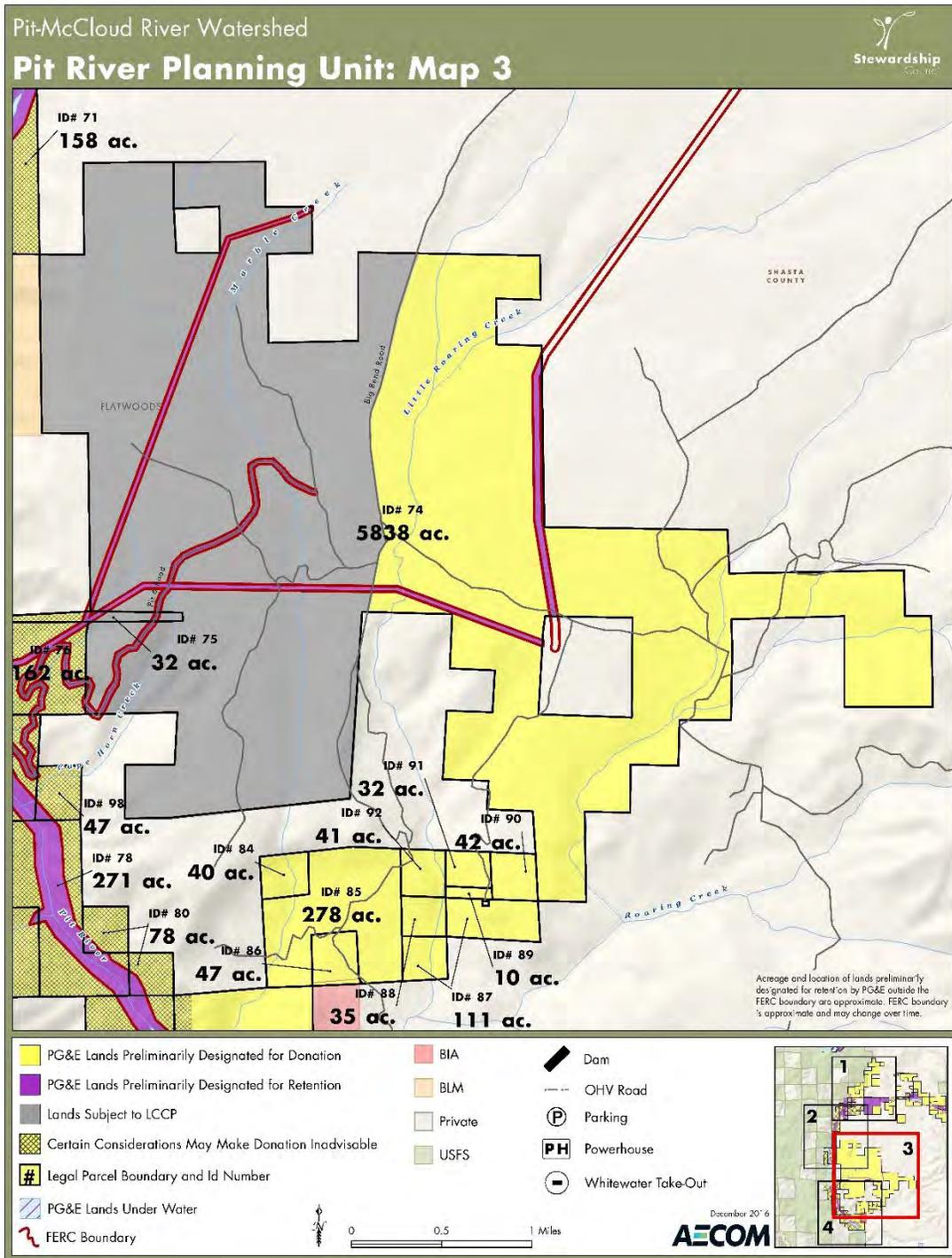
By: \_\_\_\_\_

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

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

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

**Exhibit A**  
**Map of Pit River Planning Unit**  
**Parcels 74 and 75**





**Exhibit A**  
**Pit River Planning Unit**  
**Legal Description to be attached**



**EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT**

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

<b>Date:</b>	<b>Planning Unit/Property Title:</b> Pit River donated to UC Dept of Forestry
<b>Grantee Name:</b> Shasta Land Trust	<b>Grantee Address:</b>

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

<b>*Date of Deposit of Grant Funds:</b>		<b>Amount Deposited:</b>	
<b>Bank Name:</b>	<b>Account Name:</b>	<b>Account #:</b>	
<b>Certification of Deposit of 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 3a and 4a of the Grant Agreement.			
<b>Name:</b>		<b>Title:</b>	
<b>Signature:</b>		<b>Date:</b>	

For third section, see page 2



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

<b>*Date of Deposit of Grant Funds:</b>		<b>Amount Deposited:</b>
<b>Bank Name:</b>	<b>Account Name:</b>	<b>Account #:</b>
<b>Certification of Deposit of Grant Funds and Restricted Use of Defense &amp; Enforcement Funds</b>		
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of the Defense and Enforcement Funds as set forth in Sections 3b and 6 of the Grant Agreement.		
<b>Name:</b>	<b>Title:</b>	
<b>Signature:</b>	<b>Date:</b>	

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

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

## PROPERTY TAX NEUTRALITY METHODOLOGY

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### INTRODUCTION

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

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

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

### PURPOSE OF PROPOSED METHODOLOGY

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

### DETERMINING TAX NEUTRALITY PAYMENT AMOUNT

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

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

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

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

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

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

## Appendix 5: Tax Neutrality Methodology

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

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

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

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

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

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

## Appendix 5: Tax Neutrality Methodology

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

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

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

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

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

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

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

## Appendix A

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

**Table 1**

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

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

## Appendix 5: Tax Neutrality Methodology

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

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

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

I.02-04-026

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

**STATEMENT OF PURPOSE**

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

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

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**COMMITMENTS**

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

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

**I.02-04-026**

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

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

## **Attachment B**

### **Power of Termination Agreement**

<p>RECORDING REQUESTED BY</p>	<p>(Space above this line reserved for Recorder’s use)</p>
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Exempt from Recording Fees Pursuant to Govt. Code §6103  
 Exempt from Documentary Transfer tax pursuant to R&T §11922  
 APN: 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

**CONSERVATION EASEMENT AND VOLUNTARY  
 AGREEMENT CREATING ENFORCEABLE RESTRICTIONS IN PERPETUITY  
 (PIT RIVER – MARBLE CREEK)**

THIS DEED OF CONSERVATION EASEMENT AND VOLUNTARY AGREEMENT CREATING ENFORCEABLE RESTRICTIONS IN PERPETUITY (“Easement”), is made and entered into this \_\_\_\_\_(the “Effective Date”), by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California public corporation (“Owner”), and SHASTA LAND TRUST, a California nonprofit public benefit corporation (“Land Trust”).

This document also sets forth certain related agreements made by Owner and Land Trust (collectively, the “Parties”), as well as certain rights granted to Sierra Nevada Conservancy.

**RECITALS**

- A. OWNER. Owner is the owner of approximately 3,244 acres of real property located in the County of Shasta, State of California. That real property is more fully described below and in the attached Exhibit A as the “Protected Property.” The Owner maintains numerous natural California habitats, located on ecologically unique lands known collectively as the University of California Center for Forestry properties (the “CFF”). The mission of Owner with respect to the CFF is to contribute to improving the understanding of how California’s forests can continue to provide protection for our major watersheds, renewable wood products, fish and wildlife habitat,

scenic and recreational opportunities and a wide array of climate benefits. This is done by utilizing CFF research forests to support university-level teaching, research, and public service. Owner also currently owns approximately 6,500 acres of research forests in El Dorado, Tulare, Nevada, and Contra Costa counties. Owner acquired such property for the purposes of practicing sustainable forestry for habitat protection for native plants and wildlife, research and teaching, and public environmental education, all under the auspices of the CFF.

- B. LAND TRUST. Shasta Land Trust is a nonprofit corporation organized and operated exclusively for charitable purposes including preservation of land for scientific, historic, educational, ecological, agricultural, scenic or open space opportunities. Land Trust is a public charity as defined in section 501(c)(3) of the Internal Revenue Code and an organization qualified to hold conservation easements under California law, possessing the commitment and primary purpose to protect the Conservation Purposes (as defined in section 1 below) of this Easement and the resources to enforce the restrictions.
- C. PACIFIC GAS AND ELECTRIC COMPANY. Immediately prior to recordation of this Easement, Pacific Gas and Electric Company, a California corporation (hereinafter “PG&E”), transferred to Owner fee title in the Protected Property in accordance with that certain Grant Deed, recorded in the Official Records of the County of Shasta (the “Grant Deed”). The form of that Grant Deed is attached hereto as Exhibit C. Conveyance of the Protected Property to Owner in accordance with the Grant Deed was made subject to (1) PG&E’s reservation of certain rights in and to the Protected Property, as set forth in the Grant Deed (hereinafter “PG&E Reserved Rights”), and (2) those legally-enforceable third-party rights to use the Protected Property in effect as of the Effective Date.
1. PG&E transferred fee title to the Protected Property to Owner in connection with PG&E’s implementation of the “Land Conservation Commitment,” defined below, provided for in the following documents and described more fully below:
    - a. That certain Settlement Agreement (“Settlement Agreement”) as modified and approved by the Public Utilities Commission of the State of California (“Commission”) in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and
    - b. That certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“Stipulation”).
  2. The Settlement Agreement and the Stipulation (collectively, “Governing Documents”) require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, “Watershed Lands”), are conserved for a broad range of beneficial public values, including protection of natural habitat of fish, wildlife and plants; preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, “Beneficial Public Values”). The Protected Property is included in these Watershed Lands. The Stipulation provides that conservation easements will preserve or enhance reasonable public access. The Governing Documents describe the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of

the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents.

3. In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including, project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission (“FERC”) license, FERC license renewal or other regulatory requirements.
  4. The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.
  5. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation (“Stewardship Council”), was created to oversee and carry out the Settlement Agreement and Stipulation. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“Land Conservation Plan” or “LCP”). The LCP includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Protected Property.
  6. 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 preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment, its mission and the above-described public policy purposes, Owner desires to grant a conservation easement over the Protected Property to Land Trust.
  7. Owner and Land Trust each desires through this Easement to ensure permanent protection of the Conservation Values (defined below), subject to the PG&E Reserved Rights and the Express Third Party Uses (as defined in section 6 below). Specifically, Owner and Land Trust desire to assure that the Conservation Values will be protected in perpetuity as provided herein, and that uses of the Protected Property that are inconsistent with these Conservation Values will be prevented or corrected.
- D. **PROTECTED PROPERTY.** The Protected Property is that real property legally described in Exhibit A and generally depicted on the “Property Map” in the attached Exhibit B. The Protected Property is also identified as Assessor’s Parcel Numbers 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002.

The Protected Property is located in Shasta County south of the community of Big Bend. The Protected Property is part of the Pit-McCloud River watershed and is bounded by private forest

lands to the east and a checkerboard of U.S. Forest Service (USFS) lands (Shasta-Trinity National Forest), Bureau of Land Management (BLM) lands and private lands to the west.

E. CONSERVATION VALUES. The Protected Property includes the following specific Beneficial Public Values (collectively, the “Conservation Values”):

- Natural Habitat of Fish, Wildlife, and Plants:
  - A diverse range of plant, animal, fungal, and micro biotic communities exists in the ecosystems that make up the Protected Property. Habitat for these communities include a wide range of forest structures and the various ecological and anthropogenic processes that influence forest dynamics.
- Sustainable Forestry:
  - The Protected Property currently is heavily forested with Black Oak and Sierra mixed conifer forests being common on the east side of the Pit River. The Protected Property has been managed with sustainable forestry methods, in accordance with relevant state laws and regulations related to managed forests. As of 2017, two key components of the law are:
    - (a) Where feasible, the productivity of timberlands is restored, enhanced, and maintained.
    - (b) The goal of maximum sustained production of high-quality timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment, and aesthetic enjoyment.
  - The Protected Property will be managed in accordance with applicable forest practice acts and related laws.
  - As defined by the Stewardship Council in the 2007 Land Conservation Plan, sustainable forestry is the practice of managing dynamic forest ecosystems to provide ecological, economic, social, and cultural benefits for present and future generations.
- Open Space:
  - The open and natural character of the Protected Property, along with the primary uses of the Protected Property for practicing sustainable forestry, research and teaching, and public environmental education, provides for open space values throughout the Protected Property.
- Historic Values:

- The cultural character of the Protected Property includes lands historically utilized by Native Americans, as well as by other historical users.
- Recreation:
  - The Protected Property provides opportunities for outdoor non-motorized recreation, such as hiking and birdwatching, and environmental education by the general public.

Preservation, protection, and scientific understanding of these Conservation Values is of great importance to Owner, the people of Shasta County, and the people of the State of California and will provide significant benefit to the public.

F. CONSERVATION POLICY. Preservation and protection of the Conservation Values, and the scientific understanding and management of the Conservation Values, are consistent with and will further certain delineated governmental policies including those established by the following:

- Section 815.2 of the California Civil Code, which defines perpetual conservation easements, and sections 815 and 815.1 of the California Civil Code, which articulate the California Legislature’s declaration that land predominantly in its natural, scenic, agricultural, historical, forested or open-space condition is among the most important environmental assets of the State of California and should be preserved.

### **CONVEYANCE OF CONSERVATION EASEMENT**

Pursuant to the laws of the State of California, and in particular sections 815 et seq. of the California Civil Code, and in consideration of the facts recited above and the mutual covenants contained herein, Owner hereby voluntarily conveys to Land Trust a perpetual conservation easement over the Protected Property. This Easement creates a property right immediately vested in Land Trust and consists of the rights, terms, and restrictions set out below, and Land Trust agrees by accepting this grant to preserve and protect in perpetuity the Conservation Values of the Protected Property for the benefit of this generation and the generations to come.

1. CONSERVATION PURPOSES. The purposes of this Easement are as follows (collectively, “Conservation Purposes”): (a) to ensure that the Protected Property will be retained in perpetuity in its natural, scenic, forested, non-motorized recreational, or open space condition; and (b) to prevent any use of the Protected Property that will significantly impair the Conservation Values. Subject to the following terms and conditions, Owner intends that this Easement will confine uses of the Protected Property to activities that are consistent with the Conservation Purposes. 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 considering the relevant lifespan of dominant species and the relevant timeframe of natural ecological processes.

Owner and Land Trust acknowledge that the Governing Documents reflect the intention of the parties thereto (a) to honor Express Third Party Uses and (b) to continue to permit beneficial uses of the Protected Property that preserve and/or enhance the Conservation Values. This Easement shall allow uses on the Protected Property that are consistent with protection and preservation of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more of the other Conservation Values, Owner and Land Trust understand that achieving the Conservation Purposes requires preservation and protection, on balance, of all Conservation Values existing on the Protected Property, to the extent possible. Protecting and/or enhancing one or more Conservation Values may impair another Conservation Value, but this is not meant to be a permanent occurrence, nor a reason to re-prioritize one Conservation Value over another. All attempts should be made to balance over time on a collective basis, the Conservation Values on the whole Protected Property whenever possible. This Easement prohibits use of the Protected Property for any purpose that would significantly impair the Conservation Values, taking into account the relative condition and quality of each of the Conservation Values on the Protected Property as of the Effective Date. Nothing in this Easement precludes the Owner from complying with any and all applicable laws.

2. **OWNER RESERVED RIGHTS AND PERMITTED USES.** Subject to the PG&E Reserved Rights described in section 5 herein, Owner reserves and retains all rights accruing from and associated with Owner's ownership and use of the Protected Property, including the right to engage in or permit or invite others to engage in all uses of the Protected Property that are not limited, expressly restricted or prohibited by, and are consistent with the Conservation Purposes of this Easement. Owner may not, however, exercise these rights in a manner that significantly impairs Conservation Values. Additionally, before exercising any reserved right that Owner determines in Owner's reasonable discretion exercised in good faith might significantly impair Conservation Values, Owner must seek prior approval of Land Trust in accordance with section 10.5.

Without limiting the foregoing, Owner and Land Trust agree that the following rights are expressly reserved to Owner and the following uses and practices are consistent with this Easement, subject to the provisions of section 3.

2.1 **Right to Convey.** Except as expressly prohibited herein, Owner may sell, give, lease, bequeath, devise, mortgage, otherwise encumber, or convey the Protected Property. This right to convey the Protected Property shall be subject to the following provisions:

a. **Covered Transactions.** Any lease, deed or other conveyance or any encumbrance of the Protected Property shall be subject to this Easement. Owner agrees that this Easement shall be incorporated by reference in any deed or other legal instrument by which Owner transfers any interest in all or a portion of the Protected Property or by which Owner grants to a third party a right or privilege to use the Protected Property, including, without limitation, any easement, leasehold interest, or license agreement.

- b. Notice to New Owner. Owner shall disclose this Easement, including a copy of the recorded Easement, to all prospective buyers of the Protected Property.
- c. Notice to Land Trust. Owner will notify Land Trust of any proposed conveyance of title, or the grant of any right or privilege, to the Protected Property at least fifteen (15) days before closing. Owner will provide Land Trust with the name and address of the new owner of the Protected Property and a copy of the deed, leasehold or license transferring title within fifteen (30) days after closing.
- d. Notice of Action Affecting Easement. To the extent that Owner is aware of any claim, legal proceeding, foreclosure, or other legal action, Owner will also notify Land Trust of any proposed condemnation or any claim, legal proceeding, foreclosure or other legal action that might affect title to the Protected Property or the validity or enforceability of this Easement.
- e. Mortgage Liens Subordinate. No provision of this Easement is to be construed as impairing the ability of Owner to use the Protected Property as collateral for any loan, provided that any lien securing such loan, regardless of date, shall be subordinate to the terms of this Easement and Land Trust's rights under this Easement. Under no circumstances may Land Trust's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any lien securing such loan.

The enforceability or validity of this Easement will not be impaired or limited by any failure of Owner to comply with this section 2.1.

## 2.2. Water and Irrigation.

- a. Owner reserves and shall retain all right, title, and interest in and to all tributary and non-tributary water, all appropriative, prescriptive, contractual or other water rights, and related interests in, on, under, or appurtenant to the Protected Property for use on or for the benefit of the Protected Property in a manner consistent with this Easement and in accordance with applicable federal, state, and local laws, regulations and requirements
- b. Owner may develop groundwater wells within the Protected Property for use in connection with the activities permitted in the Easement, subject to prior written approval of Land Trust in accordance with section 10.5.

## 2.3 Temporary Structures and Improvements. Owner may conduct the following activities:

Owner may install, remove, alter, and maintain such temporary infrastructure directly related to a particular project involving ecological management practices or a particular project involving scientific research, teaching, and outreach (including, but not limited to, temporary tents, fencing, and research instruments) as may, in Owners' reasonable judgment, be necessary to conduct said project, but remaining in place for no longer a duration than that of the particular project in conjunction with which said temporary infrastructure is being used. Owner may place on the Protected Property such small instrumentation as weather stations, water gauges, or other types of equipment for long-term environmental monitoring, as well as equipment that will allow transmission and receipt of telecommunication services. Owner may place a mobile home or

trailer or similar installation outside of the five-acre building envelope (as described in section 2.4); provided, however, that any such placement that will exceed 12 months in duration shall only be permitted with Land Trust's prior written approval as to location of a mobile home or trailer or similar installation in order to minimize the cumulative impact on Conservation Values under section 10.5.

2.4 Permanent Structures. With prior written approval of Land Trust in accordance with section 10.5, Owner may conduct the following activities:

Owner may construct, operate and manage a center, within a five-acre building envelope, location of which to be determined in the future, together with driveway access and off-site utilities and communication lines needed for the improvements within the building envelope. The building envelope will be used solely to assist the Owner to fulfill its mission for CFF research forests to support university-level teaching, research, and public service. Owner may construct, replace, repair, and maintain, within the building envelope, all reasonable and necessary buildings, structures, and associated infrastructure required in connection with Owner's development, operation, and management of the center, including office and meeting space, housing for researchers, employees and visitors, and a structure for storing equipment and machines. Before constructing any improvement(s), (i) Owner and Land Trust shall designate the exact location of the building envelope by survey or other reasonably precise method, and (ii) Owner shall record documentation in the Official Records which identifies the designated location of the building envelope.

2.5 Roads. Owner may maintain, repair, or replace existing roads on the Protected Property. Owner may upgrade the existing road system, including to prevent erosion. Any road permitted by this paragraph shall be constructed and maintained in a manner that does not significantly impair the Conservation Values.

2.6 Trails. Owner may establish and maintain unpaved and paved paths or foot trails for non-motorized recreational uses, in a manner that does not result in significant erosion. Trails may be established and maintained when directly related to forest management, forest related research, forest related education, forest related outreach, wildlife management, or outdoor recreation. Trails may be decommissioned.

2.7 Fences. Existing fences may be repaired, replaced, and removed. New fencing and gates may be constructed, maintained, improved, replaced, or removed. New and replacement fencing and gates shall be constructed in a manner that allows the passage of small animals.

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

2.9 Hazardous Fuels Management. The right to trim and cut down and clear away any and all trees, brush and vegetation, (i) which constitute a hazard to persons or property, and/or (ii) for purposes of fire management, disease or insect control or otherwise as necessary or appropriate

for prudent land management, and/or (iii) 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.

2.10 Control of Noxious and Problem Plants and Animals. In accordance with applicable laws, the right to control or eliminate noxious weeds and non-native plant species on the Protected Property, and the right to control animals that (a) pose or threaten to pose a hazard to persons or property, or (b) threaten to significantly impair one or more of the Beneficial Public Values, or an Express Third Party Use.

2.11 Alternative Forest Management Plan. If the Protected Property is not owned in fee by a University Owner (as defined in section 3), the succeeding Owner may conduct sustainable forest management activities on the Protected Property in accordance with a Forest Management Plan that is approved by the Land Trust. The management plan shall be developed by a Registered Professional Forester and shall provide sufficient detail to describe how the Conservation Values will be maintained or enhanced. The Forest Management Plan shall describe how forest management activity will comply with the legislative mandates and California Board of Forestry and Fire Protection policy and meets the requirements of the Forest Practice Act. Any modifications or amendments to an approved Forest Management Plan shall be subject to Land Trust's prior written approval.

3. FOREST MANAGEMENT, UNIVERSITY OF CALIFORNIA OWNER. For so long as the Protected Property is owned in fee by University of California, or successor university with substantially similar mission, purpose and track record (collectively, "University Owner"), University Owner reserves the right to manage the Protected Property as a "Research Forest" as defined below, in accordance with the mission of the University of California. The intent of this section is to recognize the unique nature of the desire and capacity of the University of California to manage the Protected Property as a Research Forest, which is of public benefit to the people of California. This section does not apply to landowners other than the University Owner.

3.1 Research Forest. "Research Forest" as used herein shall mean the Protected Property used and managed in accordance with the Research Forest Plan as described below. The objective of a Research Forest is to conduct research, education, and outreach that is relevant to the understanding and management of natural resources in California and the world. University Owner may conduct a wide range of activities, including timber harvests, on the Protected Property in accordance with the Research Forest Plan, described below.

3.2 Research Forest Plan. A "Research Forest Plan" is a long-term guiding document which describes how the Research Forest will be used to facilitate research, education, and outreach. The Research Forest Plan will be developed and updated as needed, by University of California staff and/or faculty. The director(s) of the Research Forest, having expertise in forest science and/or management, shall approve the plan. A research oversight committee may be used to provide input on the plan. The Research Forest Plan will provide a general description of the overall objectives of management activities across the Research Forest and will include a land use allocation plan that describes the variety of allowable forest management activities which may be used. The

Research Forest Plan will be made publicly available. It is desirable for the University of California to incorporate a variety of stakeholder interests when prioritizing management activity. The Land Trust shall be given an opportunity to review and comment on the Research Forest Plan prior to its implementation. Land Trust understands that research and demonstration regarding sustainable forestry practices, other resource management goals, scientific experiments, best management practices, and other forestry-related research is an important component of University Owner's management of the Protected Property as a Research Forest. The first version of the Research Forest Plan shall be developed prior to conducting forest management activities that manipulate vegetation on the Protected Property. Subsequent versions will be developed at the University Owner's determination. The Land Trust shall be given one month to review and comment on the initial and subsequent versions of the Research Forest Plan.

3.3 Timber Operations. "Timber Operations," as defined in the California Forest Practice Rules, may be conducted by the University Owner in accordance with applicable laws and regulations. Timber harvest activity will, in general, be guided by the Research Forest Plan described above. Timber harvest planning documents that are required by regulatory agencies are expected to be more specific than the Research Forest Plan, which is a long-term guiding document. Timber Operations that require a permit may be subject to public and agency review. Permits shall be made publicly available as required by regulation. Permit exemptions and experimental forestland designations that are available to other private landowners in California may also be available to the University Owner. Timber Operations may provide revenue to the University Owner in order to support forest research, education, and outreach on Research Forests.

3.4 Forest Management Goals. University Owner and Land Trust intend that any timber harvesting activities conducted on the Protected Property in accordance with this Easement will maintain healthy forest stands, protect important riparian resources, manage for sustainable stands of native tree species historically present on the landscape, encourage regeneration of oak trees where applicable, improve resilience with respect to drought and pests, address infestation of insects or disease which threatens the viability of the forest, the build-up of fuel to reduce risks of catastrophic fire, enhance climate benefits through carbon sequestration and storage, establish and maintain a full and balanced range of stand ages and characteristics, allowed to move across the landscape over time, including early-seral, mid-seral and late-seral forest conditions, provide adequate amounts of snags and cavity trees, provide adequate amounts of downed woody debris, manage for edge effects, and maintain and enhance vegetation types and structural elements across the landscape that support fish and wildlife habitats for native species (collectively, the "Forest Management Goals"). The Forest Management Goals shall be accomplished by complying with the California Forest Practice Act, and Rules thereunder or any successor law (collectively, "Forest Practice Act") and the provisions set forth in this section.

3.5 Forest Management Rights. In order to facilitate operation as a Research Forest, the University Owner retains all rights to conduct management activities in accordance with applicable regulations. Activities include, but are not limited to, prescribed burning, pre-commercial thinning, herbicide application, mastication, mowing, planting, pruning, tilling, exotic species management, collection of non-timber forest products, road construction, road maintenance, and reconstruction, road decommissioning, and fuel manipulations.

3.6 Notifications between University Owner and Land Trust. Recognizing that data about the Protected Property may be of mutual interest, it is the intent that monitoring information be shared between the University Owner and Land Trust. In addition to the notifications regarding the Research Forest Plan described above, the University Owner will make available monitoring data, if existing, when requested by the Land Trust and in the format used by University Owner. This includes information on existing forest structure and composition, which has traditionally been collected on Research Forest land in order to document changes and to guide management decisions. University Owner will provide such monitoring data within 60 days of receiving written request from Land Trust.

3.7 Access Management Rights. University Owner may restrict and condition the access described in section 7 as University Owner deems reasonably necessary to protect the mission and objectives of the Research Forest. Restrictions and conditions shall be lifted once access related impacts on research, education, and outreach have been resolved. Restrictions and conditions may include, but are not limited to, seasonal closures, temporary closures, group size limits, and pet restrictions. Access policies shall be described in the Research Forest Plan.

4. RESTRICTIONS. Except as specifically permitted in sections 2 and 3, any activity or improvement on or use of the Protected Property that is inconsistent with the Conservation Purposes is prohibited, including, without limitation, the following:

4.1 Industrial Activity. No industrial use of the Protected Property is allowed. Research activity related to an industrial activity may be allowed, in accordance with section 2 and section 3.

4.2 Commercial Activity. There shall be no commercial use of, or activity on, the Protected Property not directly related to forest management, forest related research, forest related education, forest related outreach, wildlife management, or outdoor recreation. As used in this Easement, the term “commercial” shall mean any use or activity that involves the exchange of cash, goods or services, barter, forgiveness of indebtedness, or any other remuneration in exchange for goods, services, lodging, meals, entertainment in any form, or the right to occupy space over a period of time.

4.3 Residential Use and Development. No residential use or development of the Protected Property is allowed, except as allowed for facilitating research, outreach, and education as described in section 2 and section 3.

4.4 Subdivision. The Protected Property is currently comprised of multiple legal parcels, all owned by Owner. Owner shall maintain all the parcels comprising the Protected Property, and all interests therein, under common ownership, as though a single legal parcel.

The general prohibition set out above does not prohibit legal division of the Protected Property into separate parcels to accommodate uses and activities specifically permitted by this Easement, provided that any division of the Protected Property under this section requires that the Protected Property remains in single ownership. Owner will provide 60 days prior written notice to Land Trust reasonably setting forth the details of Owner’s intended division in accordance with section 10.5(b) below.

Except as expressly provided in the preceding paragraph, there shall be no legal or de-facto subdivision of the Protected Property, including through the granting of certificates of compliance; provided, however, that boundary line adjustments to clarify boundary lines with adjacent landowners arising from the lack of clarity with the current legal description of the Protected Property as reasonably determined by a surveyor and title company shall be permitted, subject to the Land Trust's prior written approval of the proposed boundary adjustment, which approval shall not be unreasonably withheld.

4.5 Development Rights. No portion of the Protected Property may be used to satisfy land area requirements for other property not subject to this Easement to calculate building density, lot coverage, open space, or natural resource use or extraction under otherwise applicable laws, regulations, or ordinances controlling land use. Development rights that have been encumbered or extinguished by this Easement may not be transferred to any other property or used to obtain any regulatory mitigation credits. All development rights not expressly preserved in this Easement are wholly transferred to Land Trust and entirely extinguished. This Easement shall not create any development rights.

4.6 Structures and Improvements. Except as explicitly allowed in this Easement, or in section 2, no temporary or permanent buildings, structures, utilities, roads or other improvements of any kind may be placed or constructed on the Protected Property.

4.7 Signs. No commercial signs, billboards, awnings, or advertisements shall be displayed or placed on the Protected Property except as allowed in section 2.8 above or as proposed by Land Trust or the Stewardship Council which shall be subject to prior approval by Owner, which approval shall not be unreasonably withheld.

4.8 Trails. Except as explicitly allowed in this Easement, or in section 2, trails may not be paved, or otherwise be covered with concrete, asphalt, or any other paving material, unless specifically required by law.

4.9 Fences. Fences may not be located or constructed in a manner that significantly impairs Conservation Values.

4.10 Dumping. No trash, non-compostable garbage, debris, unserviceable vehicles or equipment, junk, other unsightly materials or hazardous or toxic substances may be dumped or accumulated on the Protected Property. Temporary placement of building materials, debris or refuse containers ("Temporary Items") is permitted if incidental to activities and construction permitted by this Easement, provided Temporary Items are removed within a reasonable period of time.

4.11 Mining and Extraction. No mining, drilling, exploration for, or extraction of minerals, hydrocarbons, petroleum, oil, gas, steam, rocks, sand, gravel, soils or other materials on or below the surface of the Protected Property is permitted. No sale of surface or subsurface minerals or mineral rights, including gravel, sand, rock or soils from the Protected Property is permitted.

4.12 Topography and Surface Alteration. Except as permitted in sections 2 and 3, or as necessary in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Conservation Values, no alteration or change in the topography or the surface of the Protected Property is allowed, including no ditching, draining, amendment, or filling and no excavation or removal of soil or other material.

4.13 Water. Subject to the PG&E Reserved Rights, the Protected Property includes all water and water rights, ditches and ditch rights, springs and spring rights, reservoir and storage rights, wells and groundwater rights, creeks and riparian rights and other rights in and to the use of water historically used on or otherwise appurtenant to the Protected Property. Owner shall not separately transfer, encumber, sell, lease or otherwise separate any water rights associated with the Protected Property held by Owner, nor any permits, licenses or contracts related to water rights on the Protected Property held by Owner, or change authorized or historic use of water rights without approval of Land Trust in accordance with section 10.5. Owner shall not abandon or allow the abandonment of, by action or inaction, any water rights on the Protected Property held by Owner or such permits, licenses or contracts without approval of Land Trust in accordance with section 10.5.

4.14 Vehicles. Limited off-road use of motorized vehicles is allowed only in conjunction with habitat or wildlife management, forest-related research, restoration, or enhancement. This provision is not intended to otherwise limit the use of motorized vehicles on roads or driveways permitted under this Easement or in conjunction with construction and maintenance of permitted buildings, structures, roads, trails and other improvements. Notwithstanding the foregoing, in the event of an emergency, the Owner may utilize motorized vehicles off-road if reasonably necessary for human or animal safety or care or to prevent material damage to the Protected Property or adjacent property.

5. PG&E RESERVED RIGHTS. All rights and obligations of Owner and Land Trust under this Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. If PG&E notifies Owner of its intention to any exercise of the PG&E Reserved Rights, Owner shall give written notice to Land Trust of said intention within thirty (30) days of the Owners receipt of such notification.

6. EXPRESS THIRD PARTY USES. Exhibit D hereto sets forth existing third party uses of the Protected Property that have been permitted with express agreement of Owner (“Express Third Party Uses”). Owner 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 Owner’s obligations with respect to the Express Third Party Uses, subject to the following conditions:

6.1 Increases in Intensity or Expansion of Location or Size or Change in Use. Any material (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 Owner determines in Owner’s reasonable discretion exercised in good faith are

likely to significantly impair Conservation Values shall be subject to prior approval of Land Trust under section 10.5.

6.2 Renewal or Replacement of Third Party Use Agreements. All Third Party Use Agreements existing on the date hereof are identified on Exhibit D. As Third Party Use Agreements are renewed or replaced (either with the existing user or a new user), Owner, in consultation with Land Trust, shall include contractual provisions to bring the continuation of the Express Third Party Use and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

6.3 Enforcement of Third Party Use Agreements. If Owner or Land Trust discovers any default under a Third Party Use Agreement that significantly impairs the Conservation Values (and whoever makes such discovery shall give the other written notice thereof), Owner shall use reasonable efforts to enforce or otherwise remedy such violation including discontinuation of such use, at Owner's sole expense.

7. **INFORMAL USES AND PUBLIC ACCESS.** Owner and Land Trust recognize that the Protected Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities, ("Informal Uses"). Owner and Land Trust further recognize that access to the Protected Property is inherent, or may be inherent, in enjoyment of the Conservation Values and Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Owner shall allow public access to the Protected Property that is substantially consistent with public access existing on the Effective Date of the Easement. Owner reserves the right to make reasonable rules and regulations to control, limit, or, as necessary, exclude Informal Uses and public access. Owner shall not allow Informal Uses that significantly impair the Conservation Values.

7.1 New or Increased Public Access. New public access or informal uses or expansion of public access or informal uses on the Protected Property initiated by or expressly permitted by Owner shall require Land Trust's advance prior written approval under section 10.5, which approval shall not be unreasonably withheld.

7.2 Limits on Liability. Owner and Land Trust claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

7.3 Periodic Review of Informal Uses. As part of Land Trust's annual compliance monitoring, Owner and Land Trust shall (i) consult on known Informal Uses and public access on the Protected Property for the purpose of Land Trust's assessment of Owner's compliance with section 7; and (ii) develop recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure preservation of the Conservation Values.

8. **LAND TRUST'S RIGHTS AND REMEDIES.** To carry out the Conservation Purposes of this Easement, the rights conveyed herein to Land Trust are as follows:

8.1 Right to Enter. Land Trust has the right to enter the Protected Property at reasonable times and in a reasonable manner to undertake the activities set forth below. To ensure watershed values are protected, the Land Trust shall notify the Owner two weeks prior to entry, and shall abide by Owner's seasonal road closures to motorized vehicles during winter periods or other reasonable protective conditions established by Owner.

- a. To inspect the Protected Property and to monitor and document compliance with this Easement, including taking photographs, GPS readings, and other nondestructive measurements and tests.
- b. To obtain evidence for use in seeking enforcement of this Easement.
- c. To survey or otherwise mark the boundaries of all or part of the Protected Property if necessary to determine whether there has been a violation of this Easement.
- d. To interpret this Easement, apply this Easement to factual conditions on or about the Protected Property, respond to requests for information from persons having an interest in this Easement or the Protected Property, and apply this Easement to changes occurring or proposed within the Protected Property.
- e. To exercise such additional rights as may be reasonably necessary to effectuate the Conservation Purposes of this Easement.

8.2 Access. Owner assigns to Land Trust the right to use any right of way, easement, entry or approach to the Protected Property that Owner is entitled to use now or in the future to exercise the rights granted to Land Trust in this section 8. Owner shall execute any additional documents as may be necessary to evidence this assignment.

8.3 Right of Enforcement. Land Trust has the right in perpetuity to prevent or remedy any activity on or use of the Protected Property that violates this Easement through appropriate judicial action, or through other methods of dispute resolution, against Owner or other responsible party.

- a. Notice of Violation or Potential Violation. Land Trust may not initiate judicial action until Owner or other responsible party has been given written notice of the alleged, potential or threatened violation, of this Easement and sixty (60) days to remedy said alleged, potential or threatened violation. If Land Trust, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant impairment to the Conservation Values of the Protected Property, Land Trust may pursue its remedies hereunder for injunctive or other expedited relief without prior notice to Owner.
- b. Remedies. In enforcing this Easement, Land Trust shall have the right to exercise whatever remedies are available at law or in equity including without limitation:

1. Obtain temporary or permanent injunctive relief for any violation or threatened violation of this Easement.

2. Require restoration of the Protected Property to its condition prior to the violation at Owner's sole cost and expense.
3. Obtain specific performance or declaratory relief.
4. Recover damages resulting from a violation of this Easement or harm to the Conservation Values.
5. Recover other and additional relief in equity or at law as the court orders.

These remedies are cumulative and are available without proof of actual damage to the Conservation Values. Land Trust may exercise any other right or remedy that may at any time be available to Land Trust under this Easement or applicable law. If Land Trust exercises one remedy, Land Trust may nevertheless exercise any one or more other rights or remedies available to Land Trust at the same time or at any other time.

Land Trust and Owner agree that damages created by a violation of this Easement may be determined in at least some cases by calculating the cost of acquiring a conservation easement over similar property. Land Trust and Owner also recognize that restoration, regardless of cost, may be the only adequate remedy for certain violations.

Land Trust is entitled to seek expedited relief, ex parte if necessary, and shall not be required to post any bond applicable to a petition for such relief.

c. Costs of Enforcement. Should proceedings be brought to enforce or interpret any of the terms of this Easement, the prevailing party in any such proceedings shall be entitled to recover from the non-prevailing party its costs, including reasonable attorney's fees.

d. Enforcement Decisions. Enforcement of this Easement is solely at the discretion of Land Trust. Forbearance in enforcing any violation of the covenants hereunder shall not destroy the covenant and shall not constitute or be construed as a waiver by Land Trust of its rights hereunder in the event of any subsequent violation of the same or another covenant. Enforcement of the terms and provisions of this Easement shall be at the discretion of Land Trust, and the failure of Land Trust to discover a violation or to take action hereunder shall not be deemed or construed to be a waiver of Land Trust's rights hereunder in the event of any subsequent breach of the same or any other term of this Easement or of any of Land Trust's rights under the same. No delay or omission by Land Trust in the exercise of any right or remedy upon any breach by Owner shall impair such right or remedy or be construed as a waiver. Owner hereby waives any defense of laches, estoppel, or prescription.

e. Acts Beyond Owner's Control. Land Trust may not bring an action against Owner, nor require restoration, for any change to the Protected Property resulting from any of the following:

1. Causes beyond Owner's control such as changes caused by fire, flood, storm, natural deterioration or the unauthorized acts of third parties; provided, that Owner shall take all reasonable actions consistent with those undertaken by a prudent landowner to prevent unauthorized acts by third parties that could significantly impair the Conservation Values.

2. Reasonable actions taken in good faith under emergency conditions to prevent or mitigate damage resulting from such causes.

Actions by Owner's lessees, agents, employees or contractors are not considered unauthorized acts of third parties.

This section does not preclude Owner or Land Trust from recovering damages or bringing an action against any third party for trespass or other violation of their respective rights.

f. Enforcement Rights of Others. Nothing in this Easement is intended to create any right to enforce this Easement in any third party where no such right otherwise exists under this Easement or under law.

g. Limitation on Rights. Nothing in this Easement gives Land Trust the right or responsibility to exercise physical control over day-to-day operations on the Protected Property or to become involved in management decisions involving use or disposal of hazardous substances or to otherwise become an operator of the Protected Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act, or other similar or successor federal, state, or local laws regarding responsibility for environmental conditions associated with contamination ("Environmental Compliance Laws"). Owner and Land Trust do not intend this Easement to be, and this Easement shall not be, construed such that it creates in or gives to Land Trust any of the following:

1. The obligations or liabilities of an "owner" or "operator," as those terms are defined and used in Environmental Compliance Laws;
2. The obligations or liabilities of a person described in 42 U.S.C. §9607(a)(3) or (4);
3. The obligations of a responsible person under any Environmental Compliance Laws;
4. Any right to investigate, control, monitor or remediate any hazardous materials associated with the Protected Property;
5. Any authority to specify the chemicals or hazardous substances that may be used on the Protected Property, or
6. Any control over Owner's ability to investigate, remove, remediate or otherwise clean up any hazardous materials associated with the Protected Property.

9. **BASELINE DOCUMENTATION REPORT.** The current uses of the Protected Property, the state of any existing improvements, and the specific Conservation Values that are briefly described in this Easement are more fully described in a baseline documentation report dated \_\_\_\_\_ and on file at the office of Land Trust and incorporated herein by this reference ("Baseline Documentation Report"). Owner and Land Trust acknowledge that this Baseline Documentation Report prepared by Land Trust with assistance from Owner and signed

by both accurately represents the condition of the Protected Property as of the Effective Date and may be used by Land Trust in monitoring present and future uses of the Protected Property, in documenting compliance with this Easement, in interpreting impacts to Conservation Values, and in any enforcement proceeding. This Baseline Documentation Report, however, is not intended to preclude the use of other information and evidence to document the then or present condition of the Protected Property in the event of a future controversy.

## 10. GENERAL PROVISIONS.

10.1 Assignment. This Easement may only be assigned or transferred to a private nonprofit organization that, at the time of transfer, is (1) qualified to hold conservation easements pursuant to section 815.3(a) of the California Civil Code, (2) experienced in holding and monitoring conservation easements on properties similar to the Protected Property, and (3) willing and financially able to assume all the responsibilities imposed on Land Trust under this Easement. If no such private nonprofit organization exists or is willing to assume the responsibilities imposed by this Easement, then this Easement may be transferred to any public agency authorized to hold interests in real property as provided in section 815.3(b) of the California Civil Code. All transfers shall be duly recorded. Land Trust will notify Owner of any assignment within thirty (30) days after the assignment and will provide Owner with the name and address of the new holder.

a. Voluntary Assignment. Before assigning its interest under this Easement, Land Trust shall provide Owner and the Sierra Nevada Conservancy or its successor (“SNC”) with written notice of such intention to transfer (“Transfer Notice”). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria in this section. Land Trust shall allow Owner and SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria in this section 10.1. If Owner or SNC does not approve the proposed assignee, Owner or SNC, respectively, shall provide Land Trust with the reasons behind such decision.

b. Involuntary Assignment. If Land Trust ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with Owner, select an assignee that meets all the designation criteria specified in section 10.1 above. If SNC is unable to identify an assignee that meets all the designation criteria specified in section 10.1 above that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of Land Trust hereunder during any period that a successor assignee for such Land Trust is not yet in place.

c. Conditions of Assignment. As conditions to any assignment of this Easement, Land Trust and/or the SNC shall (1) require the assignee to expressly agree in writing to assume Land Trust’s obligations hereunder in perpetuity; and (2) ensure that assignee has the resources to fulfill its obligations under the Easement.

d. Successor to SNC. Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section 10.1 to

another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

10.2 Amendment. Under appropriate limited circumstances, this Easement may be amended by Land Trust and Owner; provided that no amendment shall be allowed that (a) is inconsistent with the Conservation Purposes; (b) would significantly impair the Conservation Values; (c) affects the perpetual duration of the Easement; (d) affects the validity of this Easement under California law or the status of Land Trust under section 501(c)(3) of the Internal Revenue Code or successor or related law; or (e) creates or results in impermissible private benefit or private inurement as prohibited by section 501(c)(3) of the Internal Revenue Code. Any amendment or modification must be in writing, signed by Land Trust and Owner, and recorded in the same manner as this Easement.

10.3 Termination. This Easement shall be of perpetual duration, it being the express intent of Owner and Land Trust that this Easement not be extinguished by, or merged into, any other interest or estate in the Protected Property now or hereafter held by Land Trust or any other party. This Easement may be terminated or extinguished in whole or in part only as set out in this section and through appropriate legal proceeding in a court of competent jurisdiction. Owner and Land Trust are committed to protecting and preserving the Conservation Values in perpetuity. Accordingly, this Easement is binding upon the University Owner and all future Owners of the Protected Property and conveys to Land Trust the right, duty and obligation to protect and preserve the Conservation Values to benefit this generation and generations to come. If one or more Conservation Values of this Easement may no longer be protected, that inability shall not be sufficient cause to terminate the entire Easement as long as any of the Conservation Values can be protected.

a. Change of Circumstances. This Easement may be terminated or extinguished if circumstances arise in the future that render the purpose of the Easement impossible to accomplish. In this event, this Easement may be extinguished only through judicial proceedings. Inability to carry on any or all of the permitted uses, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

b. Condemnation. This Easement may be terminated or extinguished pursuant to the proper exercise of the power of eminent domain. If this Easement is taken, in whole or in part, by exercise of the power of eminent domain, Land Trust shall be entitled to compensation in accordance with applicable law. Owner and Land Trust shall act jointly to recover the full value of their interests in the Protected Property subject to the taking or in-lieu purchase and all direct and incidental damages resulting therefrom. All expenses reasonably incurred by Owner and Land Trust in connection with the taking or in-lieu purchase shall be paid out of the amount recovered. Land Trust's share of the balance of the amount recovered shall be determined in accordance with section 10.3(c).

c. Proceeds upon Termination. This Easement constitutes a real property interest immediately vested in Land Trust. If the Protected Property is taken, in whole or in part, by exercise of the power of eminent domain, or is otherwise terminated, Land Trust shall be entitled

to compensation in accordance with applicable law for the value of the Easement taken, and Owner shall be entitled to compensation in accordance with applicable law for the value of the underlying fee title taken, subject to the Easement. Land Trust shall use all proceeds received as an award in a condemnation proceeding for a taking of the Easement in a manner consistent with the Conservation Purposes, or if the entire Easement is condemned, then Land Trust shall use the proceeds in connection with the stewardship of other conservation easements or fee title lands held by Land Trust.

10.4 Ownership Responsibilities, Costs and Liabilities. Owner retains all responsibilities and shall bear all costs and liabilities of any kind related to the use, ownership, and maintenance of the Protected Property. Land Trust shall have no obligation for the upkeep or maintenance of the Protected Property.

a. Taxes. Owner shall pay all applicable real estate taxes and assessments levied against the Protected Property, including any levied against the interest of Land Trust created by this Easement. Land Trust may, at its discretion, pay any outstanding taxes or assessments and shall then be entitled to reimbursement from Owner. The parties recognize that the initial Owner, The Regents Of The University Of California, is constitutionally exempt from paying property taxes.

b. Regulatory Compliance. All activities or construction permitted by this Easement shall be undertaken in accordance with applicable federal, state and local laws, regulations and ordinances, and nothing in this Easement shall be construed to exempt the Protected Property or Owner from otherwise applicable law. Owner is solely responsible for obtaining any required governmental permits.

c. Insurance and Indemnification by Owner. Notwithstanding any other provision herein to the contrary, Owner hereby agrees to indemnify, defend, and hold harmless Land Trust, its members, directors, officers, employees, volunteers, agents, and contractors and their heirs, successors and assigns (the "Indemnified Parties") from and against any costs, liabilities, penalties, damages, claims or expenses (including reasonable attorney's fees) and litigation costs which the Indemnified Parties may suffer or incur as a result of or arising out of: (a) the activities of Owner or Owner's officers, agents, employees, students, invitees, and guests on the Protected Property, (b) any representation or warranty made by Owner being untrue, or (c) any breach of this Easement by Owner. Land Trust shall not be liable to Owner for, and Owner hereby releases Land Trust from and waives any such liability for any bodily injury, death or property damage, in or about the Protected Property from any cause whatsoever other than those caused by the negligent acts of the Land Trust. From and after the date of a transfer of Owner's interest under this Easement, the successor Owner shall maintain in full force and effect, at its sole cost and expense, commercial general liability insurance, with a minimum combined single limit of liability of \$2,000,000.00, and Workers' Compensation and related insurance as required by applicable law. Land Trust shall be named as an additional insured on successor Owner's liability policy. Any deductible on successor Owner's insurance, and the carriers issuing successor Owner's insurance, shall be subject to Land Trust's reasonable approval. Successor Owner's liability insurance shall include a contractual liability endorsement expressly covering Successor Owner's indemnity obligations set forth in this section 10.4(c). Successor Owner's insurance policies shall expressly provide that they may not be canceled, reduced or amended

until at least twenty (20) days' prior written notice is given to Land Trust.

d. Future Environmental Condition. Owner is solely responsible for Owner's use or release on the Protected Property of any hazardous or toxic substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act, or other similar or successor federal, state or local law or regulation regarding responsibility for environmental conditions associated with contamination. Owner shall take all steps necessary to assure any needed containment or remediation resulting from any release of such substance.

10.5 Notice and Approval. Any notice or request for approval required by this Easement must be in writing and is subject to the following.

a. Approval Writing. No activity requiring prior approval of Land Trust may proceed without Land Trust's written approval as set out in this section. Approval of Land Trust must be in writing to be effective. Failure of Owner to receive written approval from Land Trust constitutes denial of the request.

b. Timing and Contents of Notice. Except as otherwise provided herein, whenever notice is required, Owner shall notify Land Trust in writing not less than (60) days prior to the date Owner intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable and any other material aspect of the proposed activity in sufficient detail to permit Land Trust to make any informed judgment as to its consistency with this Easement. At a minimum, the notice should include:

1. The location, nature, scope and timetable of the proposed activity.
2. The proposed use, design, and location of any building, structure or improvement.
3. The plan for any needed restoration of the Protected Property following the approved activity.
4. Any potential impact on the Conservation Values.

c. Delivery. Any required notice or request for approval must be delivered personally or sent by first class mail or other nationally recognized delivery service to the appropriate party at the following addresses (or other address specified in writing):

To Owner:

The Regents of the University of California  
Office of the President  
c/o Real Estate Services & Strategies  
1111 Franklin St., 6<sup>th</sup> Floor  
Oakland, CA 94607-5200

And also:

Center for Forestry & Center for Fire Research and Outreach  
Attn: William Stewart. Forestry Specialist

University of California at Berkeley  
130 Mulford Hall, MC #3114  
Berkeley, CA 94720-3114

To Land Trust:

Executive Director  
Shasta Land Trust  
PO Box 992026  
Redding, CA 96099-2026

To Sierra Nevada Conservancy (as relates to section 10.1):

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

When personally delivered, notice is effective upon delivery. When mailed, certified mail, postage prepaid, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt. When delivered by an overnight delivery service, notice is effective on delivery, if delivery is confirmed by the delivery service. A recipient cannot defeat delivery by refusing to accept the notice, and notice is deemed delivered if refused.

If Protected Property is owned by a trust, business entity or any common or jointly held ownership, Owner shall designate a representative authorized to receive notice on behalf of Owner and provide Land Trust with the name and address of the designated representative. Owner shall notify Land Trust of any change in the address for notices or in the designated representative and shall provide Land Trust with the new name, address and/or other changed contact information within fifteen (15) days after the change.

d. Approval Decisions. Land Trust may approve Owner's request only if Land Trust determines, in its reasonable discretion, that all the following conditions are met:

1. The notice conforms with section 10.5(a) through (c).
2. The proposed activity enhances or will not significantly impair the Conservation Values.
3. The proposed activity is not inconsistent with the Conservation Purpose.

Land Trust may condition its approval on Owner's acceptance of modifications that would, in Land Trust's reasonable judgment, make the proposed activity consistent with the Easement or otherwise meet the above conditions. Land Trust's approval shall not be unreasonably withheld. Land Trust's approval shall be (a) revocable at Land Trust's reasonable discretion, (b) limited in duration, and (c) specific to the individuals or entities who have requested approval to engage in the activity.

e. Nothing in this instrument shall require Land Trust to approve any activity that is prohibited by this Easement, would result in the amendment or termination of this Easement under state or federal law or is otherwise prohibited by law.

10.6 Binding Effect; Successors. This Easement creates a property right immediately vested in Land Trust that cannot be terminated or extinguished except as set out herein.

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 personal representatives, heirs, successors, and assigns in perpetuity.

If at any time Land Trust or other holder of this Easement becomes the owner of all or a portion of the fee interest in the Protected Property, this Easement shall not be deemed to merge with the underlying fee interest but shall remain in force and effect unless otherwise terminated or extinguished as set out herein.

10.7 Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer or termination of that party's interest in this Easement or the Protected Property, provided, however, that any liability for acts or omissions occurring prior to the transfer or termination will survive that transfer or termination.

10.8 Recording. Land Trust will record this Easement in a timely manner in the official records for the county in which the Protected Property is located. Land Trust may re-record this Easement or other documents necessary to protect its rights under this Easement or to assure the perpetual enforceability of this Easement.

10.9 Interpretation. This Easement shall be interpreted as follows:

a. Controlling Law and Construction. This Easement shall be governed by the laws of the State of California and construed to resolve any ambiguities or questions of validity of specific provisions in favor of giving maximum effect to its Conservation Purposes and to the policies and purposes of California Civil Code sections 815 et seq. and other California and federal law. If any provision in this instrument is found to be ambiguous, an interpretation consistent with this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. Owner and Land Trust and their counsel have reviewed and revised this Easement and agree that no rule of construction that ambiguities are to be resolved against drafting party shall be employed in the interpretation of this Easement.

b. Severability. A determination that any provision or specific application of this Easement is invalid shall not affect the validity of the remaining provisions or any future application.

c. Captions. Captions have been inserted in this document solely for convenience of reference and shall have no effect upon interpretation or construction.

d. Future Economic Condition. A change in the potential economic value of any use that is prohibited by or inconsistent with this Easement, or a change in any current or future uses of neighboring properties, shall not constitute a change in conditions that makes it impossible or

impractical to continue use of the Protected Property for its Conservation Purposes and shall not constitute grounds for terminating the Easement. Owner and Land Trust agree that any such changes will increase the benefit to the public of the continuation of this Easement. Both Owner and Land Trust intend that any such changes shall not be deemed to be circumstances justifying termination or extinguishment of this Easement. In addition, inability to carry on any or all of the permitted uses, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

e. Exhibits. The following exhibits are attached hereto and incorporated herein by this reference:

<u>Exhibit A</u>	Legal Description
<u>Exhibit B</u>	Property Map
<u>Exhibit C</u>	Grant Deed
<u>Exhibit D</u>	Express Third-Party Uses And Third Party Use Agreements

10.10 Additional Documents. Owner agrees to execute or provide any additional documents reasonably needed by Land Trust to carry out in perpetuity the provisions and intent of this Easement, including any documents needed to correct any error or mutual mistake, legal description or title matter or to comply with any law or regulation.

10.11 Entire Agreement. This document sets forth the entire agreement of the Owner and Land Trust with respect to this Easement and supersedes all prior discussions or understandings.

10.12 Counterparts. This Easement may be completed in counterparts with the signatures of the Owner and Land Trust to this Easement executed and notarized on separate pages which when attached to this document shall constitute one complete document.

10.13 Significance of Recitals and Terms. The Recitals to this Easement are integral and operative provisions of this Easement. In all matters of interpretation, whenever necessary to give effect to any clause of this Easement, the neuter or gender-specific pronouns include the masculine and feminine, the singular includes the plural, and the plural includes the singular.

10.14 Representation by Counsel. Owner and Land Trust each have been represented by legal counsel of their choosing in the negotiation and preparation of this Easement.

10.15 No Representation of Benefits. Owner acknowledges that neither Land Trust nor any of its employees or agents has made any representation or warranty concerning valuation of the property or the Easement, or the tax consequences of this transaction. Owner represents and warrants that (i) Owner has not relied upon any information furnished by Land Trust as to the availability or effect of any benefit to Owner or the value of this Easement or the Protected Property; (ii) Owner has relied solely upon personal judgment and/or professional advice furnished by professionals engaged by Owner.

10.16 Authority to Sign. Each individual executing this Easement on behalf of Owner or Land Trust represents and warrants to the other Party that the execution and delivery of this Easement and all related documents have been duly authorized by the Party for which the individual is

signing and that the individual has the legal capacity to execute and deliver this Easement and thereby to bind the Party for which the individual is signing.

10.17 Reasonableness Standard. Except when a provision expressly provides for a party's "sole discretion," Owner and Land Trust shall follow a reasonableness standard, shall use their best efforts to make any determinations that are necessary or are contemplated to be made by them (either separately or jointly) under this Easement in a timely manner, shall cooperate with one another, and shall take all other reasonable action suitable to these ends.

10.18 No Oral Approval. Owner understands that any oral approval or oral representation made by a Land Trust officer, employee or agent does not meet the requirements of this Easement, does not otherwise bind or commit Land Trust, and may not be relied on by Owner. Owner agrees that no oral approval or oral representation made by Land Trust's officers, employees or agents, or understood by Owner to have been made by Land Trust, its officers, employees or agents, shall be used by Owner to assert that Land Trust is, in any way, estopped or has made an election or has waived any provision of this Easement.

To Have and To Hold, this Conservation Easement And Voluntary Agreement Creating Enforceable Restrictions In Perpetuity unto the Grantee, its successors and assigns, forever.

In Witness Whereof, the Landowner and the Grantee, intending to legally bind themselves, have set their hands on the date first written above.

OWNER:  
THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA,  
a California public corporation

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

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

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

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

LAND TRUST:  
SHASTA LAND TRUST, a  
California nonprofit public benefit  
corporation

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

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

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

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

*The remainder of this page has been intentionally left blank.*



**ACKNOWLEDGMENT**

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, \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

(Seal)

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROPERTY**  
**[to be attached]**

**EXHIBIT B**  
**PROPERTY MAP**  
**[to be attached]**

**EXHIBIT C**  
**GRANT DEED**  
**[to be attached]**

**EXHIBIT D**  
**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

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

- a.** AN EASEMENT FOR BIG BEND ROAD OVER SAID LAND TO EXCAVATE, INSTALL, CONSTRUCT, RECONSTRUCT, REPAIR, REPLACE, MAINTAIN AND USE ROAD IMPROVEMENTS, TOGETHER WITH ASSOCIATED GRADING, SUPPORT AND LANDSCAPING, AS GRANTED TO COUNTY OF SHASTA, **add recording information.**
- b.** AN EASEMENT OVER SAID LAND FOR COMMUNICATION FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO CITIZENS UTILITIES COMPANY OF CALIFORNIA, IN DEED RECORDED JULY 24, 1985, IN BOOK 2165 PAGE 143, OFFICIAL RECORDS.
- c.** AN EASEMENT OVER SAID LAND FOR EXTRA HIGH VOLTAGE TRANSMISSION LINE AND INCIDENTAL PURPOSES, AS GRANTED TO TRANSMISSION AGENCY OF NORTHERN CALIFORNIA, A PUBLIC AGENCY, IN DEED RECORDED MAY 31, 1990, IN BOOK 2603 PAGE 670, OFFICIAL RECORDS.
- d.** AN EASEMENT OVER SAID LAND TO CONSTRUCT, RECONSTRUCT, MAINTAIN AND USE THE EXISTING ROAD AND INCIDENTAL PURPOSES, AS GRANTED TO MEGA RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP, IN DEED RECORDED JULY 11, 1990, IN BOOK 2617 PAGE 451, OFFICIAL RECORDS. (PG&E#: 2436-01-0202)
- e.** AN EASEMENT OVER SAID LAND TO CONSTRUCT, RECONSTRUCT, MAINTAIN AND USE THE EXISTING ROAD AND INCIDENTAL PURPOSES, AS GRANTED TO ALAN NANNINI, AS TRUSTEE OF THE PRIMARY FAMILY TRUST CREATED IN 1981, IN DEED RECORDED DECEMBER 10, 1990, IN BOOK 2669 PAGE 110 AND RE-RECORDED JANUARY 24, 1991, IN BOOK 2682 PAGE 581, OFFICIAL RECORDS.
- f.** THE TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN UNRECORDED "MASTER SPECIAL USE AGREEMENT" EXECUTED BY AND BETWEEN UNITED STATES DEPARTMENT OF AGRICULTURE AND PACIFIC GAS AND ELECTRIC COMPANY ISSUED F.P.C. LICENSE NO. 233.

# **Attachment C**

## **Conservation Easement**

RECORDING REQUESTED BY AND RETURN TO:

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

No Recording Fee Pursuant to Government Code 27383

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER TAX IS \$0

Transfer Tax Exempt due to Revenue & Taxation Code 11922

See Signature of Grantor Below  
Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD #

DEED

APN: 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

## GRANT DEED, RESERVATION OF RIGHTS AND EASEMENTS, AND GRANT OF ACCESS RIGHTS

### I. CONVEYANCE OF FEE

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (“**Grantor**”) hereby grants, without warranty express or implied, to **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA** (“**Grantee**”), the real property (“**Property**”), located in the unincorporated area of the County of Shasta, State of California, described in and shown on Exhibit A hereto and made a part hereof.

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

### II. RECITALS

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

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

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

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

E. Grantor has used and continues to use the Property for the purpose of generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”), and for other purposes as described more fully in Section IV below (collectively, “**Hydro Project Activities**”). Additionally, Grantor has used and continues to use the Property to erect, construct, reconstruct, replace, remove, operate, inspect, maintain and use facilities of the type hereinafter specified for the transformation, transmission and distribution of electric energy and for communication purposes (collectively “**Electric Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” and “**Electric Facilities**” refer to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities and/or the Electric Activities, as appropriate, as described more fully in Section IV below.

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

### III. GRANTEE ACCESS

GRANTEE shall have a non-exclusive right of surface access, ingress and egress to and from the Property over and across the Adjacent Lands, by means of existing roads, lanes, and routes thereon, if such there be (collectively, the “**Existing Roads**”), otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantor's Adjacent Lands (“**Access Rights**”). GRANTEE’s Access Rights shall only extend to portions of the Property that are only reasonably accessible by Adjacent Lands. “**Adjacent Lands**” means the lands excepted from Parcels 1 and 2 of the Property identified as Strip 1, Strip 2, and Strip 3 in Exhibit A hereto.

GRANTEE may allow SLT and any successor to SLT under the Conservation Easement to utilize the Access Rights but only for purposes of ingress and egress. GRANTEE acknowledges that the Adjacent Lands are a part of the FERC Project Nos. 233 & 2106 (“**Project**”), and when exercising the Access Rights on Project lands GRANTEE agrees to abide by FERC regulations and approvals that Grantor is required to comply with on Project lands.

a. GRANTEE’s use of the Access Rights shall not endanger health, create a nuisance, or otherwise be incompatible with overall Project recreational use.

b. GRANTEE shall take all reasonable precautions to ensure that the use of the Access Rights on Project lands will occur in a manner that will protect the scenic, recreational, and environmental values of the Project.

c. GRANTEE shall not make use of the Access Rights in any way which would be incompatible with overall Project requirements or unduly restrict public access to Project waters.

Notwithstanding the above, nothing herein shall impair or otherwise impede Grantor’s right for continued use of the Adjacent Lands, including those Adjacent Lands containing the Access Rights, in all ways and for all purposes Grantor deems necessary to fulfill its obligations as licensee under FERC projects.

### IV. RESERVATION OF RIGHTS AND EASEMENTS

1. Reserved Rights and Reserved Easements. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below (collectively, the “**Reserved Rights**”) as Grantor may determine in Grantor's sole discretion exercised in good faith is required for Grantor’s continued Hydro Project Activities and Electric Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities and Electric Facilities, together with easements as reasonably necessary or convenient for the exercise of the Reserved Rights (collectively the “**Reserved Easements**”). The Reserved Easements include a right of way for the continued operation and maintenance of electric lines and associated Electric Facilities, and the operation of future Electric Facilities within the easement area described in Exhibit B and shown on Exhibit B-1, attached hereto and made a part hereof (the “**Electric Line Easement Area**”).

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

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters (including subsurface flow) which are now or hereafter located or flowing upon or abutting the Property.

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

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

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water; provided, however, subject to any and all prior appropriative rights to such waters, Grantee shall be entitled to use reasonable amounts of water on the Property for domestic non-commercial uses, and to preserve the beneficial public values as identified in the LCP; and

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

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

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

(c) Grantor reserves the permanent right to conduct said Electric Activities within said Electric Line Easement Area for its Electric Facilities, described as follows:

Such poles, , aerial wires, cables, electrical conductors with associated crossarms, braces, transformers, anchors, guy wires and cables; and such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as Grantor deems necessary for the transmission and distribution of electric energy and for communication purposes.

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

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

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

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

(4) The right, from time to time, to trim or to cut down any unauthorized trees, crops, vines or other vegetation as described in Section V.3 that exceed ten feet (10') in height within the Electric Line Easement Area and may cause the Grantor to take reasonable measures to control re-sprouting trees; and

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

(6) To use such portion of the Property contiguous to the Electric Line Easement Area as may be reasonably necessary in connection with the construction, reconstruction, installation, inspection, maintenance, repair, replacement and removal of the Electric Facilities; and

(7) To mark the location of the Electric Line Easement Area by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantee shall make of the Electric Line Easement Area.

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

## V. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed, Reservation of Rights and Easements, and Grant of Access Rights ("**Grant Deed**") is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (c) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions of record or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor's obligations under Part 1 of the FPA and any successor statute, without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

3. Grantee agrees that it shall not plant or maintain any trees, crops, vines or other vegetation that naturally exceeds a height of ten feet (10') at maturity within the Electric Line Easement Area.

4. Grantee shall have the right to use the Electric Line Easement Area for purposes which will not interfere with Grantor's full enjoyment of the rights hereby reserved; provided that:

(a) Grantee shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction or diminish or substantially add to the ground level in the Electric Line Easement Area; and

(b) Grantee shall not deposit, or permit or allow to be deposited, earth, rubbish, debris, or any other substance or material, whether combustible or noncombustible, on the Electric Line Easement Area, or so near thereto as to constitute, in the reasonable opinion of Grantor, a hazard to any of the Electric Facilities.

## VI. MISCELLANEOUS

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

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

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

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Grant Deed as of \_\_\_\_\_.

PACIFIC GAS AND ELECTRIC COMPANY,  
A California corporation

By: \_\_\_\_\_  
Andrew K. Williams  
Vice President, Shared Services

ACCEPTED AND AGREED:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,  
a California public corporation

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

EXHIBIT A  
**LEGAL DESCRIPTION OF PROPERTY**

**[Follows this page]**

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

State of California )  
County of San Francisco )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

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

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

# **Attachment D**

**Road Easement to Shasta County**

LD 2436-01-10007  
Road Easement to County of Shasta

RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
245 Market Street, N10A, Room 1015  
P.O. Box 770000  
San Francisco, CA 94177  
Attention: Land Agent

Location: Uninc. Shasta County  
Recording Fee \$0.00 (Government Code Section 27383)  
Document Transfer Tax \$0.00 (Revenue and Taxation Code Section 11922)  
NO FEE – COUNTY BUSINESS

---

Signature of declarant or agent determining tax

(A portion of APN 021-250-003, & 007, 027-020-002, and 027-260-002 & 003)

**EASEMENT AGREEMENT  
(Road Easement to County of Shasta)**

This Easement Agreement (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the “**Effective Date**”) by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called “**PG&E**”, and the COUNTY OF SHASTA, a Municipal Corporation of the State of California, hereinafter called “**Grantee**.”

**RECITALS**

A. PG&E owns certain real property within the County of Shasta, State of California, more particularly described in **Exhibit A and shown on Exhibit B**, attached hereto and made a part hereof (hereinafter, the “**Property**”).

B. Grantee uses an existing road on the Property and in connection therewith, Grantee has requested that PG&E grant an easement for the excavation, installation, construction, reconstruction, repair, maintenance and use of such road.

C. PG&E is willing to grant such easement on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of Grantee’s agreement to pay the sum of zero Dollars (\$\_0.00\_\_\_), and for other good and valuable consideration, receipt of which is hereby acknowledged, PG&E and Grantee agree as follows:

1. Grant of Easement(s): PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, the following easement:

Road Improvements, Grading and Support. A non-exclusive easement to excavate, install, construct, reconstruct, repair, replace, maintain and use road improvements, together with associated grading, support and landscaping on and in a portion of the Property (the “**Easement Area**”) described in **Exhibit A and shown on Exhibit B**, attached hereto and made a part hereof. Grantee shall have the right of grading the Easement Area for the full width thereof and to extend the cuts and fills for such grading into and on adjacent lands of PG&E along and outside of the Easement Area to such extent as Grantee may find reasonably necessary.

2. Limitations on Use.

(a) The Easement Area and any facilities permitted to be constructed thereon are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

(b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E’s response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E’s business operations located elsewhere than in the immediate vicinity of the Property.

(c) Grantee shall not erect or construct any building or other structure other than the road improvements specifically authorized by this Agreement, nor shall Grantee drill or operate any well, within five (5) feet of any of PG&E’s electric or gas facilities.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area. Grantee acknowledges that one or more of the following (collectively, “**Potential Environmental Hazards**”) may be located in, on or underlying the Property and/or the Easement Area:

(a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise (“**EMFs**”);

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term “**Hazardous Substances**” means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) 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, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or

threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a “hazardous substance,” “hazardous waste,” “hazardous material,” “extremely hazardous waste,” “restricted hazardous waste” or “toxic substance” or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

(2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority 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

(3) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons on or about the Property or to the environment; or

(4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

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

(6) which contains radon gas;

(c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and

(d) other potentially hazardous substances, materials, products or conditions.

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees, including, without limitation, the general public (“**Grantee’s Representatives**”) from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for

the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

4. Grantee's Covenants. Grantee hereby covenants and agrees:

(a) Construction of Improvements. Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements (“**Improvements**”) as may be necessary and appropriate for Grantee’s permitted use, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications (“**Plans**”) previously approved by PG&E, and shall comply with all Legal Requirements, as defined below in Section 4(b). Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act (“**NEPA**”) and the California Environmental Quality Act (“**CEQA**”) and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Property, or impose limitations on PG&E’s ability to use the Property as specified in Section 8, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revert in PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E’s review of Grantee’s Plans is solely for the purpose of protecting PG&E’s interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, “**CPUC**”);

(b) Compliance with Laws. Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Grantee’s use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, “**Legal Requirements**”), regardless of when they

become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee.

(c) Notice of Enforcement Proceedings. Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Property, or to any contamination or suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Property by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than ten (10) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators, electric conduits, tower footings or foundations. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Property, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(f) Maintenance. Grantee agrees to maintain its facilities and Improvements in good condition and repair, and be responsible for the security of, the facilities installed hereunder;

(g) Repairing Damage. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;

(h) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E's adjoining lands, and;

(i) PG&E Right to Cure. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within fifteen (15) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

5. Indemnification; Release.

(a) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "**Indemnitee**" and collectively, "**Indemnitees**") from and against all claims, losses (including, but not limited to, diminution in value), 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**"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Property); (2) injury to property or other interest of PG&E, Grantee or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing, Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in connection with any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at

Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Grantee acknowledges that all Claims arising out of or in any way connected with releases or discharges of any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area or the surrounding Property, or any of the activities of Grantee and Grantee's Representatives, and all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.

(c) Grantee's use of the Property shall be at its sole risk and expense. Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area.

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

(e) The provisions of this Section 5 shall survive the termination of this Agreement.

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 12.

7. Abandonment; Termination. In the event Grantee abandons the facilities installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such facilities for a continuous period of two (2) years, unless such nonuse is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years, shall be conclusive evidence of such abandonment. Upon any termination of this Agreement, Grantee shall remove, at no cost to PG&E, such of Grantee's facilities and equipment installed pursuant to this Agreement as PG&E may specify. Upon any

termination of this Agreement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other documents or instruments, in a form reasonably acceptable to PG&E, as may be reasonably necessary to eliminate this Agreement as an encumbrance on the title to the Easement Area or any larger parcel of property containing the Easement Area.

8. Reserved Rights. PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's facilities. Without limiting the generality of the foregoing:

(a) PG&E reserves the right to make use the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.

(b) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

(c) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area, the Property, or PG&E's adjacent property, by PG&E or others entitled to use such property.

(d) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112E (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.

9. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision D-\_\_\_\_\_ (Application No. \_\_\_\_\_), in like manner as though said provisions were set forth in full herein.

10. Compliance; Insurance. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, with respect to the Easement Area and the use, occupancy and activities of Grantee and Grantee's Representatives on or about the Easement Area, the insurance specified in **Exhibit C**, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right

to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. For so long as Grantee is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third-party insurance company. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

For so long as Grantee (a) is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, or (b) is a public utility (as that term is defined in the California Public Utilities Code), or (c) maintains a net worth (measured in accordance with generally accepted accounting principles applicable to public utility companies) not less than twenty (20) times the limit of liability (per-occurrence) from time to time required hereunder for Grantee's Commercial General Liability Insurance coverage (or if such coverage is no longer available, its replacement); then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third-party insurance company.

11. Mechanics' Liens. Grantee shall keep the Property free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Property in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause

such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

12. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company  
Attention: Manager, Hydro Support  
Sarah Hug  
111 Stony Circle  
Santa Rosa, CA 95401

With a copy to:

Pacific Gas and Electric Company  
Law Department  
77 Beale Street, Mail Code B3OA  
San Francisco, California 94120  
Attention: Director & Counsel, Contracts Section (Real Estate)

If to Grantee:

Shasta County Department of Public Works  
1855 Placer Street  
Redding, CA 96001-1759  
Attention: Brandon Magby

13. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

14. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

15. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 16). No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its

duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.

16. Assignment. Grantee shall not assign, convey, encumber (other than as may be specifically permitted by the terms of this Agreement), or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

17. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. 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. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings and bankruptcy litigation, and in any appellate proceeding. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department.

18. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

19. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the Easement Area, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

20. No Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of land or rights to the general public. The right of the public or any person, including Grantee, to make any use whatsoever of the Easement Area or any portion thereof, other than as expressly permitted herein or as expressly allowed by a recorded map, agreement, deed or dedication, is by permission and is subject to the control of PG&E in its sole discretion.

21. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

24. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

25. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

26. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

COUNTY OF SHASTA,  
a Public Body of the State of California

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

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

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

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

Exhibits A, B and C attached

Administrative Information Block

Attach to LD: 2436-01-\_\_\_\_\_

Area, Region or Location: 3

Land Service Office: Sacramento

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 24.36.01.26.44, 24.36.01.26.41, 24.36.01.26.14, 24.36.01.26.11, 24.36.01.26.43,  
24.36.01.26.42, 24.36.01.26.13, 24.36.01.26.12, 24.36.01.26.34, 24.36.01.26.31,  
24.36.01.26.24, 24.36.01.26.21, 24.36.01.26.33, 24.36.01.26.32, 24.36.01.26.23,  
24.36.01.26.22, 24.36.01.27.24, 24.36.01.27.21, 24.36.01.27.23, 24.36.01.27.22,  
24.36.01.34.14, 24.36.01.34.11, 24.36.01.34.13, 24.36.01.34.12, 24.36.01.35.44,  
24.36.01.35.41, 24.36.01.35.14, 24.36.01.35.11, 24.36.01.35.43, 24.36.01.35.42,  
24.36.01.35.13, 24.36.01.35.12, 24.36.01.35.34, 24.36.01.35.31, 24.36.01.35.24,  
24.36.01.35.21, 24.36.01.35.33, 24.36.01.35.32, 24.36.01.35.23, 24.36.01.35.22,  
24.35.01.02.44, 24.35.01.02.41, 24.35.01.02.43, 24.35.01.02.42, 24.35.01.03.14,  
24.35.01.03.11, 24.35.01.03.13, 24.35.01.03.12, 24.35.01.03.24, 24.35.01.03.21,  
24.35.01.03.23, 24.35.01.03.22,

FERC License Number: NA

PG&E Drawing Number: NA

Plat No.: NA

LD of Affected Documents: NA

LD of Cross Referenced Documents: NA

Type of interest: Easements Granted over Fee Lands (11C), Land Conservation and  
Conveyance Plans (77), Road Rights (7)

SBE Parcel: 135-45-84B-22, 26, & 135-45-85A-4

% Being Quitclaimed: NA

Order or PM: 2025565

JCN: NA

County: Shasta

Utility Notice Number: NA

851 Approval Application No: \_\_\_\_\_ ;Decision: \_\_\_\_\_

Prepared By: bms2

Checked By: s2p0

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

## EXHIBIT A

THOSE CERTAIN PARCELS OF LAND SITUATE IN THE COUNTY OF SHASTA, STATE OF CALIFORNIA, INCLUDED WITHIN SECTIONS 26, 35, AND 36, TOWNSHIP 36 NORTH, RANGE 1 WEST, AND SECTIONS 1, 3, 10 AND 11, TOWNSHIP 35 NORTH, RANGE 1 WEST, ALL M.D.M., BEING A PORTION OF THE LANDS DESCRIBED IN THE DEED RECORDED IN VOLUME 14 OF OFFICIAL RECORDS, AT PAGE 220, VOLUME 131 OF DEEDS AT PAGE 31, VOLUME 104 OF DEEDS AT PAGE 92, AND VOLUME 128 OF DEEDS AT PAGE 113, SHASTA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

### **STRIP 1**

A STRIP OF LAND 60.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF SAID SECTION 26 FROM WHICH THE NORTHEAST CORNER THEREOF BEARS S.89°44'48"E., A DISTANCE OF 5343.73 FEET; THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 26, S.89°44'48"E., A DISTANCE OF 1654.17 FEET TO A POINT ON THE CENTERLINE OF BIG BEND ROAD, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE ALONG THE CENTERLINE OF BIG BEND ROAD THE FOLLOWING COURSES:

SOUTHERLY ALONG A NON TANGENT CURVE TO THE LEFT FROM WHICH THE RADIUS POINT BEARS S.69°20'42"E, A RADIAL DISTANCE OF 4000.00 FEET THROUGH A CENTRAL ANGLE OF 03°01'08", A DISTANCE OF 210.77 FEET;

THENCE S.17°38'09"W., A DISTANCE OF 435.57 FEET;

THENCE S.18°43'15"W., A DISTANCE OF 817.62 FEET;

THENCE SOUTHERLY, A DISTANCE OF 82.20 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 700.00 FEET AND A CENTRAL ANGLE OF 06°43'40";

THENCE S.25°26'55"W., A DISTANCE OF 272.28 FEET;

THENCE SOUTHERLY, A DISTANCE OF 215.15 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 700.00 FEET AND A CENTRAL ANGLE OF 17°36'38";

THENCE S.07°50'17"W., A DISTANCE OF 119.14 FEET;

THENCE CONTINUING, S.07°50'17"W., A DISTANCE OF 330.55 FEET;

THENCE S.09°47'30"W., A DISTANCE OF 737.21 FEET;

THENCE SOUTHERLY, A DISTANCE OF 386.04 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2500.00 FEET AND A CENTRAL ANGLE OF 08°50'50";

THENCE SOUTHERLY, A DISTANCE OF 299.96 FEET ALONG A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 5,000.00 FEET AND A CENTRAL ANGLE OF 03°26'14";

THENCE SOUTHERLY, A DISTANCE OF 267.65 FEET ALONG A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 1,500.00 FEET AND A CENTRAL ANGLE OF 10°13'25";

THENCE S.25°25'31"W., A DISTANCE OF 343.59 FEET;

THENCE SOUTHERLY, A DISTANCE OF 158.11 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1000.00 FEET AND A CENTRAL ANGLE OF 09°03'32";

THENCE SOUTHERLY, A DISTANCE OF 634.87 FEET ALONG A COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 2500.00 FEET AND A CENTRAL ANGLE OF 14°33'01";

THENCE S.01°48'58"W., A DISTANCE OF 495.89 FEET;

THENCE S.00°36'57"W., A DISTANCE OF 365.42 FEET;

THENCE SOUTHERLY, A DISTANCE OF 182.51 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1000.00 FEET AND A CENTRAL ANGLE OF 10°27'26";

THENCE S.09°50'29"E., A DISTANCE OF 469.89 FEET;

THENCE S.09°13'32"E., A DISTANCE OF 428.71 FEET;

THENCE SOUTHERLY, A DISTANCE OF 267.65 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 5,000.00 FEET AND A CENTRAL ANGLE OF 03°04'02";

THENCE S.06°09'31"E., A DISTANCE OF 357.88 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 528.64 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 620.00 FEET AND A CENTRAL ANGLE OF 48°51'12";

THENCE SOUTHEASTERLY, A DISTANCE OF 186.87 FEET ALONG A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 1300.00 FEET AND A CENTRAL ANGLE OF 08°14'10";

THENCE S.46°46'32"E., A DISTANCE OF 150.99 FEET TO THE POINT OF INTERSECTION WITH COVE ROAD, SAID POINT HEREINAFTER REFERRED TO AS **POINT A**,

THENCE CONTINUING, S.46°46'32"E., A DISTANCE OF 66.13 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 1,224.41 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 4,000.00 FEET AND A CENTRAL ANGLE OF 17°32'18";

THENCE S.64°18'51"E., A DISTANCE OF 56.13 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 381.62 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 800.00 FEET AND A CENTRAL ANGLE OF 27°19'53";

THENCE S.36°58'57"E., A DISTANCE OF 115.16 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 278.81 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 31°56'58";

THENCE S.68°55'56"E., A DISTANCE OF 143.23 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 116.06 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 650.00 FEET AND A CENTRAL ANGLE OF 10°13'51";

THENCE S.58°42'05"E., A DISTANCE OF 286.93 FEET;

THENCE EASTERLY, A DISTANCE OF 324.83 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 650.00 FEET AND A CENTRAL ANGLE OF 28°37'57";

THENCE S.87°20'02"E., A DISTANCE OF 350.87 FEET;

THENCE EASTERLY, A DISTANCE OF 113.77 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 21°43'39";

THENCE S.65°36'23"E., A DISTANCE OF 165.27 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 233.74 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 800.00 FEET AND A CENTRAL ANGLE OF 16°44'25";

THENCE S.48°51'58"E., A DISTANCE OF 173.99 FEET;

THENCE EASTERLY, A DISTANCE OF 741.36 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1,100.00 FEET AND A CENTRAL ANGLE OF 38°36'55";

THENCE S.87°28'53"E., A DISTANCE OF 557.77 FEET;

THENCE EASTERLY, A DISTANCE OF 284.79 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 32°38'04";

THENCE S.54°50'49"E., A DISTANCE OF 277.70 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 129.77 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 14°52'14";

THENCE S.69°43'03"E., A DISTANCE OF 781.96 FEET;

THENCE EASTERLY, A DISTANCE OF 194.66 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 420.00 FEET AND A CENTRAL ANGLE OF 26°33'19";

THENCE N.83°43'38"E., A DISTANCE OF 236.53 FEET;

THENCE EASTERLY, A DISTANCE OF 267.36 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 25°31'52";

THENCE S.70°44'30"E., A DISTANCE OF 303.24 FEET;

THENCE EASTERLY, A DISTANCE OF 49.03 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 09°21'51";

THENCE S.80°06'21"E., A DISTANCE OF 240.78 FEET;

THENCE EASTERLY, A DISTANCE OF 191.70 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 350.00 FEET AND A CENTRAL ANGLE OF 31°22'53";

THENCE N.68°30'46"E., A DISTANCE OF 150.49 FEET;

THENCE EASTERLY, A DISTANCE OF 143.43 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 400.00 FEET AND A CENTRAL ANGLE OF 20°32'39";

THENCE N.89°03'25"E., A DISTANCE OF 257.06 FEET;

THENCE EASTERLY, A DISTANCE OF 291.03 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 27°47'27";

THENCE N.61°15'57"E., A DISTANCE OF 65.22 FEET;

THENCE EASTERLY, A DISTANCE OF 380.68 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 270.00 FEET AND A CENTRAL ANGLE OF 80°47'00";

THENCE S.37°57'03"E., A DISTANCE OF 97.72 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 321.02 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 30°39'20";

THENCE S.68°36'23"E., A DISTANCE OF 573.96 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 606.36 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 380.00 FEET AND A CENTRAL ANGLE OF 91°25'34";

THENCE S.22°49'11"W., A DISTANCE OF 94.69 FEET;

THENCE SOUTHERLY, A DISTANCE OF 26.69 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 03°03'29";

THENCE S.19°45'43"W., A DISTANCE OF 158.65 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 20.28 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 05°48'33";

THENCE S.25°34'15"W., A DISTANCE OF 234.56 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 44.72 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 25°37'25";

THENCE S.51°11'40"W., A DISTANCE OF 37.74 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 53.56 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 15°20'39";

THENCE S.35°51'02"W., A DISTANCE OF 113.28 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 37.84 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS

OF 200.00 FEET AND A CENTRAL ANGLE OF 10°50'25";

THENCE S.25°00'37"W., A DISTANCE OF 191.48 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 308.82 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 270.00 FEET AND A CENTRAL ANGLE OF 65°32'02";

THENCE N.89°27'21"W., A DISTANCE OF 170.96 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 215.53 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 140.00 FEET AND A CENTRAL ANGLE OF 88°12'25";

THENCE S.02°20'14"W., A DISTANCE OF 254.76 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 256.48 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET AND A CENTRAL ANGLE OF 58°46'51";

THENCE S.61°07'05"W., A DISTANCE OF 181.63 FEET;

THENCE SOUTHERLY, A DISTANCE OF 313.66 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 150.00 FEET AND A CENTRAL ANGLE OF 119°48'31";

THENCE S. 58°41'27" E., A DISTANCE OF 522.98 FEET TO A POINT FROM WHICH A 3/4 INCH PIPE TAGGED "LS 2322" MARKING THE WEST ONE-QUARTER CORNER OF SECTION 6, TOWNSHIP 35 NORTH, RANGE 1 EAST, M.D.M., AS SHOWN ON THAT MAP FILED FOR RECORD IN BOOK 23 OF LAND SURVEYS AT PAGE 4, SHASTA COUNTY RECORDS, BEARS N. 46°29'49" E., A DISTANCE OF 1261.59 FEET, SAID POINT BEING THE **POINT OF TERMINATION.**

**EXCEPTING THEREFROM** THOSE PORTIONS LYING WITHIN THE NORTHWEST ONE-QUARTER AND THE NORTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

## **STRIP 2**

A STRIP OF LAND 60.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE INTERSECTION POINT OF BIG BEND ROAD AND COVE ROAD, SAID POINT HEREINBEFORE REFERRED TO AS "**POINT A**";

THENCE ALONG THE CENTERLINE OF COVE ROAD THE FOLLOWING COURSES:

S.57°11'01"W., A DISTANCE OF 335.42 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 152.19 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 29°03'57";

THENCE S.28°07'03"W., A DISTANCE OF 210.32 FEET;

THENCE SOUTHERLY, A DISTANCE OF 481.96 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1,000.00 FEET AND A CENTRAL ANGLE OF 27°36'51";

THENCE S.00°30'13"W., A DISTANCE OF 211.23 FEET;

THENCE SOUTHERLY, A DISTANCE OF 96.53 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 11°03'41";

THENCE S.11°33'54"W., A DISTANCE OF 244.98 FEET;

THENCE S.11°33'54"W., A DISTANCE OF 177.60 FEET;

THENCE S.13°18'44"W., A DISTANCE OF 558.37 FEET;

THENCE SOUTHERLY, A DISTANCE OF 31.35 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2000.00 FEET AND A CENTRAL ANGLE OF 00°53'54" TO A POINT ON THE SOUTHERLY LINE OF SAID SECTION 35;

THENCE CONTINUING SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°12'36", A DISTANCE OF 216.77 FEET;

THENCE S.06°12'15"W., A DISTANCE OF 476.86 FEET;

THENCE SOUTHERLY, A DISTANCE OF 249.64 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1,000.00 FEET AND A CENTRAL ANGLE OF 14°18'12";

THENCE S.20°30'27"W., A DISTANCE OF 629.73 FEET;

THENCE SOUTHERLY, A DISTANCE OF 2.86 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 00°49'11";

THENCE S.21°19'37"W., A DISTANCE OF 57.31 FEET;

THENCE SOUTHERLY, A DISTANCE OF 21.41 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 06°08'04";

THENCE S.15°11'34"W., A DISTANCE OF 52.58 FEET;

THENCE SOUTHERLY, A DISTANCE OF 30.96 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°52'14";

THENCE S.06°19'19"W., A DISTANCE OF 148.39 FEET;

THENCE SOUTHERLY, A DISTANCE OF 13.01 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 03°43'43";

THENCE S.02°35'37"W., A DISTANCE OF 87.60 FEET;

THENCE SOUTHERLY, A DISTANCE OF 9.30 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 02°39'56";

THENCE S.00°04'19"E., A DISTANCE OF 146.13 FEET;

THENCE SOUTHERLY, A DISTANCE OF 7.38 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 00°50'44";

THENCE S.00°46'24"W., A DISTANCE OF 60.97 FEET;

THENCE SOUTHERLY, A DISTANCE OF 23.19 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 02°39'27";

THENCE S.03°25'52"W., A DISTANCE OF 60.26 FEET;

THENCE SOUTHERLY, A DISTANCE OF 51.98 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 05°57'21";

THENCE S.09°23'13"W., A DISTANCE OF 112.26 FEET;

THENCE SOUTHERLY, A DISTANCE OF 5.74 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 01°38'43";

THENCE S.11°01'56"W., A DISTANCE OF 162.72 FEET;

THENCE SOUTHERLY, A DISTANCE OF 3.22 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 00°55'25";

THENCE S.10°06'31"W., A DISTANCE OF 305.14 FEET;

THENCE SOUTHERLY, A DISTANCE OF 10.72 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 03°04'20";

THENCE S.13°10'52"W., A DISTANCE OF 73.99 FEET;

THENCE SOUTHERLY, A DISTANCE OF 21.84 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 06°15'28";

THENCE S.19°26'19"W., A DISTANCE OF 146.71 FEET;

THENCE SOUTHERLY, A DISTANCE OF 16.46 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 04°42'52";

THENCE S.24°09'12"W., A DISTANCE OF 376.96 FEET;

THENCE SOUTHERLY, A DISTANCE OF 18.86 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 05°24'09";

THENCE S.18°45'03"W., A DISTANCE OF 81.17 FEET;

THENCE SOUTHERLY, A DISTANCE OF 0.66 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 00°11'19";

THENCE S.18°56'21"W., A DISTANCE OF 59.68 FEET;

THENCE SOUTHERLY, A DISTANCE OF 15.29 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 04°22'45";

THENCE S.14°33'37"W., A DISTANCE OF 386.60 FEET;

THENCE SOUTHERLY, A DISTANCE OF 28.83 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°15'32";

THENCE S.06°18'04"W., A DISTANCE OF 44.06 FEET;

THENCE SOUTHERLY, A DISTANCE OF 56.63 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 16°13'22";

THENCE S.09°55'17"E., A DISTANCE OF 143.16 FEET;

THENCE SOUTHERLY, A DISTANCE OF 59.97 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 17°10'51";

THENCE S.27°06'09"E., A DISTANCE OF 287.76 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 1.69 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 00°29'07";

THENCE S.26°37'01"E., A DISTANCE OF 73.67 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 21.57 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 06°10'48";

THENCE S.20°26'13"E., A DISTANCE OF 94.44 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 21.21 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 06°04'29";

THENCE S.26°30'42"E., A DISTANCE OF 63.18 FEET;

THENCE SOUTHERLY, A DISTANCE OF 49.97 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 14°18'51";

THENCE S.12°11'52"E., A DISTANCE OF 139.22 FEET;

THENCE SOUTHERLY, A DISTANCE OF 31.17 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°55'50";

THENCE S.21°07'42"E., A DISTANCE OF 243.43 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 25.56 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 07°19'23";

THENCE S.28°27'05"E., A DISTANCE OF 168.17 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 64.78 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 37°06'53";

THENCE S.65°33'58"E., A DISTANCE OF 185.93 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 52.49 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 15°02'11";

THENCE S.50°31'47"E., A DISTANCE OF 101.79 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 29.48 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°26'40";

THENCE S.58°58'27"E., A DISTANCE OF 195.13 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 26.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 07°31'37";

THENCE S.51°26'49"E., A DISTANCE OF 101.08 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 67.57 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 38°42'46";

THENCE S.12°44'03"E., A DISTANCE OF 230.43 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 242.89 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 400.00 FEET AND A CENTRAL ANGLE OF 34°47'28";

THENCE S.47°31'31"E., A DISTANCE OF 212.23 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 149.04 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 17°04'42";

THENCE S.30°26'49"E., A DISTANCE OF 58.93 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 59.23 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 33°56'02";

THENCE S.64°22'51"E., A DISTANCE OF 17.33 FEET;

THENCE NORTHEASTERLY, A DISTANCE OF 117.34 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 134°28'00";

THENCE N.18°50'51"W., A DISTANCE OF 94.10 FEET;

THENCE EASTERLY, A DISTANCE OF 150.76 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 172°45'46";

THENCE S.26°05'05"E., A DISTANCE OF 78.45 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 29.57 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 03°23'17";

THENCE S.22°41'48"E., A DISTANCE OF 50.09 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 89.99 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 25°46'53";

THENCE S.48°28'41"E., A DISTANCE OF 72.72 FEET;

THENCE SOUTHERLY, A DISTANCE OF 123.70 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 60.00 FEET AND A CENTRAL ANGLE OF 118°07'42";

THENCE S.69°39'01"W., A DISTANCE OF 52.11 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 18.21 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 20°51'55";

THENCE S.48°47'06"W., A DISTANCE OF 66.72 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 11.90 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 13°38'21";

THENCE S.35°08'45"W., A DISTANCE OF 52.69 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 95.47 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 45.00 FEET AND A CENTRAL ANGLE OF 121°33'40";

THENCE S.86°24'55"E., A DISTANCE OF 73.95 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 160.04 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 150.00 FEET AND A CENTRAL ANGLE OF 61°07'50";

THENCE S.25°17'05"E., A DISTANCE OF 106.25 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 43.49 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 12°27'31";

THENCE S.37°44'36"E., A DISTANCE OF 75.76 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 113.06 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 45.00 FEET AND A CENTRAL ANGLE OF 143°56'55";

THENCE N.73°47'41"W., A DISTANCE OF 80.14 FEET;

THENCE WESTERLY, A DISTANCE OF 30.11 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°37'32";

THENCE N.82°25'13"W., A DISTANCE OF 105.83 FEET;

THENCE WESTERLY, A DISTANCE OF 22.41 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 06°25'07";

THENCE N.88°50'20"W., A DISTANCE OF 46.16 FEET;

THENCE WESTERLY, A DISTANCE OF 30.14 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 34°31'58";

THENCE S.56°37'42"W., A DISTANCE OF 134.61 FEET;

THENCE WESTERLY, A DISTANCE OF 131.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 37°36'22";

THENCE SOUTHWESTERLY, A DISTANCE OF 154.91 FEET ALONG A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 120.00 FEET AND A CENTRAL ANGLE OF 73°57'57";

THENCE S.20°16'07"W., A DISTANCE OF 84.51 FEET;

THENCE SOUTHERLY, A DISTANCE OF 40.99 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 04°41'51";

THENCE S.15°34'16"W., A DISTANCE OF 232.81 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 329.03 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 350.00 FEET AND A CENTRAL ANGLE OF 53°51'45";

THENCE S.69°26'01"W., A DISTANCE OF 191.16 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 48.39 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 13°51'50";

THENCE S.55°34'11"W., A DISTANCE OF 231.50 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 42.69 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 04°53'31";

THENCE S.50°40'40"W., A DISTANCE OF 128.89 FEET;

THENCE WESTERLY, A DISTANCE OF 113.83 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 65°13'07";

THENCE N.64°06'13"W., A DISTANCE OF 138.43 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 95.07 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 108°56'44";

THENCE S.06°57'03"W., A DISTANCE OF 192.17 FEET;

THENCE SOUTHERLY, A DISTANCE OF 73.44 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 21°02'24";

THENCE S.27°59'27"W., A DISTANCE OF 81.15 FEET;

THENCE SOUTHERLY, A DISTANCE OF 93.33 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 26°44'15";

THENCE S.01°15'12"W., A DISTANCE OF 126.13 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 160.14 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 45°52'41";

THENCE S.47°07'54"W., A DISTANCE OF 259.27 FEET;

THENCE SOUTHWESTERLY, A DISTANCE OF 67.65 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 500.00 FEET AND A CENTRAL ANGLE OF 07°45'06";

THENCE S.54°52'59"W., A DISTANCE OF 101.95 FEET;

THENCE SOUTHERLY, A DISTANCE OF 129.44 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 74°09'41";

THENCE S.19°16'41"E., A DISTANCE OF 322.94 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 43.64 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 25°00'12";

THENCE S.44°16'53"E., A DISTANCE OF 199.11 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 17.23 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 09°52'21";

THENCE S.34°24'32"E., A DISTANCE OF 256.00 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 42.08 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 12°03'15";

THENCE S.22°21'17"E., A DISTANCE OF 87.05 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 40.69 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 11°39'23";

THENCE S.34°00'40"E., A DISTANCE OF 86.64 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 40.07 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 11°28'47";

THENCE S.45°29'27"E., A DISTANCE OF 186.49 FEET;

THENCE S.49°16'59"E., A DISTANCE OF 155.62 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 47.01 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 13°28'02";

THENCE S.62°45'02"E., A DISTANCE OF 125.46 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 30.64 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 08°46'37";

THENCE S.71°31'39"E., A DISTANCE OF 89.59 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 30.23 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 17°19'13";

THENCE S.54°12'26"E., A DISTANCE OF 50.62 FEET;

THENCE SOUTHEASTERLY, A DISTANCE OF 39.56 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 22°39'56";

THENCE S.31°32'29"E., A DISTANCE OF 19.23 FEET TO A POINT FROM WHICH A STANDARD B.L.M. MONUMENT STAMPED "2004" MARKING THE SOUTHWEST CORNER OF SAID SECTION 11 BEARS N.71°06'16"W., A DISTANCE OF 419.29 FEET, SAID POINT BEING THE **POINT OF TERMINATION**.

**EXCEPTING THEREFROM** THOSE PORTIONS LYING WITHIN THE WEST ONE-HALF OF SECTION 2, THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 11, THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 10, AND SECTION 14, ALL IN TOWNSHIP 35 NORTH, RANGE 1 WEST, M.D.M.

*SURVEYOR'S NOTE: THE ABOVE DESCRIPTIONS ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 (CCS83), ZONE I. BEARINGS AND DISTANCES SHOWN HEREON ARE GRID AND ARE IN TERMS OF THE U.S. SURVEY FOOT. TO OBTAIN GROUND DISTANCES, DIVIDE GRID DISTANCES BY A COMBINED SCALE FACTOR OF 0.99981099.*

**SUBJECT TO** ALL COVENANTS, RIGHTS, RIGHTS-OF-WAY AND EASEMENTS OF RECORD, IF ANY.

**EXHIBIT "B"** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

This description was prepared by me:

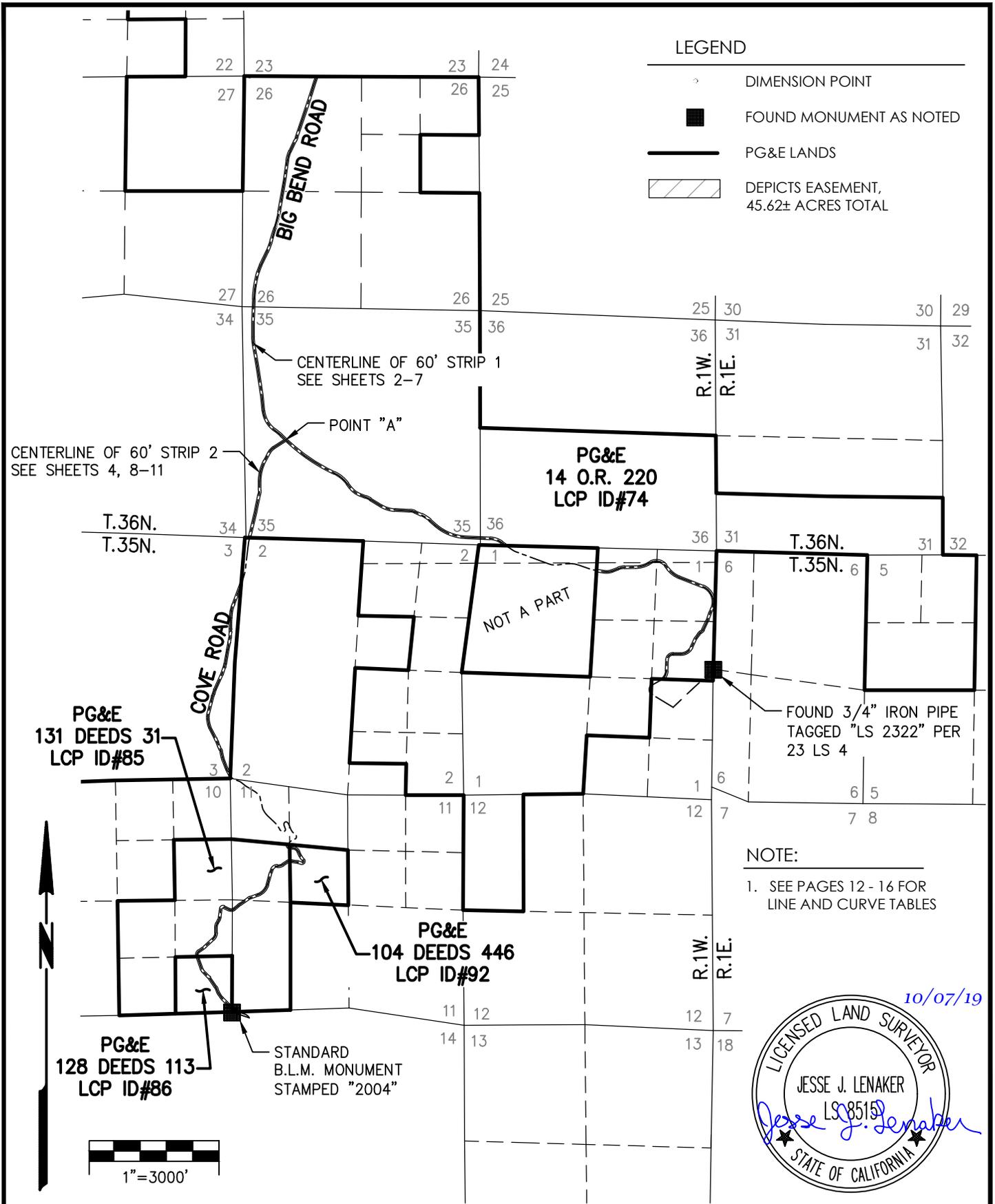


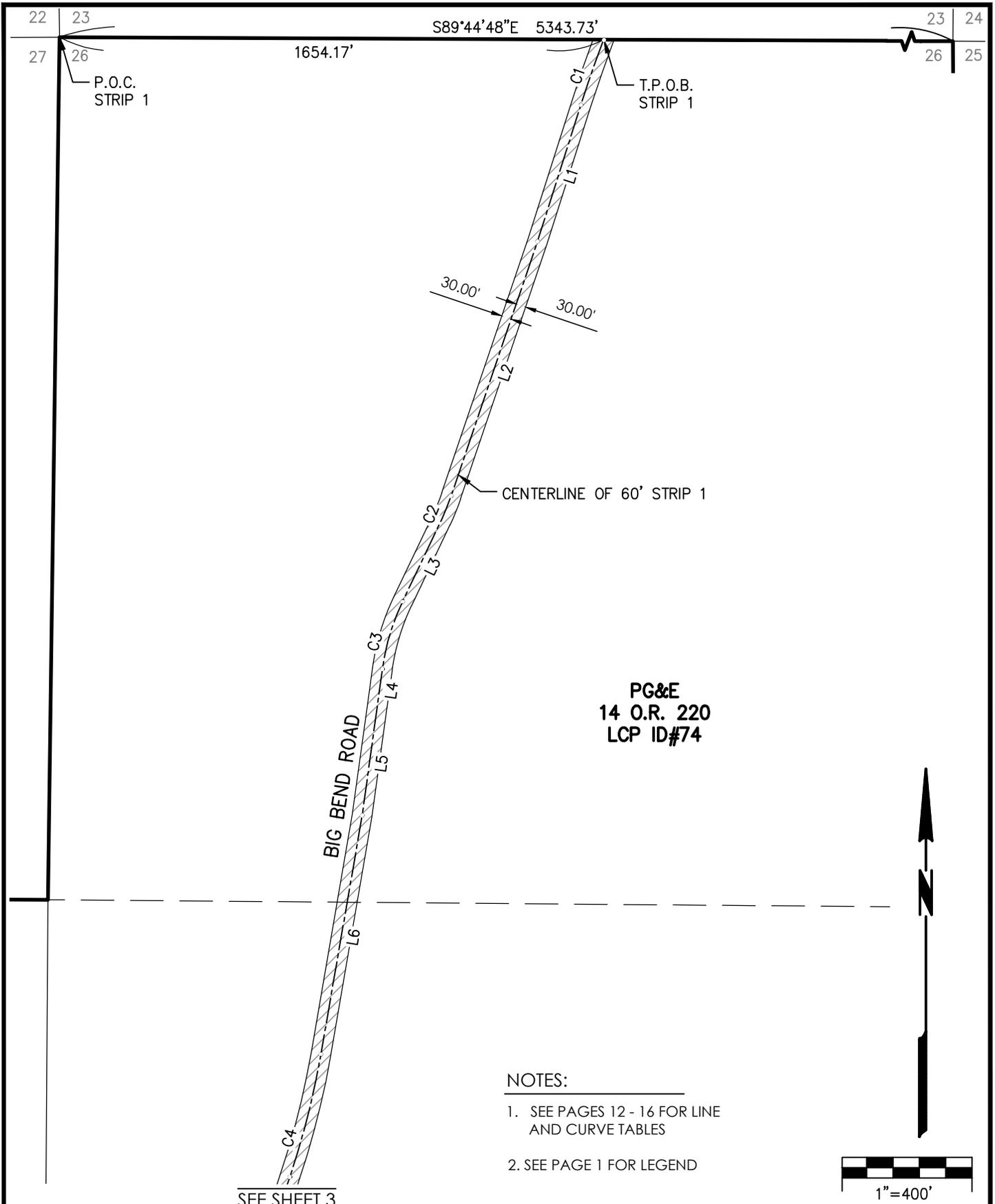
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Jesse J. Lenaker, L.S. 8515



10-07-19





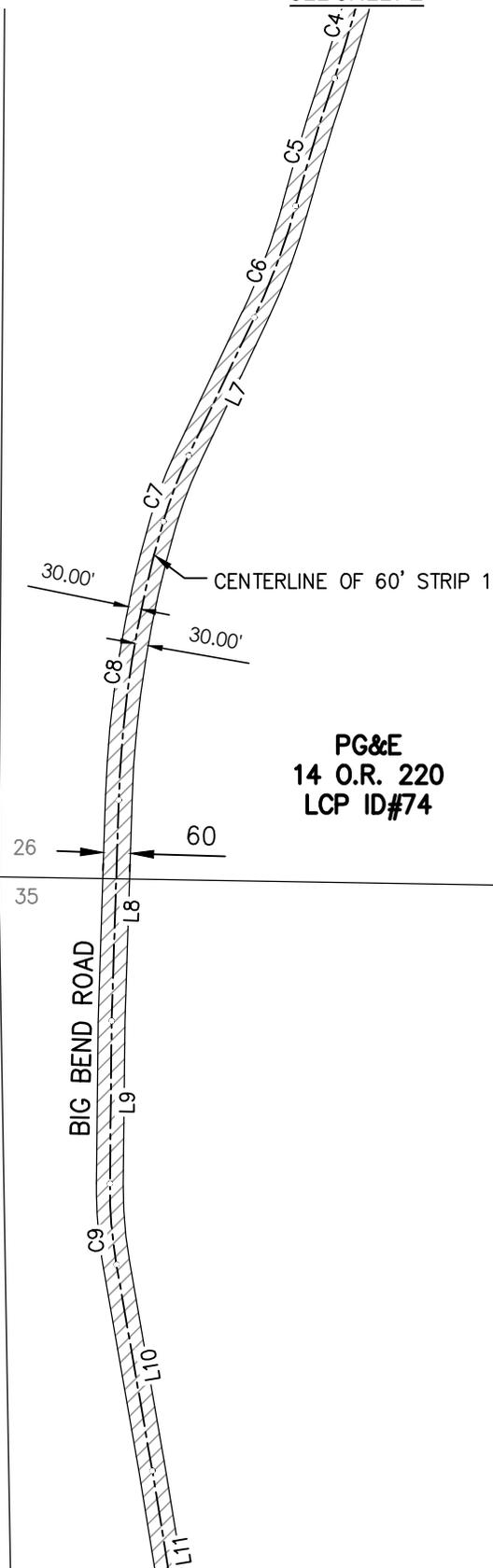
DATE  
 10/07/19



**EXHIBIT B**

SHEET 2 OF 16  
 JOB #2263.08

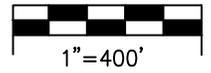
SEE SHEET 2



PG&E  
14 O.R. 220  
LCP ID#74

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



SEE SHEET 4

DATE  
10/07/19

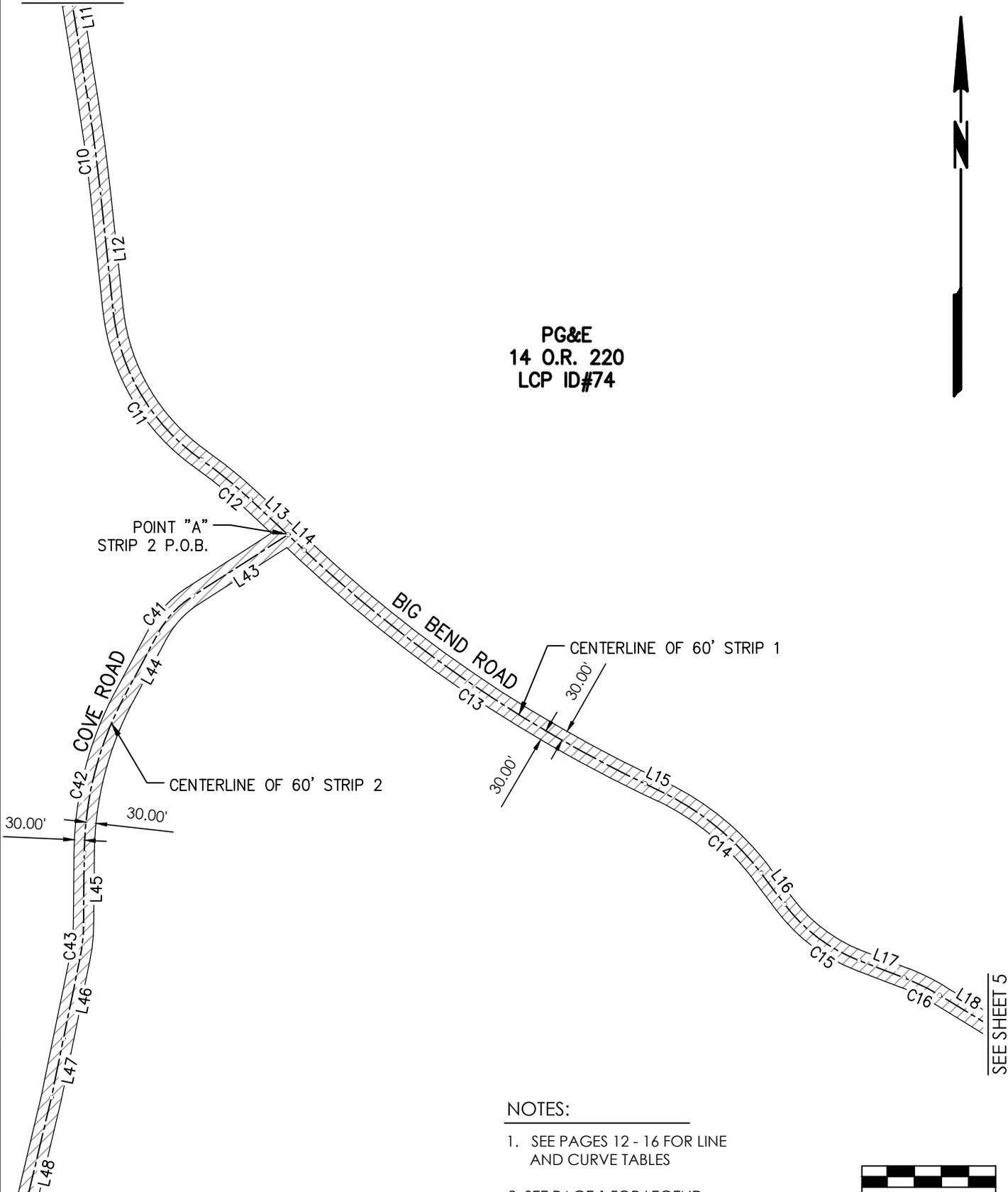


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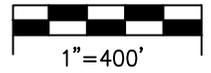
SHEET 3 OF 16  
JOB #2263.08

SEE SHEET 3

PG&E  
14 O.R. 220  
LCP ID#74



- NOTES:
1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
  2. SEE PAGE 1 FOR LEGEND



SEE SHEET 8

SEE SHEET 5

DATE  
10/07/19



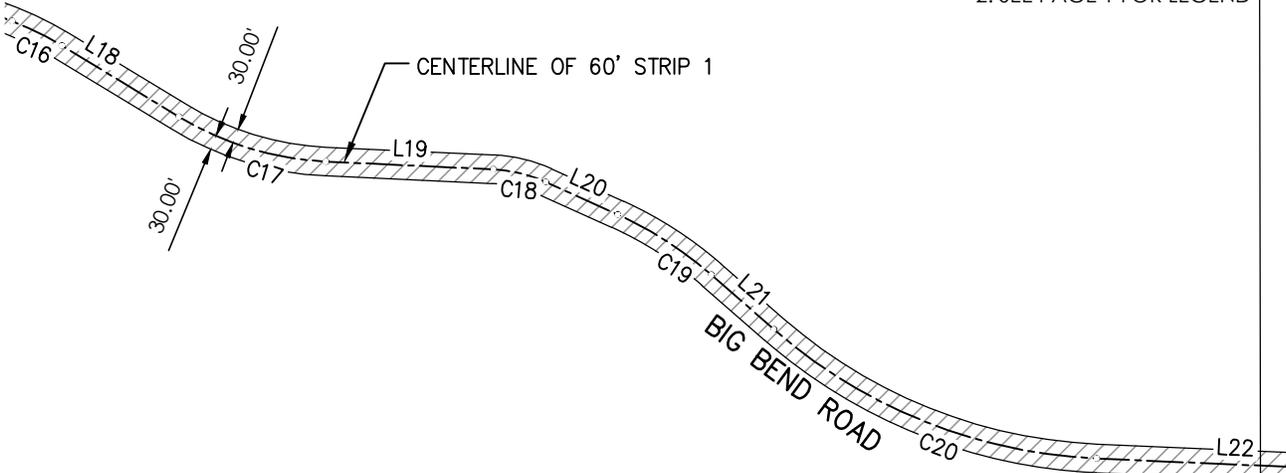
EXHIBIT B

SHEET 4 OF 16  
JOB #2263.08

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND

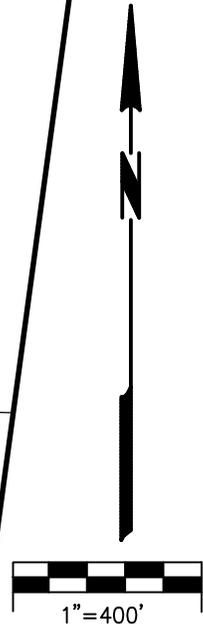
SEE SHEET 4



SEE SHEET 6

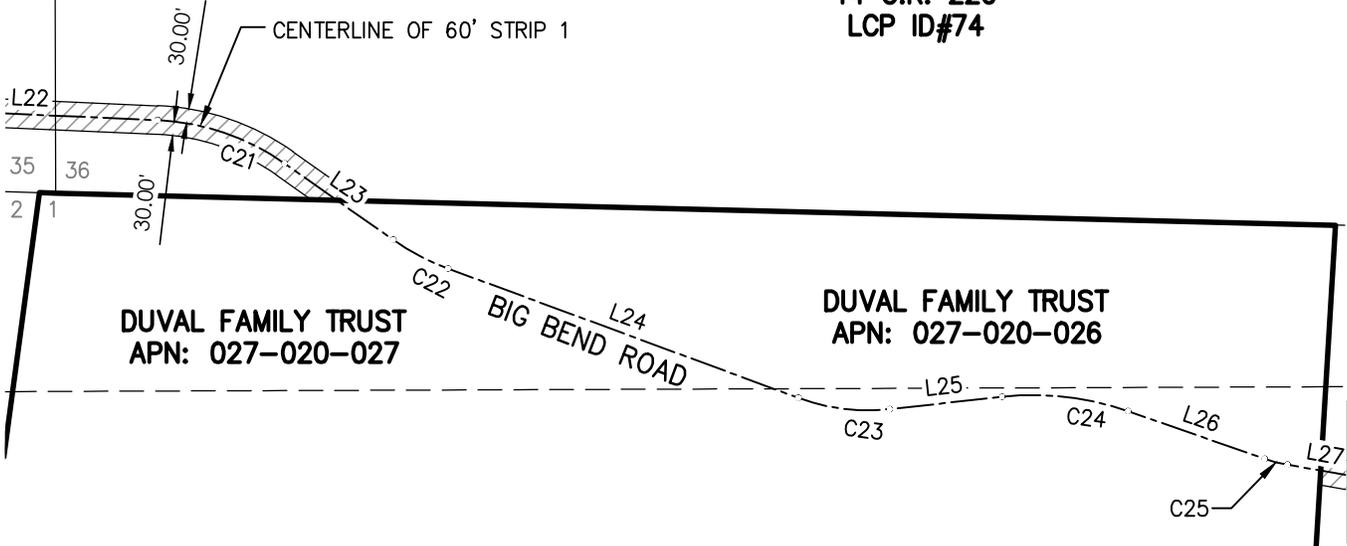
35  
36  
2  
1

PG&E  
14 O.R. 220  
LCP ID#74



PG&E  
14 O.R. 220  
LCP ID#74

SEE SHEET 5



DUVAL FAMILY TRUST  
APN: 027-020-027

DUVAL FAMILY TRUST  
APN: 027-020-026

SHASTA CASCADE  
TIMBERLANDS LLC  
APN: 027-020-013

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



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10/07/19



EXHIBIT B

SHEET 6 OF 16

JOB #2263.08

SEE SHEET 6

PG&E  
14 O.R. 220  
LCP ID#74

BIG BEND ROAD  
30.00'  
30.00'

CENTERLINE OF 60' STRIP 1

FOUND 3/4" IRON PIPE  
TAGGED "LS 2322" PER  
23 LS 4

N46°29'49"E 1261.59' (TIE)

P.O.T.

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



DATE

10/07/19



EXHIBIT B

SHEET 7 OF 16

JOB #2263.08

SEE SHEET 4

CENTERLINE OF 60' STRIP 2

34 35 C44

3 2 C45 L49

C46

PG&E  
14 O.R. 220  
LCP ID#74

SHASTA CASCADE  
TIMBERLANDS LLC

COVE ROAD

30.00' 30.00'

C47

C48

C49

C50

C51

C52

C53

C54

C55

C56

C57

C58

L50

L51

L52

L53

L54

L55

L56

L57

L58

L59

L60

L61

L62

CENTERLINE OF 60' STRIP 2

SEE SHEET 9

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



DATE  
10/07/19



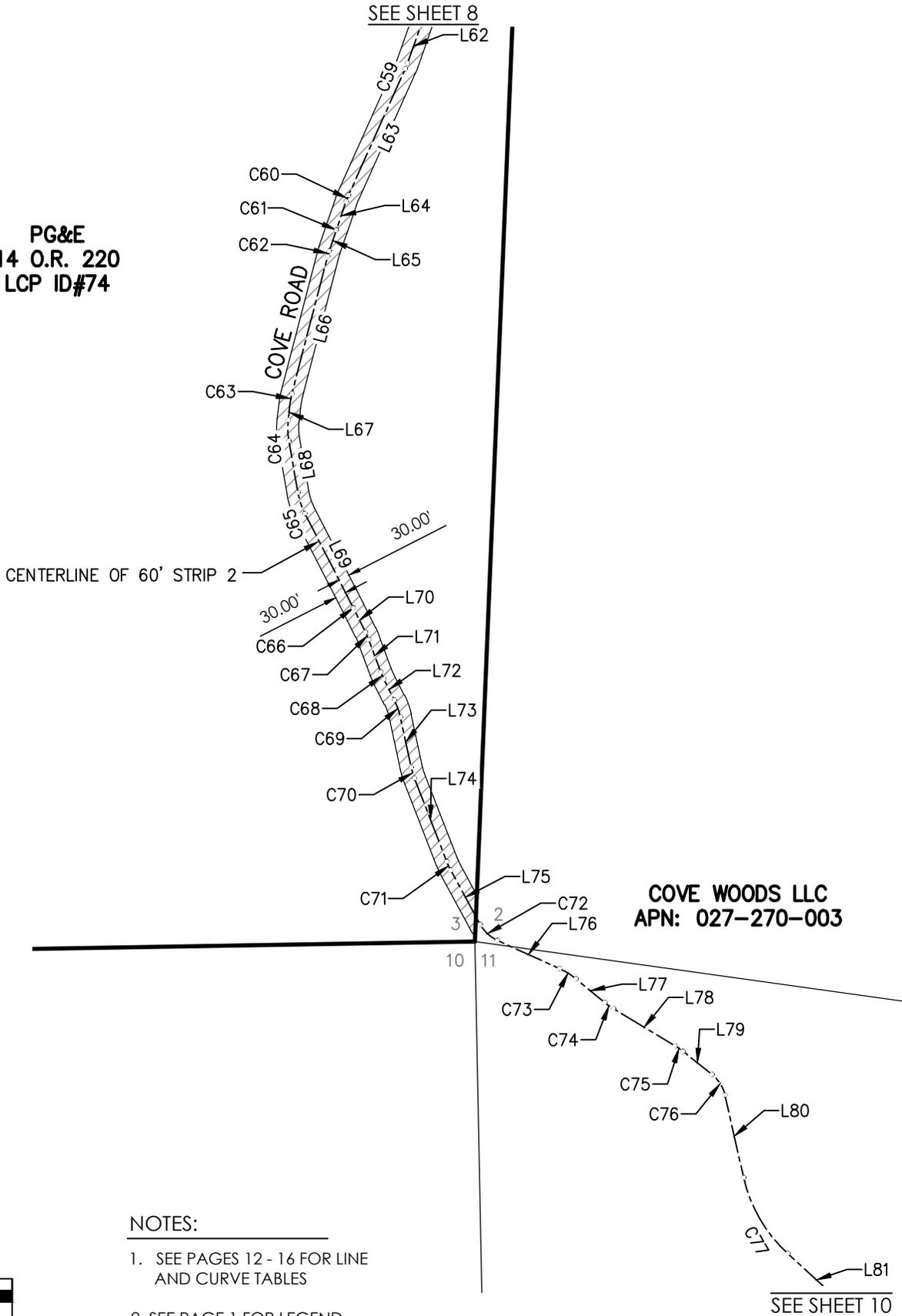
EXHIBIT B

SHEET 8 OF 16

JOB #2263.08

PG&E  
14 O.R. 220  
LCP ID#74

SEE SHEET 8



NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



COVE WOODS LLC  
APN: 027-270-003

SEE SHEET 10

DATE  
10/07/19

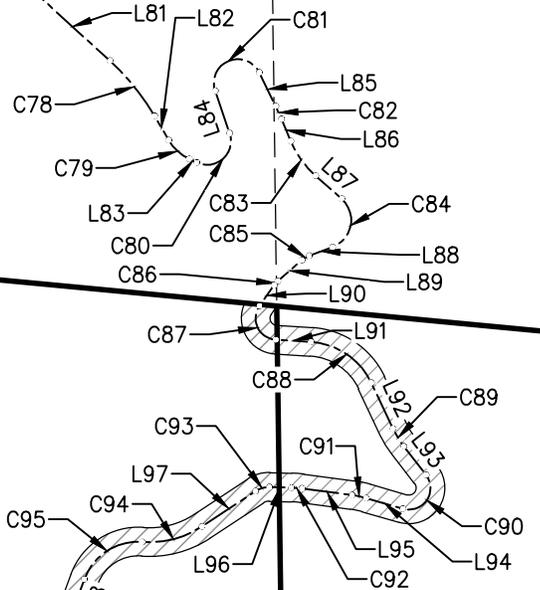


EXHIBIT B

SHEET 9 OF 16

JOB #2263.08

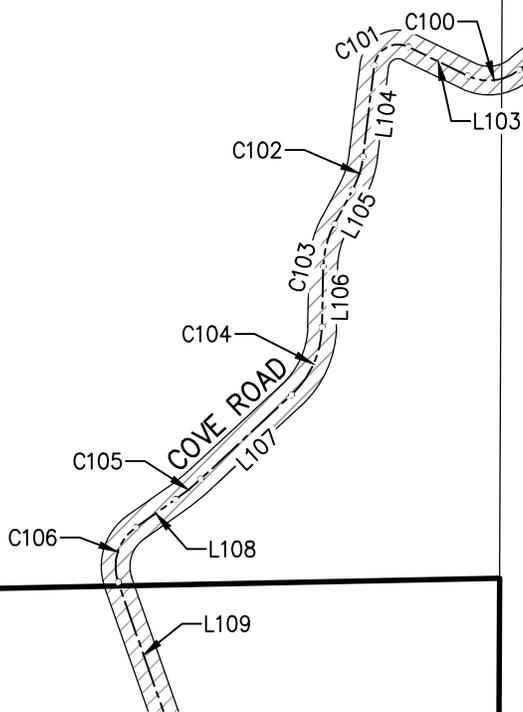
SEE SHEET 9



PG&E  
131 DEEDS 31  
LCP ID#85

PG&E  
104 DEEDS 446  
LCP ID#92

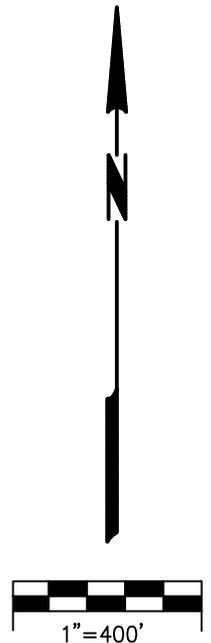
CENTERLINE OF 60' STRIP 2



SEE SHEET 11

NOTES:

1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
2. SEE PAGE 1 FOR LEGEND



DATE  
10/07/19



EXHIBIT B

SHEET 10 OF 16

JOB #2263.08

SEE SHEET 10

COONE ROAD

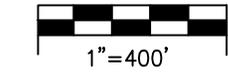
PG&E  
128 DEEDS 113  
LCP ID#86

PG&E  
131 DEEDS 31  
LCP ID#85

CENTERLINE OF 60' STRIP 2

STANDARD  
B.L.M. MONUMENT  
STAMPED "2004"

N71°06'16"W 419.29' (TIE)



NOTES:

- 1. SEE PAGES 12 - 16 FOR LINE AND CURVE TABLES
- 2. SEE PAGE 1 FOR LEGEND

DATE  
10/07/19



EXHIBIT B

SHEET 11 OF 16

JOB #2263.08

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C1		210.77'	4000.00'	3°01'08"
L1	S17°38'09"W	435.57'		
L2	S18°43'15"W	817.62'		
C2		82.20'	700.00'	6°43'40"
L3	S25°26'55"W	272.28'		
C3		215.15'	700.00'	17°36'38"
L4	S7°50'17"W	119.14'		
L5	S7°50'17"W	330.55'		
L6	S9°47'30"W	737.21'		
C4		386.04'	2500.00'	8°50'50"
C5		299.96'	5000.00'	3°26'14"
C6		267.65'	1500.00'	10°13'25"
L7	S25°25'31"W	343.59'		
C7		158.11'	1000.00'	9°03'32"
C8		634.87'	2500.00'	14°33'01"
L8	S1°48'58"W	495.89'		
L9	S0°36'57"W	365.42'		
C9		182.51'	1000.00'	10°27'26"
L10	S9°50'29"E	469.89'		
L11	S9°13'32"E	428.71'		
C10		267.65'	5000.00'	3°04'02"
L12	S6°09'31"E	357.88'		
C11		528.64'	620.00'	48°51'12"
C12		186.87'	1300.00'	8°14'10"
L13	S46°46'32"E	150.99'		
L14	S46°46'32"E	66.13'		
C13		1224.41'	4000.00'	17°32'18"
L15	S64°18'51"E	56.13'		

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C14		381.62'	800.00'	27°19'53"
L16	S36°58'57"E	115.16'		
C15		278.81'	500.00'	31°56'58"
L17	S68°55'56"E	143.23'		
C16		116.06'	650.00'	10°13'51"
L18	S58°42'05"E	286.93'		
C17		324.83'	650.00'	28°37'57"
L19	S87°20'02"E	350.87'		
C18		113.77'	300.00'	21°43'39"
L20	S65°36'23"E	165.27'		
C19		233.74'	800.00'	16°44'25"
L21	S48°51'58"E	173.99'		
C20		741.36'	1100.00'	38°36'55"
L22	S87°28'53"E	557.77'		
C21		284.79'	500.00'	32°38'04"
L23	S54°50'49"E	277.70'		
C22		129.77'	500.00'	14°52'14"
L24	S69°43'03"E	781.96'		
C23		194.66'	420.00'	26°33'19"
L25	N83°43'38"E	236.53'		
C24		267.36'	600.00'	25°31'52"
L26	S70°44'30"E	303.24'		
C25		49.03'	300.00'	9°21'51"
L27	S80°06'21"E	240.78'		
C26		191.70'	350.00'	31°22'53"
L28	N68°30'46"E	150.49'		
C27		143.43'	400.00'	20°32'39"
L29	N89°03'25"E	257.06'		

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**EXHIBIT B**

SHEET 12 OF 16

JOB #2263.08

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C28		291.03'	600.00'	27°47'27"
L30	N61°15'57"E	65.22'		
C29		380.68'	270.00'	80°47'00"
L31	S37°57'03"E	97.72'		
C30		321.02'	600.00'	30°39'20"
L32	S68°36'23"E	573.96'		
C31		606.36'	380.00'	91°25'34"
L33	S22°49'11"W	94.69'		
C32		26.69'	500.00'	3°03'29"
L34	S19°45'43"W	158.65'		
C33		20.28'	200.00'	5°48'33"
L35	S25°34'15"W	234.56'		
C34		44.72'	100.00'	25°37'25"
L36	S51°11'40"W	37.74'		
C35		53.56'	200.00'	15°20'39"
L37	S35°51'02"W	113.28'		
C36		37.84'	200.00'	10°50'25"
L38	S25°00'37"W	191.48'		
C37		308.82'	270.00'	65°32'02"
L39	N89°27'21"W	170.96'		
C38		215.53'	140.00'	88°12'25"
L40	S2°20'14"W	254.76'		
C39		256.48'	250.00'	58°46'51"
L41	S61°07'05"W	181.63'		
C40		313.66'	150.00'	119°48'31"
L42	S58°41'27"E	522.98'		

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**EXHIBIT B**

SHEET 13 OF 16

JOB #2263.08

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
L43	S57°11'01"W	335.42'		
C41		152.19'	300.00'	29°03'57"
L44	S28°07'03"W	210.32'		
C42		481.96'	1000.00'	27°36'51"
L45	S0°30'13"W	211.23'		
C43		96.53'	500.00'	11°03'41"
L46	S11°33'54"W	244.98'		
L47	S11°33'54"W	177.60'		
L48	S13°18'44"W	558.37'		
C44		31.35'	2000.00'	0°53'54"
C45		216.77'	2000.00'	6°12'36"
L49	S6°12'15"W	476.86'		
C46		249.64'	1000.00'	14°18'12"
L50	S20°30'27"W	629.73'		
C47		2.86'	200.00'	0°49'11"
L51	S21°19'37"W	57.31'		
C48		21.41'	200.00'	6°08'04"
L52	S15°11'34"W	52.58'		
C49		30.96'	200.00'	8°52'14"
L53	S6°19'19"W	148.39'		
C50		13.01'	200.00'	3°43'43"
L54	S2°35'37"W	87.60'		
C51		9.30'	200.00'	2°39'56"
L55	S0°04'19"E	146.13'		
C52		7.38'	500.00'	0°50'44"
L56	S0°46'24"W	60.97'		
C53		23.19'	500.00'	2°39'27"
L57	S3°25'52"W	60.26'		
C54		51.98'	500.00'	5°57'21"
L58	S9°23'13"W	112.26'		
C55		5.74'	200.00'	1°38'43"
L59	S11°01'56"W	162.72'		

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C56		3.22'	200.00'	0°55'25"
L60	S10°06'31"W	305.14'		
C57		10.72'	200.00'	3°04'20"
L61	S13°10'52"W	73.99'		
C58		21.84'	200.00'	6°15'28"
L62	S19°26'19"W	146.71'		
C59		16.46'	200.00'	4°42'52"
L63	S24°09'12"W	376.96'		
C60		18.86'	200.00'	5°24'09"
L64	S18°45'03"W	81.17'		
C61		0.66'	200.00'	0°11'19"
L65	S18°56'21"W	59.68'		
C62		15.29'	200.00'	4°22'45"
L66	S14°33'37"W	386.60'		
C63		28.83'	200.00'	8°15'32"
L67	S6°18'04"W	44.06'		
C64		56.63'	200.00'	16°13'22"
L68	S9°55'17"E	143.16'		
C65		59.97'	200.00'	17°10'51"
L69	S27°06'09"E	287.76'		
C66		1.69'	200.00'	0°29'07"
L70	S26°37'01"E	73.67'		
C67		21.57'	200.00'	6°10'48"
L71	S20°26'13"E	94.44'		
C68		21.21'	200.00'	6°04'29"
L72	S26°30'42"E	63.18'		
C69		49.97'	200.00'	14°18'51"
L73	S12°11'52"E	139.22'		
C70		31.17'	200.00'	8°55'50"
L74	S21°07'42"E	243.43'		
C71		25.56'	200.00'	7°19'23"
L75	S28°27'05"E	168.17'		

DATE

10/07/19



**EXHIBIT B**

SHEET 14 OF 16

JOB #2263.08

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C72		64.78'	100.00'	37°06'53"
L76	S65°33'58"E	185.93'		
C73		52.49'	200.00'	15°02'11"
L77	S50°31'47"E	101.79'		
C74		29.48'	200.00'	8°26'40"
L78	S58°58'27"E	195.13'		
C75		26.27'	200.00'	7°31'37"
L79	S51°26'49"E	101.08'		
C76		67.57'	100.00'	38°42'46"
L80	S12°44'03"E	230.43'		
C77		242.89'	400.00'	34°47'28"
L81	S47°31'31"E	212.23'		
C78		149.04'	500.00'	17°04'42"
L82	S30°26'49"E	58.93'		
C79		59.23'	100.00'	33°56'02"
L83	S64°22'51"E	17.33'		
C80		117.34'	50.00'	134°28'00"
L84	N18°50'51"W	94.10'		
C81		150.76'	50.00'	172°45'46"
L85	S26°05'05"E	78.45'		
C82		29.57'	500.00'	3°23'17"
L86	S22°41'48"E	50.09'		
C83		89.99'	200.00'	25°46'53"
L87	S48°28'41"E	72.72'		
C84		123.70'	60.00'	118°07'42"
L88	S69°39'01"W	52.11'		
C85		18.21'	50.00'	20°51'55"
L89	S48°47'06"W	66.72'		
C86		11.90'	50.00'	13°38'21"
L90	S35°08'45"W	52.69'		
C87		95.47'	45.00'	121°33'40"
L91	S86°24'55"E	73.95'		

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
C88		160.04'	150.00'	61°07'50"
L92	S25°17'05"E	106.25'		
C89		43.49'	200.00'	12°27'31"
L93	S37°44'36"E	75.76'		
C90		113.06'	45.00'	143°56'55"
L94	N73°47'41"W	80.14'		
C91		30.11'	200.00'	8°37'32"
L95	N82°25'13"W	105.83'		
C92		22.41'	200.00'	6°25'07"
L96	N88°50'20"W	46.16'		
C93		30.14'	50.00'	34°31'58"
L97	S56°37'42"W	134.61'		
C94		131.27'	200.00'	37°36'22"
C95		154.91'	120.00'	73°57'57"
L98	S20°16'07"W	84.51'		
C96		40.99'	500.00'	4°41'51"
L99	S15°34'16"W	232.81'		
C97		329.03'	350.00'	53°51'45"
L100	S69°26'01"W	191.16'		
C98		48.39'	200.00'	13°51'50"
L101	S55°34'11"W	231.50'		
C99		42.69'	500.00'	4°53'31"
L102	S50°40'40"W	128.89'		
C100		113.83'	100.00'	65°13'07"
L103	N64°06'13"W	138.43'		
C101		95.07'	50.00'	108°56'44"
L104	S6°57'03"W	192.17'		
C102		73.44'	200.00'	21°02'24"
L105	S27°59'27"W	81.15'		
C103		93.33'	200.00'	26°44'15"
L106	S1°15'12"W	126.13'		
C104		160.14'	200.00'	45°52'41"

DATE  
10/07/19



**EXHIBIT B**

SHEET 15 OF 16

JOB #2263.08

**LINE AND CURVE TABLE**

#	BEARING	DISTANCE	RADIUS	DELTA
L107	S47°07'54"W	259.27'		
C105		67.65'	500.00'	7°45'06"
L108	S54°52'59"W	101.95'		
C106		129.44'	100.00'	74°09'41"
L109	S19°16'41"E	322.94'		
C107		43.64'	100.00'	25°00'12"
L110	S44°16'53"E	199.11'		
C108		17.23'	100.00'	9°52'21"
L111	S34°24'32"E	256.00'		
C109		42.08'	200.00'	12°03'15"
L112	S22°21'17"E	87.05'		
C110		40.69'	200.00'	11°39'23"
L113	S34°00'40"E	86.64'		
C111		40.07'	200.00'	11°28'47"
L114	S45°29'27"E	186.49'		
L115	S49°16'59"E	155.62'		
C112		47.01'	200.00'	13°28'02"
L116	S62°45'02"E	125.46'		
C113		30.64'	200.00'	8°46'37"
L117	S71°31'39"E	89.59'		
C114		30.23'	100.00'	17°19'13"
L118	S54°12'26"E	50.62'		
C115		39.56'	100.00'	22°39'56"
L119	S31°32'29"E	19.23'		

DATE  
10/07/19



**EXHIBIT B**

SHEET 16 OF 16

JOB #2263.08

## **EXHIBIT C**

### **INSURANCE REQUIREMENTS**

Grantee shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Grantee is also responsible for its subcontractors maintaining sufficient limits of the appropriate insurance coverages.

**A. Workers' Compensation and Employers' Liability**

1. Workers' Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.
2. Employer's Liability insurance shall not be less than One Million Dollars (\$1,000,000) 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 insurance "occurrence" form with no additional coverage alterations.
2. The limits shall not be less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

**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 the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance including required endorsements.
2. Documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documents must be signed by a person authorized by that insurer to bind coverage on its behalf and submitted to:

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

Pacific Gas and Electric Company  
Land Rights Services  
3600 Meadowview Drive  
Redding, CA 96002  
Attention: Land Agent

4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies or require complete certified copies at any time.
6. Should Grantee have the right under Section 10 of this Agreement to self-insure for any required insurance, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if the applicable insurance policies had been obtained by Grantee from a third-party insurer, in full compliance with the provisions of this EXHIBIT "C", and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third-party insurance company.

## **Attachment E**

**State Board of Equalization Land Appraisal Record**

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

Pit River

07/29/21  
1:15 PM

Page 164

Selected by: Assessee 0135 Pacific Gas & Electric Company  
County 45 SHASTA

Post List  
Roll Year 2021

Map		Class	TRA	Miles	Index Typ Num Sht	Esc Ind	Market Values		Non- Unitary	Total
Asse	Asse Cnty						Op	Not		
Asse	Map	Par	Non-Fee	Status	R/W	R/W	Unitary	Total		

0135 0135 45 032D 03

160 Acres

001 000 - 001

IND 002 6C N

112,000

112,000

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

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# Pit River

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Selected by: Assessee 0135 Pacific Gas & Electric Company  
County 45 SHASTA

Post List  
Roll Year 2021

Map		Non-Fee Status		Class	TRA	Miles	Index		Esc Sht	Ind	R/W	Market Values		Total		
Asse	Asse Cnty	Map	Par				Typ	Num				Op R/W	Non-Unitary			
0135	0135	45	032D	04		160 Acres	491	087 - 001		IND	002	6C	N	4,192	16,768	20,960

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

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# Pit River

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County 45 SHASTA

Post List  
Roll Year 2021

Map		Class	TRA	Miles	Index		Esc	Market Values		Non-	Total		
Asse	Asse Cnty				Map	Par		Non-Fee	Status			Typ	Num

0135	0135	45	084B	20	480 Acres	491	106 - 003	IND	002	6C	N			58,775	58,775
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State Board of Equalization  
Board Roll System  
Land Subsystem

Pit River

Selected by: Assessee 0135 Pacific Gas & Electric Company  
County 45 SHASTA

Post List  
Roll Year 2021

										----- Market Values -----							
Map		Cnty	Map	Par	Non-Fee	Status	Class	TRA	Miles	Index		Esc	R/W	Op Not		Non-	Total
Asse	Asse									Typ	Num			Sht	Ind		
0135	0135	45	084B	21		480 Acres	491	106 - 003		IND	002	6C	N		655	62,225	62,880
0135	0135	45	084B	22		600 Acres	491	106 - 003		IND	002	6C	N		3,201	73,623	76,824
0135	0135	45	084B	24		320 Acres	491	106 - 003		IND	002	6C	N			41,735	41,735
0135	0135	45	084B	25		640 Acres	491	106 - 003		IND	002	6C	N			81,620	81,620
0135	0135	45	084B	26		640 Acres	491	106 - 003		IND	002	6C	N		3,201	80,565	83,766
0135	0135	45	084B	27		320 Acres	491	106 - 003		IND	002	6C	N		1,965	39,955	41,920
0135	0135	45	084B	28		320 Acres	491	106 - 003		IND	002	6C	N			40,446	40,446

BRLNP705

State Board of Equalization  
Board Roll System  
Land Subsystem

07/29/21  
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# Pit River

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Selected by: Assessee 0135 Pacific Gas & Electric Company  
County 45 SHASTA

Post List  
Roll Year 2021

Map		Non-Fee Status		Class	TRA	Miles	Index Typ Num	Sht	Esc Ind	Market Values			Total	
Asse	Asse	Cnty	Map							Par	R/W	Op R/W		Not R/W
0135	0135	45	085A	03		619 Acres	491	106 - 003	IND 002	6C	N		71,850	71,850
0135	0135	45	085A	04		361 Acres	491	106 - 003	IND 002	6C	N		46,827	46,827
0135	0135	45	085A	05		530 Acres	491	106 - 003	IND 002	6C	N	4,978	56,046	61,024
0135	0135	45	085A	06		218 Acres	491	106 - 003	IND 002	6C	N		26,192	26,192
0135	0135	45	085A	07		433 Acres	491	106 - 003	IND 002	6C	N	5,729	44,212	49,941

## **Attachment F**

**Environmental Agreement – (Fee Donee)**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

---

**No Recording Fee pursuant to Government Code Section 27383**

APN: 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

**ENVIRONMENTAL AGREEMENT**  
**(Fee Grantee)**

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, executed by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,, a California public corporation ("Grantee") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated \_\_\_\_\_, \_\_\_\_\_, by and among Grantee, SHASTA LAND TRUST, a California non-profit public benefit corporation and Grantor ("Transaction Agreement"), pursuant to which Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Applicable Laws" means all 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 that regulate the conduct of either Grantor or Grantee in the management of their respective real property or Hazardous Substances (defined below in Section 1.5); provided, however, that nothing in this Agreement is intended to express or imply consent of the Grantee to the regulation of its conduct under any law, regulation, order, policy or other provision of any unit of local government the application of which the California State Legislature has not previously expressly waived the sovereign immunity of the Grantee.

1.2. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of Shasta County, California.

1.3. "Environmental Requirements" means Applicable Laws regulating the actions of Grantor or Grantee 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. The Environmental Requirements applicable to each Party may differ based on the laws, regulations and policies regulating the actions of each Party.

1.4. "Grant Deed" means the Grant Deed, Reservation of Rights and Easements, and Assignment of Rights conveying title to the Property from Grantor to Grantee.

1.5. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. §2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. §10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code §25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act ( Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

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

(f) that contains radon gas.

1.6. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.7. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

## 2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Grantee) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil and/or groundwater prior to the Closing Date. Grantor shall have the right, but not the obligation, to perform the Remediation for which it is responsible. Grantee shall (as between Grantor and Grantee) bear responsibility for the reasonable management of Hazardous Substances existing on the Property, and, shall bear the cost, risk and responsibility for releases of Hazardous Substances to soil or groundwater occurring on and after the Closing Date (except for Hazardous Substance releases by Grantor on or after the Closing Date). Grantee shall have the obligation to perform all Necessary Remediation with funding supplied by Grantor for the Necessary Remediation for which Grantor is responsible, unless Grantor elects to perform the Remediation. To ensure that Grantee understands the risks inherent in Grantee's execution of this Agreement, Grantor has strongly advised Grantee to investigate the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, or that may be perceived to affect the value or desirability of the Property, including, without limitation, the potential environmental hazards arising from the presence of Hazardous Substances on, under, about, adjacent to or affecting the Property. Grantee hereby acknowledges and confirms that it has been afforded the opportunity to, and has, as of the date hereof, performed all environmental inspections, tests and studies, including, without limitation, invasive testing and/or groundwater sampling on, under, about or adjacent to the Property, which Grantee and its environmental consultants and engineers have deemed necessary to assess the condition of the Property and to assume the risk of the release and indemnity provided for in this Agreement.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Grantee.

2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) Grantor's obligation under this Agreement with regard to Hazardous Substances is limited to the Necessary Remediation of Hazardous Substances which were released onto the Property prior to the Closing Date. None of the forgoing limits Grantor's obligations under any Applicable Laws.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,

(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of Hazardous Substances in excess of Necessary Remediation, if any, that otherwise would have been the responsibility of Grantor in accordance with this Agreement, where such excess Remediation is caused by Grantee or as a result of Grantee's negligence, including Remediation necessitated by Grantee's exacerbation of a Hazardous Substance release present as of the Closing Date (such excess Remediation being referred to herein as "Excess Remediation"). The preceding sentence is not intended to allocate Grantor's responsibility to undertake Necessary Remediation to Grantee as otherwise would have been required of Grantor in accordance with this Agreement; and

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil or groundwater as of the Closing Date;

(v) Liability to parties other than Grantee (i.e. successors and assigns of Grantee); and

(vi) Responsibility assumed by Grantee pursuant to this Agreement, including as set forth in Sections 2.1 and 2.4 of this Agreement.

None of the forgoing in this Section 2.3(b) limits Grantor's obligations under any Applicable Laws.

(c) Grantor shall have the right, but not the obligation, to perform all Remediation for which it is responsible under this Agreement, if Grantor so chooses. Grantor shall have the right, but not the obligation, to reasonably control any Remediation activities for which Grantor is responsible if the Grantor so chooses, including when the work is performed by Grantee, and shall have the right to coordinate all communications with any governmental agency regarding the same. Grantee shall not communicate with any governmental agency regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Grantee Responsibility for Necessary Remediation of Certain Hazardous Substances.

- (a) Grantee shall be responsible for Excess Remediation.
- (b) Grantee shall be responsible for the Necessary Remediation of Hazardous Substances released to soil or groundwater on and after the Closing Date (except for Hazardous Substance releases by Grantor on or after the Closing Date).
- (c) [Intentionally Deleted].
- (d) [Intentionally Deleted].

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Grantee hereby acknowledges and agrees that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Grantee's use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it has responsibility. Grantor and Grantee acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use control instruments concerning the Property. In the event that such a deed restriction or land use control instrument is required, Grantee shall cooperate in the recording of such document in the appropriate office of the County where the Property is located.

3. Release.

3.1. Grantee, for itself, and for any future owners of all or a part of the Property, and each of their respective predecessors, successors, assigns, licensees, officers, directors, employees, agents, partners, shareholders, transferees, parent and subsidiary corporations, legal representatives, heirs, beneficiaries, executors and administrators (together with Grantee, "Releasing Parties") hereby fully and forever releases, exonerates, discharges and covenants not to sue Grantor and/or each and all of its past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors (including, without limitation, lenders who become successors-in-title) and assigns (hereinafter "Released Parties") of, from and for any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of

action, obligations, controversies, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims") that the Releasing Parties or the Property may suffer or claim to suffer, based in whole or in part on the presence, or threatened or suspected presence, generation, processing, use, management, treatment, storage, disposal, Remediation, transportation, recycling, emission or release or threatened emission or release, whether in the past, present or future, of any Hazardous Substances on, about, from, adjacent to or affecting the Property, including, without limitation, Claims arising from the passive or active negligence of the Released Parties. Notwithstanding the foregoing, Grantee and the Releasing Parties do not release, exonerate, discharge and covenant not to sue Grantor for Claims for which Grantor is responsible under Section 2 of this Agreement.

3.2. Grantee represents and warrants to Grantor that it is the sole and lawful owner of all right, title and interest in and to every Claim that Grantee purports to release herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, association, corporation or other entity, any right, title or interest in any such Claim. In the event that such representation is false, and any such Claim is asserted against any of the Released Parties, by any party or entity who is the assignee or transferee of such Claim, then Grantee shall fully indemnify, defend and hold harmless the Released Party against whom such Claim is asserted from and against such Claim and from all actual costs, fees, expenses, liabilities and damages that that party incurs as a result of the assertion of such Claim.

#### 4. Indemnity.

4.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in Section 2 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Grantee harmless, from and against any Claims for which Grantee is responsible under Section 2 of this Agreement.

4.2. By Grantee. Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantee's failure to perform or discharge Grantee's responsibilities and obligations set forth in Section 2 of this Agreement. Notwithstanding the foregoing, Grantee shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2 of this Agreement.

#### 5. Statutory Waiver.

5.1. Grantee acknowledges that it may hereinafter discover facts different from or in addition to those that it now knows or believes to be true with respect to the matters which are the subject of this Agreement, and agrees that this Agreement shall remain in effect in all respects, notwithstanding the discovery of such different or additional facts. In addition, Grantee understands and agrees that its agreements and covenants contained in this

Agreement extend to all claims of any nature and kind, known or unknown, suspected or unsuspected, based in whole or in part on facts existing in the past or as of the date hereof, and in that regard, Grantee acknowledges that it has read, considered and understands the provisions of Section 1542 of the California Civil Code which reads as follows:

Section 1542. General Release

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5.2 Based upon the advice of its counsel, Grantee knowingly and voluntarily waives and relinquishes any and all rights that it may have under Section 1542 as well as under the provisions of all comparable, equivalent, or similar statutes and principles of common law or other decisional law of any and all states of the United States or of the United States. Grantee understands and acknowledges the significance and consequences of this waiver and hereby assumes the risk of any injuries, losses or damages that may arise from such waiver.

Grantee: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California public corporation

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

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

6. Notice by Grantee. Grantee shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Grantee shall promptly notify Grantor of any notice of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

7. Grantee's Representations and Warranties. Grantee represents and warrants to Grantor as follows:

7.1. Grantee has in all respects voluntarily and knowingly executed this Agreement.

7.2. Grantee has had an opportunity to seek and has sought independent legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

7.3. Grantee has made such investigation of the facts pertaining to this Agreement as it deems necessary.

7.4. The terms of this Agreement are contractual and are the result of negotiation between Grantee and Grantor.

7.5. This Agreement has been carefully read by Grantee and the contents hereof are known and understood by Grantee.

7.6. Grantee is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Grantee have the full right and authority to execute this Agreement on behalf of Grantee and to bind Grantee without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Grantee, (ii) legal, valid and binding obligations of Grantee enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Grantee is a party or to which it is subject.

8. Mandatory Negotiation and Mediation.

8.1. Except as provided in Section 8.2, Grantor and Grantee agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. Grantee and Grantor agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Grantee and Grantor fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to JAMS (or other similar organization such as the American Arbitration Association mutually agreed upon by the parties) for mediation. If an organization other than JAMS is agreed upon by the parties to conduct the mediation hereunder, all references to JAMS shall be deemed changed to the selected organization. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the parties, and except as provided herein or by mutual agreement of the parties, the mediation rules of such successor or alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation prior to commencing court action, each party shall pay its own attorneys' fees and costs. Except as provided in Section 8.2, neither party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section 8.1. If either party commences an action with respect to a claim or dispute covered by this Section 8.1 without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or mediate after a request has been made, then that party shall not be entitled to recover

attorneys' fees and costs, even if such fees and costs would otherwise be available to that party in such action.

8.2. Either party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to Section 8.1. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder.

8.3. The provisions of this Section 8 may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the party against which enforcement is ordered. The covenants of Grantor and Grantee contained in this Section 8 shall survive the expiration or earlier termination of this Agreement or the Closing Date.

9. Miscellaneous.

9.1. Grantee acknowledges (a) this Agreement is the result of extensive good faith negotiations between Grantee and Grantor through their respective counsel, (b) Grantee's counsel has carefully reviewed and examined this Agreement before execution by Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

9.2. In the event that either party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding and any appeal thereof (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. For purposes hereof, the reasonable fees of in-house attorneys who perform services in connection with any such action are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by Grantor's or Grantee's Law Department (as applicable). Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

9.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Grantee and Grantor. No transfer of an interest in the Property or this Agreement by Grantee or its assignees shall operate to relieve Grantee of its obligations hereunder. This Agreement shall not create or bestow any right in any third party.

Grantee and Grantor agree that no third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

9.4. The failure of Grantor or Grantee to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of Grantor or Grantee to insist upon strict compliance herewith at any later time.

9.5. This Agreement shall not constitute or be construed as an admission of liability or fact by Grantor or Grantee for any purpose whatsoever.

9.6. Grantee shall execute, acknowledge and deliver to Grantor all documents, and shall take all actions reasonably required by Grantor from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

9.7. The representations, warranties, covenants, and agreements of Grantor and Grantee contained in this Agreement shall survive the Closing Date.

9.8. Time is of the essence of this Agreement.

9.9. This Agreement shall be governed by the laws of the State of California.

9.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

9.11. This Agreement sets forth the entire understanding of Grantee and Grantor in connection with the subject matter hereof, and Grantee acknowledges that Grantor has made no statement, representation or warranty relating to the Property upon which Grantee has relied or that acted as an inducement for Grantee to enter into this Agreement. Grantor's and Grantee's obligations under this Agreement may not be altered or amended in any respect except by a writing executed by both Grantee and Grantor. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

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

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

GRANTEE:

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA,  
a California public corporation

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

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

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

**EXHIBIT A**  
**LEGAL DESCRIPTION**

[Follows this page]

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

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

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

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

## **Attachment G**

**Environmental Agreement – (Easement Grantee)**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

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APN # 027-010-005 (portion), 021-220-008, 021-230-010 (portion), 021-240-006 (portion), 021-240-011 (portion), 021-250-001 (portion), 021-250-003 (portion), 021-250-006 (portion), 021-250-007 (portion), 027-010-005 (portion), 027-010-007, 027-020-001, 027-020-002

**ENVIRONMENTAL AGREEMENT  
(Easement Grantee – Conveyed Fee)**

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, executed by and between SHASTA LAND TRUST, a California non-profit public benefit corporation ("Easement Grantee") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated \_\_\_\_\_, \_\_\_\_\_, by and among Easement Grantee, THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, , a California corporation ("Fee Grantee") and Grantor ("Transaction Agreement"), pursuant to which Fee Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property"), and Easement Grantee is acquiring a conservation easement over the Property.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Easement Grantee hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of Shasta County, California.

1.2. "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture,

processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

1.3. "Grant Deed" means the Grant Deed conveying title to the Property from Grantor to Fee Grantee.

1.4. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. §2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. §10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code §25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act ( Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

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

(f) that contains radon gas.

1.5. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.6. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

## 2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Easement Grantee) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil and/or groundwater prior to the Closing Date.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Easement Grantee.

### 2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) As set forth in this Section 2.3(a), Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil and groundwater, which are present on the Property prior to the Closing Date, provided that Easement Grantee did not cause, in whole or in part, such Hazardous Substance contamination and provided that such Necessary Remediation is not the result, in whole or in part, of Easement Grantee's active or passive negligence. If Grantor releases Hazardous Substances to soil or groundwater on the Property on or after the Closing Date, Grantor shall be responsible for the cost of Necessary Remediation of such releases.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,  
(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of contamination caused in whole or in part by Fee Grantee and/or Easement Grantee or as a result of Fee Grantee's and/or Easement

Grantee's active or passive negligence, including Fee Grantee's and/or Easement Grantee's exacerbation of any Hazardous Substance release present as of the Closing Date, as identified in the Environmental Reports;

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil or groundwater as of the Closing Date;

(v) Liability to parties other than Easement Grantee (i.e. successors and assigns of Easement Grantee); and

(vi) Responsibility assumed by Easement Grantee pursuant to this Agreement, including as set forth in Section 2.4 of this Agreement.

(c) Grantor shall have the right to perform all Remediation for which it is responsible under this Agreement. Easement Grantee shall not communicate with any governmental agency (excluding Fee Grantee) regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Easement Grantee Responsibility for Necessary Remediation of Certain Hazardous Substances. Easement Grantee shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property to the extent Easement Grantee caused all or part of such contamination.

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Easement Grantee hereby acknowledges that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Easement Grantee's use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it has responsibility. Grantor and Easement Grantee acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use control instruments concerning the Property. If such a deed restriction or land use control instrument is required, Easement Grantee shall reasonably cooperate in the recording of such document in the appropriate office of the County where the Property is located.

3. Indemnity.

3.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Easement Grantee harmless, from and against any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, controversies, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims"), including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements, arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in Section 2.3 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Easement Grantee harmless, from and against any Claims for which Easement Grantee is responsible under Section 2.4 of this Agreement.

3.2. By Easement Grantee. Easement Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Easement Grantee's failure to perform or discharge Easement Grantee's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, Easement Grantee shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

4. Notice by Easement Grantee. Easement Grantee shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Easement Grantee shall promptly notify Grantor of any notice Easement Grantee receives of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

5. Easement Grantee's Representations and Warranties. Easement Grantee represents and warrants to Grantor as follows:

5.1. Easement Grantee has in all respects voluntarily and knowingly executed this Agreement.

5.2. Easement Grantee has had an opportunity to seek and has sought independent legal advice from attorneys of his or its choice with respect to the advisability of executing this Agreement.

5.3. Easement Grantee has made such investigation of the facts pertaining to this Agreement as it deems necessary.

5.4. The terms of this Agreement are contractual and are the result of negotiation between Easement Grantee and Grantor.

5.5. This Agreement has been carefully read by Easement Grantee and the contents hereof are known and understood by Easement Grantee.

5.6. Easement Grantee is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Easement Grantee have the full right and authority to execute this Agreement on behalf of Easement Grantee and to bind Easement Grantee without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Easement Grantee, (ii) legal, valid and binding obligations of Easement Grantee enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Easement Grantee is a party or to which it is subject.

6. Mandatory Negotiation and Mediation.

6.1. Except as provided in Section 6.2, Grantor and Easement Grantee agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. Easement Grantee and Grantor agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Easement Grantee and Grantor fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to JAMS (or other similar organization such as the American Arbitration Association mutually agreed upon by the parties) for mediation. If an organization other than JAMS is agreed upon by the parties to conduct the mediation hereunder, all references to JAMS shall be deemed changed to the selected organization. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the parties, and except as provided herein or by mutual agreement of the parties, the mediation rules of such successor or alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation prior to commencing court action, each party shall pay its own attorneys' fees and costs. Except as provided in Section 6.2, neither party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section 6.1. If either party commences an action with respect to a claim or dispute covered by this Section 6.1 without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or

mediate after a request has been made, then that party shall not be entitled to recover attorneys' fees and costs, even if such fees and costs would otherwise be available to that party in such action.

6.2. Either party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to Section 6.1. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder.

6.3. The provisions of this Section 6 may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the party against which enforcement is ordered. The covenants of Grantor and Easement Grantee contained in this Section 6 shall survive the expiration or earlier termination of this Agreement or the Closing Date.

## 7. Miscellaneous.

7.1. Easement Grantee acknowledges (a) this Agreement is the result of extensive good faith negotiations between Easement Grantee and Grantor through their respective counsel, (b) Easement Grantee's counsel has carefully reviewed and examined this Agreement before execution by Easement Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

7.2. In the event that either party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding and any appeal thereof (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). Each party shall also pay all attorneys' fees and costs the other party incurs in defending this Agreement or otherwise protecting its rights in any voluntary or involuntary bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving the other party or this Agreement, including all motions and proceedings related to relief from an automatic stay, lease assumption or rejection, use of cash collateral, claim objections, disclosure statements and plans of reorganization. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. For purposes hereof, the reasonable fees of in-house attorneys who perform services in connection with any such action are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by Grantor's Law Department. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award

or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

7.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Easement Grantee and Grantor. No transfer of an interest in the Property or this Agreement shall operate to relieve either party of its obligations hereunder. This Agreement shall not create or bestow any right in any third party. No third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

7.4. The failure of either party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of such party to insist upon strict compliance herewith at any later time.

7.5. This Agreement shall not constitute or be construed as an admission of liability or fact by either party for any purpose whatsoever.

7.6. Each party shall execute, acknowledge and deliver to the other party all documents, and shall take all actions reasonably required by the other party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

7.7. The representations, warranties, covenants, and agreements contained in this Agreement shall survive the Closing Date.

7.8. Time is of the essence of this Agreement.

7.9. This Agreement shall be governed by the laws of the State of California.

7.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

7.11. This Agreement sets forth the entire understanding of the parties in connection with the subject matter hereof, and each party acknowledges that the other party has made no statement, representation or warranty relating to the Property upon which such party has relied or that acted as an inducement for such party to enter into this Agreement. Each party's obligations under this Agreement may not be altered or amended in any respect except by a writing executed by both parties to this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, Grantor and Easement Grantee have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

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

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

EASEMENT GRANTEE:

SHASTA LAND TRUST,  
a California non-profit public benefit corporation

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

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

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

EXHIBIT A

PROPERTY DESCRIPTION

[Follows this page]

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

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

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

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

**Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding (Pit River - UC)**

**WITHIN A MILE MAILING**

<b>OWNER</b>	<b>CARE OF</b>	<b>MAIL ADDRESS</b>	<b>CITY, STATE &amp; ZIP CODE</b>
<b>WATER AGENCY MAILING</b>			
Burney Water District		20222 Hudson St	Burney, CA 96013
Fall River Mills CSD		24850 3rd St	Fall River Mills CA 96028
Deer Creek Irrigation District	John Edson	P.O. Box 154	Vina, California 96092
Sanford Vina Irrigation District	Bill Berens	P.O. Box 248	Vina, CA 96092
<b>BOARD OF SUPERVISORS MAILING</b>			
The Honorable Les Baugh	Shasta County- District 5	1450 Court St., Suite 308B	Redding, CA 96001-1673
The Honorable David A. Kehoe	Shasta County- District 1	1450 Court St., Suite 308B	Redding, CA 96001-1673
The Honorable Leonard Moty	Shasta County- District 2	1450 Court St., Suite 308B	Redding, CA 96001-1673
The Honorable Mary Rickert	Shasta County- District 3	1450 Court St., Suite 308B	Redding, CA 96001-1673
The Honorable Steve Morgan	Shasta County- District 4	1450 Court St., Suite 308B	Redding, CA 96001-1673
<b>OTHER COUNTY &amp; SPECIAL DISTRICTS</b>			
None			
<b>CITIES/TOWNS AFFECTED MAILING</b>			
None			
<b>NATIVE AMERICAN TRIBAL MAILING</b>			
Redding Rancheria	Jack Potter Jr, Chairperson	2000 Redding Rancheria Road	Redding, CA 96001
Pit River Tribe of California	Mickey Gemmill Jr, Chairperson	36970 Park Ave	Burney, CA 96013
Shasta Nation	Ms. Mary Carpelan, Cultural & Archae	PO Box 1054	Yreka, Ca 96097
Wintu Tribe of Northern California	Wade McMaster, Chairperson	PO Box 995	Shasta Lake, CA 96019
Winnemem Wintu Tribe	Caleen Sick, Tribal Chair	14840 Bear Mountain Road	Redding, CA 96003
Wintun Educational and Cultural Council	Robert Burns	PO Box 483	Hayfork, Ca 96041
<b>INDIVIDUALS &amp; ENTITIES WHO SUBMITTED COMMENTS</b>			
None			
<b>INDIVIDUALS &amp; ENTITIES WHO SPOKE AT BOARD MEETING ON (May 2, 2018)</b>			

**Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding (Pit River - UC)**

None			
<b>OTHER ORGANIZATIONS THAT SUBMITTED LSP</b>			
Bureau of Land Management			
CAL FIRE			

ADRIANA & CARRENO SABRINA VAUGHAN	PO BOX 275	MONTGOMERY CREEK CA 96065
ALAN C & GLENN A J SOLLID	PO BOX 241	MONTGOMERY CREEK CA 96065
ALBERT A HUITRIC	PO BOX 393	MONTGOMERY CREEK CA 96065
ALLEN A ARTHUR KEVIN	109 G ST	REDWOOD CITY CA 94063
ANDEWIEL REVOCABLE LIVING TRUST	JEFFREY R 13 FAYE CT	PETALUMA CA 94952
ANITA-BETH FRANCIS-WILSON	180 CHESTNUT AVE	RED BLUFF CA 96080
BARRY E MCCOY	5445 TRUMPET CT	CASTRO VALLEY CA 94552
BENJAMIN KEATHLEY	3561 PARK ST	SHASTA LAKE CA 96019
BEVERLY GAIL WALKER	PO BOX 123	MONTGOMERY CREEK CA 96065
BILLIE R & GINA BARBER	PO BOX 296	MONTGOMERY CREEK CA 96065
CAROL CANTRELL	PO BOX 231	MONTGOMERY CREEK CA 96065
CHARLES WILLIAM CAMP	PO BOX 111	MONTGOMERY CREEK CA 96065
CHARLES WILLIAM CAMP	2222 H ST	SACRAMENTO CA 95816
CHARLYNNE COOPER	227 W 1560 N	OREM UT 84057
CLARK C & SAUNDRA FRONTIN	PO BOX 308	MONTGOMERY CREEK CA 96065
CLYDE S & GLORIA A REES	PO BOX 191	WHITMORE CA 96096
COBY D & CHRISTEL DI MAIO	PO BOX 13	MONTGOMERY CREEK CA 96065
DALE L & JUDITH J MCCLESKEY	PO BOX 395	MONTGOMERY CREEK CA 96065
DANIEL ELLIOTT	12065 LEWIS LN	REDDING CA 96003
DONALD & BEVERLY SHERMAN	BEVERLY J 1 PO BOX 455	ROUND MOUNTAIN CA 96084
DUVAL FAMILY TRUST	PATRICK J 1 21891 BIG BEND RD	MONTGOMERY CREEK CA 96065
ERNEST R MEISSNER	ERNEST R 1 3710 ELECTRO WAY	REDDING CA 96002
FOREST B CALDWELL	21515 BIG BEND RD	MONTGOMERY CREEK CA 96065
FRANK & GUDRUN VOPAT	FRANK VAN 1 12654 RIVER HILLS DR	BELLA VISTA CA 96008
FREDERICK A MAYER	PO BOX 299	MONTGOMERY CREEK CA 96065
FRUIT GROWERS SUPPLY COMPANY	27770 N ENTERTAINMENT DR	VALENCIA CA 91355
GARY R SHOUSE	GARY R SH 1 PO BOX 99	MONTGOMERY CREEK CA 96065
GARY W WHITE	PO BOX 39	MONTGOMERY CREEK CA 96065
GEORGE R STENLUND	21440 COVE RD	MONTGOMERY CREEK CA 96065
GOWAN JOSEPH & LINDA 2013 FAMILY TRUST	JOSEPH H 1 631 ALAMINE DR	REDDING CA 96003
HANNAH & BALL CHAD COOPER	PO BOX 105	MONTGOMERY CREEK CA 96065
HILL LOGGING & ROAD BIG	BUILDING 1 415 CAMINO CORTEZ	YUBA CITY CA 95993
JAMES F & MARY M CARRARA	FAMILY TR 1 RT 2 BOX 60-B	MONTGOMERY CREEK CA 96065
JAMES NEWELL	20830 BIG BEND RD	MONTGOMERY CREEK CA 96065
JEREMY R EDSON	1425 REED DR	DIXON CA 95620
JOHN E BURNETT	PO BOX 65	ROUND MOUNTAIN CA 96084
JOHN S & CINDY J ASHER	PO BOX 291	MONTGOMERY CREEK CA 96065
KEVIN DALE & BEARD DARLA MICHELLE CORNELIUS	PO BOX 293	MONTGOMERY CREEK CA 96065
LARRY J & WILLEAN C ENNIS	PO BOX 58	MONTGOMERY CREEK CA 96065
LENARD & LORI TOMAS	PO BOX 206	MONTGOMERY CREEK CA 96065
LEONARD REVOCABLE TRUST	C/O SCOTT 40682 PICKET DR	FALL RIVER MILLS CA 96028
LONNIE A & BRIGGS MARGARET E GUFFEY	21575 SLEEPY CREEK RD	MONTGOMERY CREEK CA 96065
LORI L ARELLANO	PO BOX 234	MONTGOMERY CREEK CA 96065
LOTHAR ERICK & BROUGHTON CAROL LYNN RUPPERT	3615 CHURN CREEK RD #17	REDDING CA 96002
MAIO DI	CHARLES & 1 PO BOX 382	MONTGOMERY CREEK CA 96065
MARY E AXELSON	PO BOX 991923	REDDING CA 96099 1923
MICHAEL J VAN STEEN	115 GEORGETOWN PL	CRESCENT CITY CA 95531
MISTY WHITEHURST	21498 BIG BEND RD	MONTGOMERY CREEK CA 96065
MONGOMERY NEEBS	ROMULO S 4801 MICHELLE WAY	UNION CITY CA 94587
NORMA V CHUMLEY	1009 CENTRAL AVE	SHASTA LAKE CA 96019
OSA FAMILY TRUST	JOSEPH L & 1 PO BOX 176	MONTGOMERY CREEK CA 96065
OSA FAMILY TRUST	JOSEPH L & 21422 SLEEPY CREED RD	MONTGOMERY CREEK CA 96065
OSBOW TIMBER I LLC	PO BOX 1088	ROSEBURG OR 97470
PATRICK & COWLES SEAN BLACKBURN	PO BOX 68	BIG BEND CA 96011
REED E PETERSON	PO BOX 355	MONTGOMERY CREEK CA 96065
RICHARD & KATHILYN FOLLETT	ROUTE 2 BOX 41	MONTGOMERY CREEK CA 96065
RICHARD ANTHONY & ROBERT JOHN MCGREGOR	PO BOX 1219	PEBBLE BEACH CA 93953
RICHARD W & KATHILYN W FOLLETT	RT 2 BOX 41	MONTGOMERY CREEK CA 96065
ROBERT & GRETCHEN JOHNSON	ROBERT G 1 2571 PARADISE DR	LODI CA 95242
ROBERT & MONICA SAULMON	PO BOX 359	MONTGOMERY CREEK CA 96065 359
ROBERT & MONICA SAULMON	832 BALLINA CT	NEWBURY PARK CA 91320
ROBERT CLINTON & TERESA JUNE ENNIS	19634 OJAI DR	COTTONWOOD CA 96022
ROBERT L & MARIA VALLEE	708 HWY N #328	SEBASTOPOL CA 95472
ROBERT L HEATON	PATRICK HI 21693 BIG BEND RD	MONTGOMERY CREEK CA 96065
RODNEY G & SUSAN M MCNABB	PO BOX 103	MONTGOMERY CREEK CA 96065
RONALD & THERESA EPPERSON	30716 NEEBS RD	MONTGOMERY CREEK CA 96065
RUBY L SNODGRASS	10345 WALNUT GROVE CT	YUCAIPA CA 92399
SANTHOUSE INVESTMENTS LLC	C/O DANIE 597 NOD HILL RD	WILTON CT 06897

SHASTA COUNTY OF  
SHASTA FORESTS TIMBERLANDS LLC  
SHASTA RANCH TRUST  
SIERRA PACIFIC HOLDING COMPANY  
SIERRA PACIFIC INDUSTRIES  
SKY KUBBY  
SLEEPY CREEK HOME TRUST  
STAFFORD E GALEN  
TANC  
TERRY BICKLEY  
TOMMIE & HEATHER TURNER  
TRISUSANTI TEAGUE  
UNITED STATES FOREST SERVICE  
VICTOR & HELEN LAMMERS  
VIRGIL & JANIE GRAY  
VORIS VAN  
WILLIAM A & ANNA M BLETCHER  
WILLIAM A & ZO ANN C SMERBER

1855 PLACER ST  
C/O W M B PO BOX 990898  
CHARLENE PO BOX 135  
PO BOX 496014  
C/O SIERRA PO BOX 496014  
HC3 BOX 4739  
WALTER FR 1941 BRONCO ST  
PO BOX 1131  
PO BOX 661030  
50 BICKLEY RD  
TOMMIE T 826 E CARLISE RD  
TRISUSANT 21576 JACKS LN  
3644 AVTECH PKWY  
HELEN MAI PO BOX 491528  
PO BOX 14  
BRIAN J & I 22057 BRUNDAGE RD  
12304 NE 40TH CIR  
FAMILY TRI 21774 TANTAU LN

REDDING CA 96001  
REDDING CA 96099 898  
ROUND MOUNTAIN CA 96084  
REDDING CA 96049  
REDDING CA 96049  
KEAAU HI 96749  
SANTA ROSA CA 95403  
BELLA VISTA CA 96008  
SACRAMENTO CA 95866  
BUTLER GA 31006  
PHOENIX AZ 85086  
MONTGOMERY CREEK CA 96065  
REDDING CA 96002 9241  
REDDING CA 96049  
MONTGOMERY CREEK CA 96065  
PALO CEDRO CA 96073  
VANCOUVER WA 98682  
MONTGOMERY CREEK CA 96065

**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.  
Braun Blasing Smith Wynne, P.C.  
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  
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  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie  
Green Power Institute  
Hanna & Morton  
ICF  
International Power Technology

Intertie

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  
McClintock IP  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

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  
Uplight  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy