

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6864E
As of March 27, 2023

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

Division Assigned: Energy

Date Filed: 02-23-2023

Date to Calendar: 03-03-2023

Authorizing Documents: D0811043

Authorizing Documents: D0312035

Authorizing Documents: D1008004

Disposition:	Accepted
Effective Date:	03-23-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

(951)965-8905

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

February 23, 2023

Advice 6864-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

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

Purpose

Pursuant to the streamlined procedures adopted by the California Public Utilities Commission (Commission or CPUC) in Decision D.08-11-043 (as modified by D.10-08-004), Pacific Gas and Electric Company ("PG&E") requests a disposition letter approving PG&E's encumbrance with a perpetual Conservation Easement to approximately 17 acres of land in Placer County, commonly known as Lower Drum Wise Forebay ("Property"). The Placer Land Trust ("PLT"), a California public benefit corporation, will hold the Conservation Easement. PG&E will retain fee title to the Property and the Conservation Easement will be granted subject to certain reserved rights in favor of PG&E for the continued operation of hydroelectric and water delivery facilities. The perpetual encumbrance of the Property is being made in the public interest and will protect and preserve the Beneficial Public Values ("BPVs") on the Property, including the habitat of fish, wildlife and plants, forest resources on the Property, the scenic viewshed of the Property, 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 transaction is in accordance with the terms and conditions specified in the Settlement Agreement and Stipulation that were approved by the Commission in D.03-12-035 ("Stipulation").

Background

Pursuant to the Stipulation, the Pacific Forest and Watershed Lands Stewardship Council ("Stewardship Council") was established in 2004 to develop a plan to permanently protect, for the benefit of the citizens of California, more than 140,000 acres of watershed lands ("Watershed Lands") owned by PG&E. This effort is known as PG&E's Land Conservation Commitment ("LCC"). PG&E is fulfilling its commitment through fee donation of certain Watershed Lands and/or the conveyance of Conservation Easements, (or satisfactory assurance in another form) that each parcel will be managed consistent with the purpose of the LCC.

PG&E will not make fee simple donations of lands that contain hydroelectric project features, hydroelectric projects licensed by the Federal Energy Regulatory Commission (“FERC”), or properties whose ownership is otherwise required for utility operations. The Stipulation also includes provisions to ensure the rights necessary to operate and maintain current and future hydroelectric and associated water delivery facilities are reserved, and the existing agreements for economic uses will be honored.

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

Property Specific Considerations

Encroachment Agreements

Parcels 903 and 904: A boundary survey was completed to effectuate this transaction, resulting in the identification of a corner of a dwelling, portion of a deck, and four driveways which may be encroaching onto a portion of PG&E property.

But for this LCC transaction, these encroachments may not have been discovered because PG&E does not actively use the land around the encroachments for utility operations. Because the land around the encroachments is not needed for operations, PG&E proposes maintaining the status quo to avoid conflict between PLT and the private property owners (“Owners”). To accomplish this, PG&E and Owners worked to reach Encroachment Agreements (“EAs”) that, if approved as a part of this Advice filing, will allow for the encroachments to remain in favor of certain terms and conditions as Grantor shall deem appropriate. For the complete text and exhibit map regarding the EAs, see Attachment B.

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

(1) Identity of the Conservation Property

The Property comprises approximately 17 acres of land, identified as Parcels 901-904 on the map included in Attachment A, page 3, and are located in Placer County. The Property is surrounded by private property.

(2) Type of Property Interest Disposition

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

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

Article XIII, Section 19 of the State Constitution grants the State Board of Equalization (SBE) the authority to annually assess properties owned or used by electric or gas utility companies for the purposes of taxation. The SBE's Statement of No Tax Benefit (Attachment D) states no changes will be made to the methodology used for assessing property value and that no change in the assessed value is anticipated following the transfer of the Conservation Easement. For this reason, the transaction value related to the conveyance of the Conservation Easement to PLT is deemed to be zero dollars (\$0).

A. Property Encumbrances and Uses

There are recorded encumbrances on the Property to be retained by PG&E for a ditch, pipeline, shed, driveway, garden area and canal use. There are no existing agreements for economic use on the Property. There are unrecorded encumbrances on the Property for irrigation water lines and the installation of a rain gauge. During initial site visits and subsequent research, it was determined that Owners lacked sufficient rights to operate and maintain irrigation waterlines across PG&E parcels 902-904. To keep status quo and avoid conflict between PLT and Owners, PG&E proposes perfecting the existing 3rd party use of irrigation lines across Parcels 902-904 through Encroachment Agreements (EAs). Upon CPUC approval of this advice letter and the easements detailed herein, PG&E will grant to the Owners Encroachment Agreements across Parcels 902-904. For the complete text and exhibit map regarding the irrigation line EAs see Attachment E.

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 any existing agreements for economic uses will be honored. Compliance with these requirements is reflected in the Conservation Easement (Attachment B, pages 3, 6, 11, 12 and Exhibit H).

B. Public Access

The public may access Parcel 903 via Merry Knoll Road. Parcels 901, 902 and 904 do not have vehicle access.

Consistent with the requirements of its FERC license, PG&E provides formal recreational facilities on the Property. Those facilities include the Wise Forebay fishing access and day use area. Public access to the Property will not be changed as a result of the donation of the Conservation Easement. Sections 9.2 and 9.3 of the Conservation Easement recognize that informal public uses may occur on the Property, and that public access is or may be inherent in the enjoyment of the informal uses and existing BPVs, and that existing public access will be allowed to continue subject to PG&E's ability to impose reasonable rules and regulations.

C. PG&E's Assumption of Liability

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

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

(3) Legal Name and Location of Receiving Parties

Placer Land Trust
922 Lincoln Way, Suite 200
Auburn, CA 95603
Attn: Executive Director

(4) Proposed Uses and Conservation Management Objectives:

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

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

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

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

Habitat for fish, wildlife, and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The term “habitat” includes vegetation along banks and shorelines that contribute to maintaining watershed health. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors.

B. Sustainable Forestry

Mixed hardwood woodland resources on the Property.

C. Preservation of Open Space

The scenic viewshed of the Property.

D. Preservation of Historic and Cultural Values

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

E. Outdoor Recreation by the General Public

Outdoor recreation such as fishing, hiking and sightseeing. Day use is located on the Property.

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

Tribal Lands Policy

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

Native American Engagement

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

PG&E's Review & Finding

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

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than March 15, 2023, 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

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

cc: Service List Appendix A - Advice Letter 6864-E
Erin Healy, Stewardship Council
Service List A.08-04-020, 1.02-04-026
Additional Parties Identified by the Stewardship Council

******* SERVICE LIST Advice 6864-E *******
Appendix A

******* AGENCIES *******

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

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

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

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

Placer Land Trust
922 Lincoln Way, Suite 200
Auburn, CA 95603
Attn: Executive Director

Stewardship Council
Attention: Executive Director
8863 Greenback Lane #326
Orangevale, CA 95662
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 (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (951)965-8905

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@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) #: 6864-E

Tier Designation: 1

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

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

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.08-11-043, D.03-12-035, D.10-08-00

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

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

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: 0

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 proposed¹: N/A

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

¹Discuss 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

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:
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

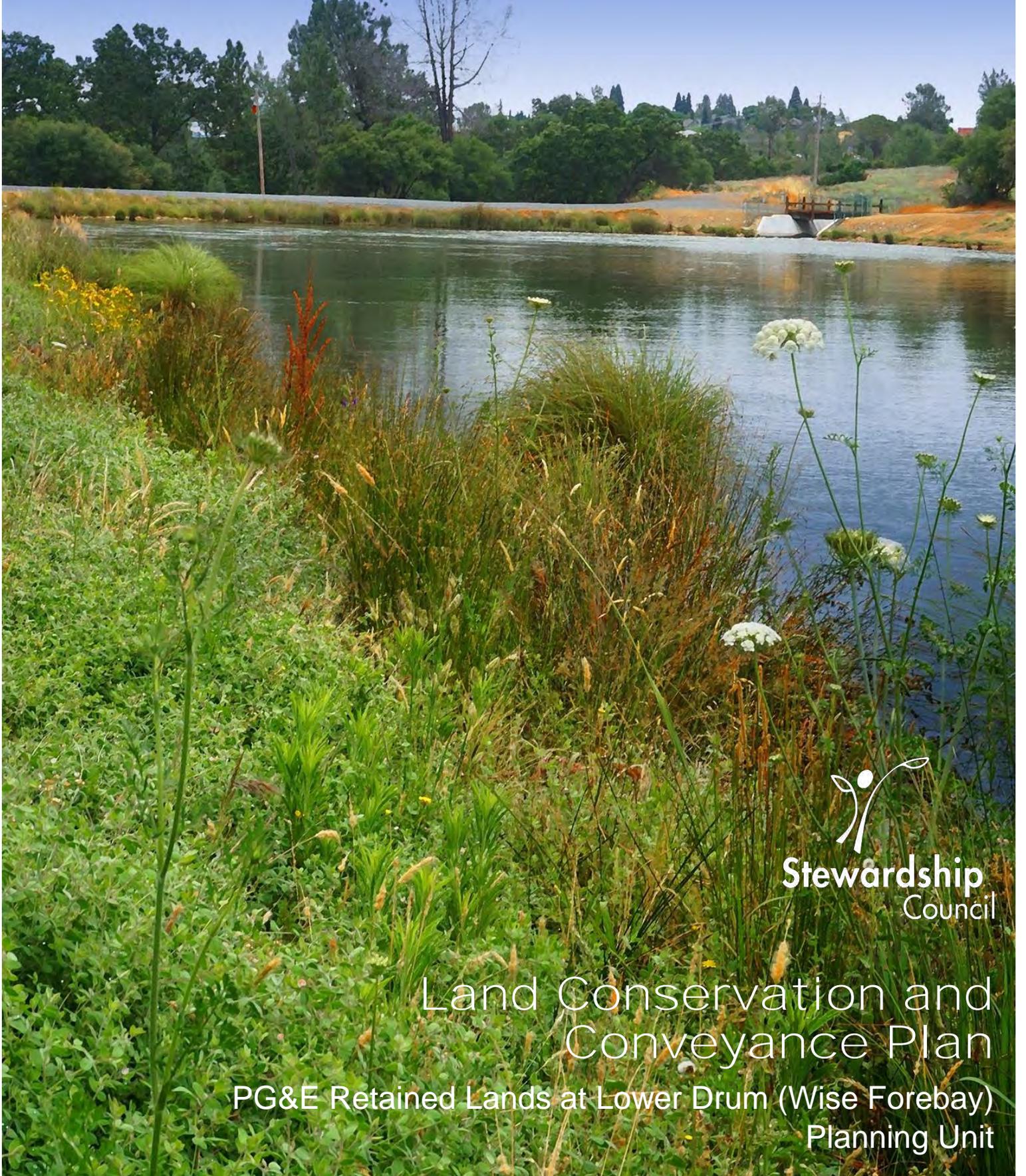
Attachment A

Land Conservation and Conveyance Plan

Final LCCP

September 20, 2017

Updated January 10, 2023



Stewardship
Council

Land Conservation and Conveyance Plan

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

Executive Summary

Subject

LCCP Lower Drum Planning Unit (Wise Forebay Retained Lands)
Land Conservation Plan Identification Numbers (Parcels) 901-904 as shown on the map attached as Exhibit 1.

Type of Property Interest Disposition

- PG&E to retain fee simple title to approximately 17 acres within Parcels 901-904.
- Placer Land Trust (PLT) to hold the conservation easement on 17 acres in Parcels 901-904.

Summary

The 1,106-acre Lower Drum planning unit includes 54 legal parcels. 17 acres within four parcels (Parcels 901-904) at Wise Forebay will be retained by PG&E and are the subject of this LCCP. Pending Federal Energy Regulatory Commission (FERC) and California Public Utilities Commission (CPUC) approval, PG&E and PLT will enter into a conservation easement that will encumber Parcels 901-904.

Property Location

The property subject to this LCCP consists of 17 acres in Placer County at Wise Forebay.

Economic Uses and Agreements

There are recorded encumbrances on the property to be retained by PG&E for a ditch, pipeline, shed, driveway, garden area and canal use. There are unrecorded encumbrances on the property for irrigation water lines and the installation of a rain gauge. There are no existing agreements for economic use on the property.

Preserving and/or Enhancing the Beneficial Public Values

The conservation easement for Parcels 901-904 at Wise Forebay lists the following Beneficial Public Values (BPVs) that are to be protected:

- Habitat for fish, wildlife, and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The term “habitat” includes vegetation along banks and shorelines that contribute to maintaining watershed health. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors.

- Mixed hardwood woodland resources on the Property.
- The scenic viewshed of the Property.
- Outdoor recreation, such as fishing, hiking and sightseeing. Day use is located on the Property.
- Identified historical and cultural values, to the extent they are protected by state and federal law.

Tax Neutrality

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

Hazardous Waste Disclosure

PG&E confirmed it has provided the Lower Drum Summary of Potential Environmental Issues dated December 1, 2011 to PLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

Consideration of Parcel Split

The entire 17 acres within Parcels 901-904 are being retained by PG&E and therefore no parcel split is being proposed.

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

This Wise Forebay 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 establishment of a conservation easement is categorically exempt under Section 15325 of the CEQA Guidelines (CFR Title 14, Chapter 3) and Public Resources Code 21080.28 states 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. If, in the future, PG&E pursues or allows new development or uses that are allowed by the conservation easement, it must first obtain all necessary permits and conduct any necessary CEQA review at that time.

Exhibit 1. Map of the Property

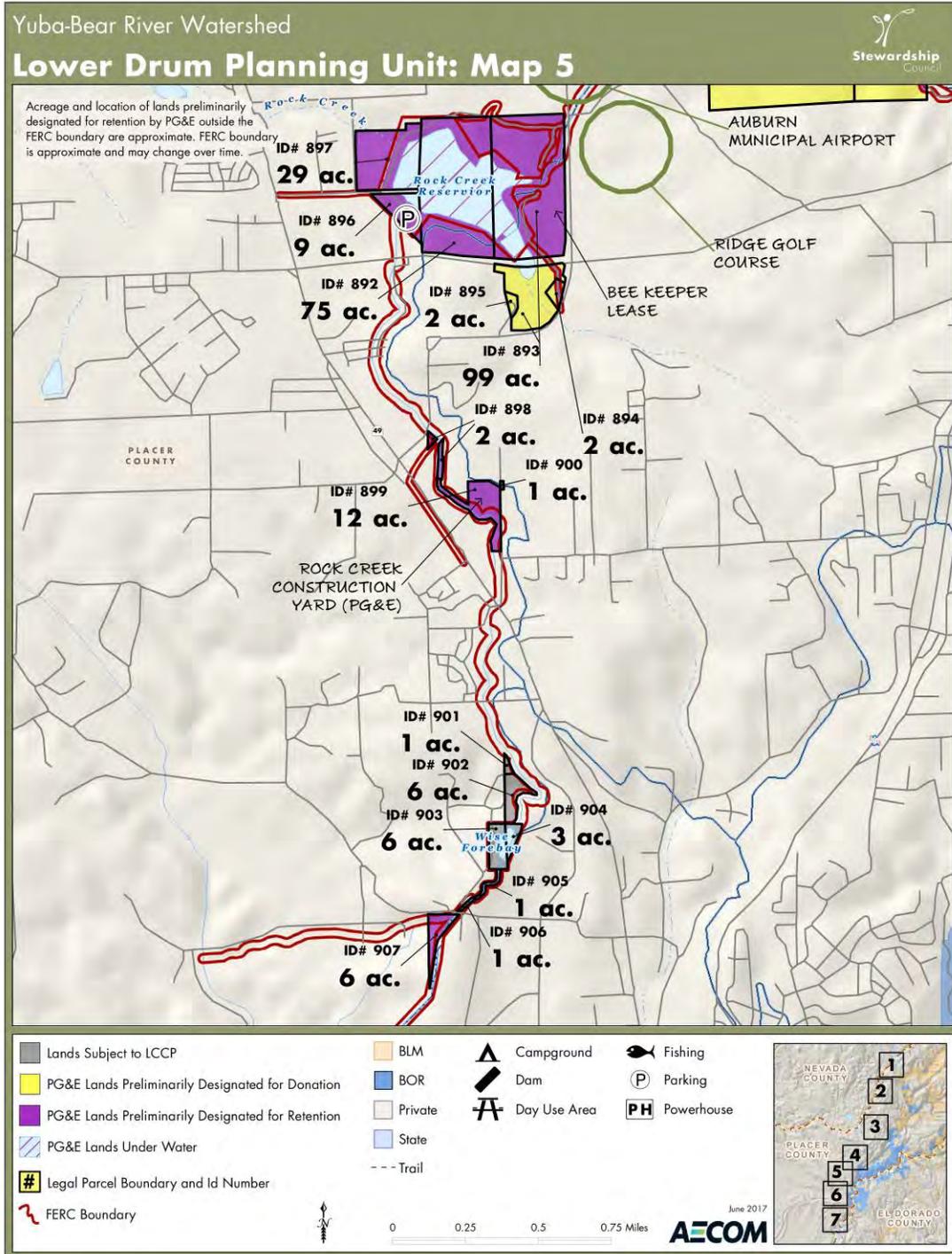


Table of Contents

Executive Summary.....	1
Introduction.....	5
1. Acreage, Existing Economic Uses and Agreements.....	9
2. Objectives to Preserve and/or Enhance the BPVs.....	11
3. Retention or Donation of Fee Title and Recommendation of Conservation Easement Donation.....	13
4. Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance the BPVs.....	15
5. Analysis of Tax and Other Economic and Physical Impacts.....	16
6. Hazardous Waste Disclosure.....	17
7. Consideration of Parcel Split.....	18
8. Strategy for Physical Measures to Enhance the BPVs.....	19
9. Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures.....	20
10. Implementation Schedule for Transactions and Measures.....	21

Appendices

Appendix 1. Summary of Public Outreach	22
Appendix 2. Conservation Easement	27
Appendix 3. Stewardship Council Conservation Easement Funding Agreement	83
Appendix 4. Settlement Agreement, Appendix E.....	92

Introduction

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

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

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

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

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

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

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

During the development of LCP Volumes I and II and the LCCPs, the Stewardship Council implemented a public outreach program to ensure local communities, elected representatives, neighboring property owners, Native American tribes and groups, and other key stakeholders had many opportunities to engage in the Stewardship Council's effort to preserve and enhance the Watershed Lands. To solicit additional input from the public on potential fee title recipients or conservation easement holders (referred to as donees), the Stewardship Council hosted a series of public information meetings. These meetings were designed to (1) provide an overview and update on the Stewardship Council's Land Conservation Program, (2) outline next steps, timeline, and opportunities for additional public input, and (3) solicit public input on the desired qualifications of potential donees and the future stewardship of the planning units. The Stewardship Council also made a concerted effort to extend the benefits of PG&E's Land Conservation Commitment to Native American tribes and groups, including meeting in person with representatives of Native American entities and conducting special outreach to best ensure Native American entities were aware of, and provided full access to participate in the opportunities presented by PG&E's Land Conservation Commitment.

Public input that the Stewardship Council received as a result of the public outreach process, including comments on Volume II of the LCP, comments from public information meetings on the selection of donees and other issues, and correspondence received by the Stewardship Council were considered by the Stewardship Council in its evaluation of the potential donees and their land stewardship proposals. In addition to public meetings, the public was given the opportunity to participate in all of the Stewardship Council's public board meetings where decisions were made on fee title and conservation easement donees. Prior to making a decision regarding the disposition of any parcel, the Stewardship Council provided 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, Wise Forebay in the Lower Drum planning unit, is provided in Appendix 1. Furthermore, the proposed LCCP was made available for public review and comment before it was forwarded by the Watershed Planning Committee to the board for its review and approval.

The Stewardship Council Board of Directors recommends that Placer Land Trust (PLT) hold a conservation easement encumbering the 17 acres within Parcels 901-904 at Wise Forebay in the Lower Drum planning unit that are to be retained by PG&E.

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

Table 1 Stipulation 12(a) Requirements

<p>(1) Acreage, Existing Economic Uses and Agreements <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>(2) Objectives to Preserve and/or Enhance <i>“Objectives to preserve and/or enhance the BPVs, as defined in the Settlement Agreement, Appendix E, of each individual parcel;”</i></p>
<p>(3) Retention or Donation of Fee Title and Recommendation for Conservation Easement Donation <i>“A recommendation for grant of a conservation easement or fee simple donation for each such parcel;”</i></p>
<p>(4) Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance BPVs <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>(5) Analysis of Tax and Other Economic and Physical Impacts <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>(6) Hazardous Waste Disclosure <i>“A disclosure of all known hazardous waste or substance contamination or other such environmental liabilities associated with each parcel;”</i></p>
<p>(7) Consideration of Parcel Split <i>“Appropriate consideration whether to split any parcel which is partly used or useful for operation of PG&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&E property, the decision to accept or reject such conditions will be at PG&E's sole discretion;”</i></p>
<p>(8) Strategy for Physical Measures to Enhance BPVs <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>(9) Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures <i>“A plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures on the applicable management objectives;”</i></p>
<p>(10) Implementation Schedule for Transactions and Measures <i>“A schedule for the implementing transactions and measures.”</i></p>

1. Acreage, Existing Economic Uses and Agreements

Acreage and Property Description

The Lower Drum planning unit consists of 54 legal parcels and totals approximately 1,106 acres of land. 17 acres in Parcels 901-904 at Wise Forebay are the subject of this LCCP. The subject 17 acres will be retained by PG&E and, consistent with the conditions in the Settlement Agreement, will be encumbered with a perpetual conservation easement, granted by PG&E to PLT as described in Chapter 3.

Wise Forebay lies on the west side of the City of Auburn in Placer County, providing recreation and open space opportunities in the Sierra Nevada foothills. The property is at approximately 1,400 feet above mean sea level and contains the forebay, canals, and a wooded slope below the canal comprised of hardwood forest and brush. The property's location enhances the preservation of the Upper Auburn Ravine watershed and will further the protection of water quality for Placer County and surrounding areas.

Wise Forebay provides suitable habitat for a variety of species within the foothill hardwood forests, annual grasslands, and waterways on the property. These habitat types serve as wildlife corridors and provide a food source for rodents, squirrels, large mammals, and birds. The plant communities on the property provide habitat for almost the entire suite of potential wildlife species that could occur in Placer County's foothills.

Fishing and hiking are the primary recreation activities at the property. There is a day use parking area and dirt access road along the Wise Canal that is used primarily by local residents.

There is one PG&E Timber Management Unit (TMU) that covers Parcels 901-904; however, this TMU contains no timbered acres and no timber management is conducted on the parcels within the TMU.

There are no agricultural uses (farming or grazing) on Parcels 901-904.

The Southern Maidu and Washoe once lived in the area around the Lower Drum planning unit. However, limited portions of the planning unit have been inventoried for cultural resources.

Adjacent and Nearby Landowners

The land within the Lower Drum planning unit to be retained by PG&E is surrounded by private property. Parcels 901, 902 and 904 do not have vehicular access. Parcel 903 is accessed via the Placer County maintained Merry Knoll 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 property to be retained by PG&E for a ditch, pipeline, shed, driveway, garden area and canal use. There are unrecorded encumbrances on the property for irrigation water lines and the installation of a rain gauge. There are no existing agreements for economic use on the property.

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

2. Objectives to Preserve and/or Enhance the BPVs

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

The following text lists the objectives for each BPV at the Lower Drum planning unit that the Stewardship Council board approved in LCP Volume II, as well as a description of how the conservation easement addresses each objective and each applicable BPV.

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

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

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

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

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

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

The conservation easement includes outdoor recreation, such as fishing, hiking, and sightseeing as a BPV to be protected. Furthermore, the conservation easement provides that the landowner will allow public access on the property at levels substantially consistent with those existing at the time the conservation easement is recorded, subject

¹ Land Conservation Commitment I.02-04-026, Appendix E, p. 38

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

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

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

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

The acreage to be retained by PG&E is not currently used for grazing, thus agriculture is not included as a BPV.

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

The conservation easement will protect identified historical and cultural values on the Property to the extent they are protected by state and federal law.

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

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

Retention or Donation of Fee Title

The Settlement Agreement states that PG&E will not be expected to make fee simple donations of Watershed Lands with hydroelectric project features, and conservation easements and enhancements may not interfere with hydroelectric operations. In general, PG&E will retain fee title to those Watershed Lands within the boundaries of hydroelectric projects licensed by the FERC, as well as other properties required for continuing and future utility operations. However, these Watershed Lands will be conserved via a conservation easement. See Appendix 4 for a description of PG&E's Land Conservation Commitment.

Preliminarily, PG&E made seven (7) acres in Parcels 901 and 902 available for donation, but identified them as constrained by the configuration of the FERC Project boundaries, which would necessitate extensive survey and subdivision work in order to transfer fee title ownership.

Donee Selection Process

The Stewardship Council used a formal multi-step process to solicit and select organizations interested in becoming a conservation easement holder at the Lower Drum planning unit. The process consisted of the following key steps:

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

(fee or conservation easement) in particular Watershed Lands within a planning unit are being recommended to PG&E to receive fee title and/or conservation easements.

On May 13, 2011, the Stewardship Council received three Land Stewardship Proposals from organizations interested in being considered for a donation of fee title to certain lands located within the Lower Drum planning unit. None of the Land Stewardship Proposals requested fee donation of property subject to the Wise Forebay LCCP (Parcels 901-904). At its March 7, 2012 meeting the board recommended that PG&E retain the 7 acres that were made available for donation in Parcels 901 and 902.

Lands to be Retained by PG&E

17 acres subject to this LCCP within Parcels 901-904 at Wise Forebay will be retained in fee by PG&E. The map in Exhibit 1 shows the 17 acres that will be retained by PG&E and encumbered by a conservation easement. The map also shows key features in the planning unit and surrounding area, and the ownership of adjacent land.

Conservation Easement

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

For the complete text of the conservation easement, see Appendix 2.

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

Accordingly, immediately following the Section 851 approval of PG&E’s grant of a conservation easement over lands retained by PG&E at Wise Forebay, PG&E and PLT will execute the conservation easement and it will be recorded.

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

Selected Organizations

At the conclusion of the selection process referenced below, the following organization was endorsed by the Stewardship Council board on September 15, 2011:

- Placer Land Trust (PLT) to hold a conservation easement over 17 acres in four parcels to be retained by PG&E (Parcels 901-904) in the Lower Drum planning unit.

Capacity of Selected Organizations

The Stewardship Council board finds that PLT has the funding and other capacity to maintain the property interest so as to preserve and/or enhance the BPVs².

- Established in 1991, PLT's mission is to work with willing landowners and conservation partners to permanently protect and care for natural and agricultural lands in Placer County for current and future generations.
- PLT holds 29 conservation easements totaling 7,392 acres, including three over lands owned by public agencies. In addition, PLT owns 18 fee properties totaling 4,712 acres.
- PLT is guided by a nine-member board of directors and is staffed by an executive director, operations director, stewardship manager, land manager, land and recreation manager, conservation specialist, program manager, development and communications manager, communications specialist, membership specialist and office manager. PLT's staff has expertise in strategic land acquisitions, natural resources management, forestry, habitat restoration, ecology, agriculture, and community outreach and volunteer management.
- PLT is an accredited land trust.

² Stipulation, Section 12(a)(4)

5. Analysis of Tax and Other Economic and Physical Impacts

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

Property Tax Analysis

PG&E is retaining fee title ownership of 17 acres within Parcels 901-904 at Wise Forebay and as such, PG&E will continue to pay property taxes to Placer County as assessed by the State Board of Equalization.

Other Economic and Physical Impacts

The Settlement and Stipulation require an analysis of the physical and economic impacts of each disposition. The agreements for the conservation easement on Parcels 901-904 at Wise Forebay have not mandated any changes to the physical or economic uses and PG&E intends to manage the lands in a manner consistent with the current physical and economic uses.

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

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

6. Hazardous Waste Disclosure

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

Lands to be Retained by PG&E

PG&E is retaining fee title ownership of 17 acres within Parcels 901-904 of the Lower Drum planning unit and confirmed it has provided the Summary of Potential Environmental Issues on Land to be Retained at Lower Drum, dated December 1, 2011, to PLT, fulfilling the disclosure requirements of the Land Conservation Commitment.

7. Consideration of Parcel Split

PG&E will retain fee title to all 17 acres within Parcels 901-904 of the Lower Drum planning unit. Therefore, there is no need for a parcel split.

8. Strategy for Physical Measures to Enhance the BPVs

The Stewardship Council developed and implemented a strategy to identify and undertake appropriate physical measures to enhance the BPVs of the Watershed Lands consistent with Settlement Agreement paragraph 17(c)³ 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.

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

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

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

The conservation easement holder is required to monitor every conservation easement that it holds to ensure that the landowner is complying with the terms of the easement. The Stewardship Council will enter into a Conservation Easement Funding Agreement (Appendix 3) with each conservation easement holder whereby the holder will receive a monitoring and enforcement endowment from the Stewardship Council to fund its monitoring activities.

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

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

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

It is anticipated that several years after the dissolution of the Stewardship Council, SNC will prepare a report assessing the physical and economic impacts of the Land Conservation Commitment up until that time to be submitted to the CPUC and PG&E. 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.

10. Implementation Schedule for Transaction and Measures

Schedule for Transaction

- FERC review and approval (2023)
- CPUC review and approval (2023)
- Close of escrow (2023)
- Stewardship Council release of funds to PLT per conservation easement funding agreement (2023)

Compliance with Local Land Use Planning Requirements

Future management of Parcels 901-904 at the Lower Drum 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.

LOWER DRUM PLANNING UNIT PUBLIC OUTREACH

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

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

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

No public comments were submitted concerning Parcels 901-904 of the Lower Drum Planning Unit during public review of Volumes I and II of the LCP.

II. NOTICING OF LANDOWNERS WITHIN ONE MILE

In the fall of 2006 a postcard was distributed to the approximately 26,000 landowners located within one mile of the exterior boundary of all the parcels to notify and invite comment on Volume I and II of the LCP. A postcard was also sent to notify and invite all landowners located within one mile of the parcels within the Lower Drum planning unit to a Public Information Meeting that was held in Auburn on April 14, 2011. In addition, simultaneous with the release of the proposed subject LCCP for public comment, adjacent landowners located within one mile of the subject parcels are noticed by mail 30 days before the Watershed Planning Committee considers forwarding the proposed subject LCCP to the board for final approval.

III. PUBLIC INFORMATION MEETING

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

Appendix 1: Public Outreach Summary

Stewardship Council's web site, a press release issued to the local newspaper, and a postcard sent to all landowners on record located within one mile of any PG&E parcel associated with the Lower Drum planning unit.

The purpose of the workshop was to: (1) provide a review and update on the Stewardship Council's Land Conservation Program; and, (2) solicit additional public input on future stewardship of the six planning units. Stations were set up with maps, other pertinent information, and easels with blank paper.

Below is a summary of comments related to the Lower Drum planning unit that apply to Parcels 901-904 and were recorded on the easels and provided on comment cards.

Lower Drum Planning Unit

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

General Comments Concerning the Yuba-Bear Watershed Area

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

IV. PUBLIC REVIEW OF LAND STEWARDSHIP PROPOSALS

On May 13, 2011, the Stewardship Council received three Land Stewardship Proposals from organizations interested in being considered for a donation of fee title to certain lands located within the Lower Drum planning unit. None of the Land Stewardship Proposals requested fee donation of property subject to the Wise Forebay LCCP (Parcels 901-904).

V. PUBLIC REVIEW OF LAND CONSERVATION PROGRAM POLICIES & GUIDELINES

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

Land Conservation Program Funding Policy

The Stewardship Council created a Land Conservation Program Funding Policy to help guide future planning and decision-making regarding funding of the long term management and stewardship of the

Appendix 1: Public Outreach Summary

watershed lands. In June and July, 2009, the draft policy was posted on the Stewardship Council's web site and made available for review and comment to a group of stakeholders consisting of all registered potential donees and representatives of the counties in which the watershed lands are located. Two comments were received during the 30-day review and comment period. Both comments were reviewed, and it was determined that neither comment necessitated a change in the draft policy. The Stewardship Council's Board of Directors adopted the policy at a public board meeting in Sonora, Calif. on September 17, 2009.

Guidelines for Achieving Property Tax Neutrality

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

Proposed methodology for achieving tax neutrality

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

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

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

Appendix 1: Public Outreach Summary

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

VII. PUBLIC REVIEW OF THE LAND CONSERVATION AND CONVEYANCE PLANS

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

VIII. STEWARDSHIP COUNCIL BOARD OF DIRECTORS MEETINGS

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

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

<p>RECORDING REQUESTED BY</p> <p>PACIFIC GAS AND ELECTRIC COMPANY Land Department Attention: Paul Coviello 1850 Gateway Blvd, Room 7043C Concord, CA 94520</p>	
<p>WHEN RECORDED MAIL TO</p> <p>PACIFIC GAS AND ELECTRIC COMPANY 245 Market Street, N10A, Room 1015 P.O. Box 770000 San Francisco, California 94177</p>	
<p>The undersigned Grantor declares that the documentary transfer tax is \$-0- (R&T Code 11911 court-ordered conveyance or decree that is not pursuant to sale)</p>	<p>(Space Above this Line for Recorder's Use)</p>
<p>LD#</p> <p>A.P.N. 038-150-008-000 Portion, 038-250-013-000 Portion, 038-150-011-000, 038-150-012-000</p>	

Date: _____

DEED OF CONSERVATION EASEMENT AND AGREEMENT
(WISE FOREBAY, LOWER DRUM PLANNING UNIT)

Between

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

and

PLACER LAND TRUST, a California non-profit public benefit corporation,
as Grantee

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

Table of Contents

	<u>Page</u>
1. Grant of Easement	3
2. Purpose	4
3. Baseline Documentation Report	4
4. Commission and FERC	4
5. Rights Conveyed to Grantee	4
5.1 Identification, Monitoring and Enforcement.....	4
5.2 Access	5
5.3 Grantee Signs.....	5
6. Prohibited Uses	6
7. Grantor's Reserved Rights	6
7.1 Hydro and Other Reserved Rights.....	6
7.2 Definitions	6
7.2.1 Anticipated Significant Actions	6
7.2.2 Required Actions.....	6
7.2.3 Specified Required Actions	7
7.2.4 Discretionary Action	7
7.2.5 Hydro Operating Zone.....	7
7.3 Annual Work Plan Notification, Consultation and Consent Requirements	7
7.3.1 Delivery and Contents of Annual Work Plan	7
7.3.2 Review of Annual Work Plan.....	8
7.3.3 Anticipated Significant Actions within Hydro Operating Zones.....	8
7.3.4 Anticipated Significant Actions Outside Hydro Operating Zones	9

7.4	Anticipated Significant Actions Not Identified in Annual Work Plan	9
7.5	Emergency Actions	10
7.6	Water Rights	10
8.	Responsibility for Operations.....	10
8.1	Condition of Property	10
8.2	Taxes	11
8.3	Permits and Approvals.....	11
8.4	Limitation on Restoration Obligations	11
9.	Third Party Use of the Property	11
9.1	Express Third Party Uses	11
9.1.1	Increases in Intensity or Expansion of Location or Size or Change in Use	11
9.1.2	Renewal or Replacement of Third Party Use Agreements.....	12
9.1.3	Consultation on Express Third Party Uses.....	12
9.1.4	Enforcement of Third Party Use Agreements.....	12
9.2	Informal Uses and Public Access	12
9.2.1	Rules and Regulations	12
9.2.2	Liability Limitation.....	12
9.2.3	Periodic Review of Informal Uses	12
9.3	Unauthorized Third-Party Uses.....	13
10.	Enforcement and Remedies	13
10.1	Procedures Upon Violation	13
10.2	Litigation	14
10.3	Emergency Injunctive Relief	14
10.4	Remedies Cumulative.....	14

10.5	Costs of Enforcement	14
10.6	No Waiver	14
11.	Indemnification and Insurance.....	15
11.1	Indemnification by Grantee	15
11.2	Indemnification by Grantor.....	15
11.3	Release.....	15
11.4	Insurance	15
12.	Grantee Transfer of Easement	16
12.1	Voluntary Transfer	16
12.2	Involuntary Transfer	17
13.	Subsequent Property Transfers by Grantor	17
13.1	Rights of Grantor	17
13.2	Potential Release of Hydro Reserved Rights.....	17
13.2.1	Conveyance of Entire Property	17
13.2.2	Partial Conveyance	18
13.2.3	Grantor's Continuing Reserved Rights	19
13.2.4	Easement Amendment.....	19
13.2.5	Transfer Restrictions Remain Applicable	19
14.	Extinguishment and Condemnation.....	19
14.1	Extinguishment	19
14.2	Condemnation	19
14.3	Proceeds.....	19
15.	Estoppel Certificates.....	20
16.	Notices	20
17.	Amendment.....	21

18.	Hazardous Substances	22
18.1	Definitions	22
18.2	Allocation of Responsibility for Hazardous Substances	23
18.2.1	Generally.....	23
18.2.2	Environmental Reports.....	23
18.2.3	Grantor Responsibility for the Cost of Necessary Remediation	23
18.2.4	No Owner or Operator Liability.....	23
18.3	Hazardous Substances Indemnification.....	24
18.3.1	By Grantor.....	24
18.3.2	By Grantee	24
19.	Carbon Rights.....	24
19.1	Promotion of Climate Stability.....	24
19.2	Reservation of Carbon Rights.....	25
19.3	Carbon Certification	25
20.	General Provisions	25
20.1	Governing Laws.....	25
20.2	No Public Dedication.....	25
20.3	Liberal Construction	25
20.4	Further Assurances	26
20.5	Severability	26
20.6	Entire Agreement.....	26
20.7	No Forfeiture	26
20.8	Successors	26
20.9	Recordation	26

20.10 Termination of Rights and Obligations 26

20.11 Attorneys' Fees 26

20.12 Mortgage Liens Subordinate 27

20.13 Pre-Existing Water Rights 27

20.14 Table of Contents and Captions 27

20.15 Incorporation of Recitals 27

20.16 List of Exhibits 27

20.17 Counterparts 28

**DEED OF CONSERVATION EASEMENT AND AGREEMENT
(WISE FOREBAY, LOWER DRUM PLANNING UNIT)**

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

RECITALS

A. The Property. Grantor is the owner of approximately 17 acres of real property located in Placer County, State of California, as more particularly described in the attached Exhibit A (the "**Property**").

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

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

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

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

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

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

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

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

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

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

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

I. Grantor's Continuing Hydro Project Activities. Grantor has used and continues to use the Property for the purposes related to the generation of electricity from hydropower facilities and related to the delivery, storage, and consumptive and nonconsumptive use of water as described more fully on attached Exhibit B (the "**Hydro Project Activities**"). In furtherance of the Hydro Project Activities, Grantor has improved portions of the Property with some or all of the following: water- and power-related facilities, access roads, recreational facilities, buildings and other structures. The Governing Documents provide that "[c]onservation easements on Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements."

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

AGREEMENT

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

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

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

3. Baseline Documentation Report. The parties acknowledge that certain existing conditions particularly relevant to the Property are documented in a baseline documentation report (the "**Baseline Documentation Report**"). Grantor and Grantee each have a copy of the signed Baseline Documentation Report, executed by both parties to acknowledge their approval and receipt of the Baseline Documentation Report. The parties agree that the Baseline Documentation Report contains an accurate representation of such existing conditions of the Property as of the Effective Date, and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of this Easement. The foregoing notwithstanding, if a dispute arises with respect to any of the conditions of the Property, the parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

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

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

5.1 Identification, Monitoring and Enforcement. The right to identify with Grantor the Beneficial Public Values of the Property, the right to monitor and enforce the protection and preservation of such Beneficial Public Values in accordance

with the terms of this Easement, the right to enforce the terms of this Easement, the right to enjoin any activity on the Property or other use of the Property which violates the terms of this Easement, and the right to enforce the restoration of such areas or features of the Property as may hereafter be damaged in violation of this Easement.

5.2 Access. The right for Grantee and Grantee's directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, permittees and invitees ("**Grantee's Representatives**") to enter onto the Property at reasonable times, during normal business hours, not more than twice per calendar year and upon not less than ten (10) business days' advance written notice in order to monitor and inspect the Property, to enforce the rights which are granted herein, to determine whether the activities conducted on the Property are in compliance with the terms of this Easement, and to enforce the restoration of such areas or features of the Property as may have been damaged in violation of this Easement, all in compliance with the provisions of Section 10. Grantee will limit the number of Grantee Representatives entering the Property to those who are reasonably necessary to undertake the inspections, and such entry will be for no more days than are reasonably necessary to carry out the inspections. Grantor's representatives shall have the right to accompany Grantee's Representatives during bi-annual monitoring visits or on any other visit permitted by this Section 5.2. Notwithstanding the foregoing, Grantee shall also have the right of entry upon the Property upon not less than twenty-four (24) hours' advance written notice where such entry is necessary to (i) prevent, terminate, or mitigate a violation of the terms of this Easement; or (ii) monitor actions taken pursuant to the bi-annual inspections contemplated by this Section 5.2. All access and entry allowed under this Section 5.2 will be made in a manner that will not unreasonably interfere with the permitted use(s) of the Property by Grantor, its successors in interest, and any occupant(s) or user(s) of the Property and shall comply with any entry and access guidelines established by Grantor and restrictions contained in any Third Party Use Agreements.

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

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

7. Grantor's Reserved Rights.

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

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

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

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

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

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

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

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

7.3 Annual Work Plan Notification, Consultation and Consent Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Third Party Use of the Property.

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

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

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

9.1.2 Renewal or Replacement of Third Party Use Agreements.

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

9.1.3 Consultation on Express Third Party Uses.

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

9.1.4 Enforcement of Third Party Use Agreements.

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

9.2 Informal Uses and Public Access.

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

9.2.1 Rules and Regulations.

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

9.2.2 Liability Limitation.

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

9.2.3 Periodic Review of Informal Uses.

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

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

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

10. Enforcement and Remedies.

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

10.2 Litigation. If the parties are not able to resolve a claim or dispute pursuant to Section 10.1 above, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Easement, to recover any damages to which Non-Breaching Party may be entitled for violation of the terms of this Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages and/or any other form of relief required to achieve the restoration of the Property to the condition in which it existed prior to any violation. To the extent that Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach of this Easement, all such damages recovered by Grantee (after appropriate costs of suit are reimbursed) shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary contained in this Easement, in no event shall the Breaching Party be liable to the Non-Breaching Party for, and the parties each hereby waive their right to, any indirect, special, punitive, or consequential damages resulting from the Breaching Party's breach of this Easement, whether foreseeable or unforeseeable.

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

10.4 Remedies Cumulative. The remedies described in this Section 10 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code §815 *et seq.*, inclusive. The failure of a party to discover a violation or to take immediate legal action shall not bar taking such action at a later time. Nothing in this Section 10 precludes Grantor and Grantee from agreeing to mediation or another non-judicial dispute resolution process.

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

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

term of this Easement or of any of such party's rights under this Easement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. A party's permission to the other party to carry out, or failure to object to, any proposed use or activity by the other party shall not constitute consent to any subsequent use or activity of the same or different nature.

11. Indemnification and Insurance.

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

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

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

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

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

12. Grantee Transfer of Easement.

12.1 Voluntary Transfer.

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

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

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

12.2 Involuntary Transfer. If Grantee ever ceases to exist or no longer qualifies under §815.3 of the California Civil Code, the Stewardship Council (or its designee), or if the Stewardship Council (or its designee) shall cease to exist, the Attorney General of the State of California, shall petition a court of competent jurisdiction to transfer this Easement to an organization that meets all of the designation criteria specified in Section 12.1.

13. Subsequent Property Transfers by Grantor.

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

13.2 Potential Release of Hydro Reserved Rights.

13.2.1 Conveyance of Entire Property. In the event:

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

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

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

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

13.2.2 Partial Conveyance. In the event:

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

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

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

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

Parcel. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I on the Transferred Parcel shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

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

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

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

14. Extinguishment and Condemnation.

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

14.2 Condemnation. If all or part of the Property is taken by the exercise of the power of eminent domain by a public, corporate, or other authority, whether permanent or temporary, including a private sale in lieu of eminent domain, so as to abrogate the restrictions imposed by the Conservation Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined pursuant to Section 14.3, it being expressly agreed that the Conservation Easement constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds. Grantor and Grantee acknowledge that any and all awards to Grantor and Grantee may be subject to the approval of the Commission and/or the FERC.

14.3 Proceeds. Pursuant to California Civil Code §815.2(a) this Easement constitutes a real property interest immediately vested in Grantee. It is

acknowledged by the parties that the purposes of establishing the value of this property right and enforcing the rights of Grantee with respect thereto is to prevent a private windfall and to protect the public investment which is involved in the conveyance of the Conservation Easement. That being the case, the parties stipulate that, for the purpose of determining the ratio for proportionate value of each party's respective interest in the Property at the time of termination or extinguishment of the Conservation Easement, the value of the Conservation Easement shall be the difference between (a) the current fair market value of the fee interest in the Property at the time of termination, as if unencumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements), and (b) the current fair market value of the Property at the time of termination, as encumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements). The values shall be determined by an appraisal prepared by a qualified appraiser familiar with appraising conservation easements jointly selected by Grantor and Grantee. The cost of the appraisal shall be paid out of proceeds in proportion to the recoveries of Grantor and Grantee. There shall be no restriction on Grantor's or Grantee's use of proceeds received pursuant to this Section 14.3.

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

16. Notices. Any notice or other communication required or permitted under this Easement shall be in writing and shall be either personally delivered or transmitted by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx, UPS, or Airborne Express, addressed to the parties as follows:

If to Grantor:

If by registered or certified mail, return receipt requested:

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

With a copy to:

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

If by personal delivery or overnight courier:

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

With a copy to:

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

If to Grantee:

Placer Land Trust
Attention: Executive Director
922 Lincoln Way, Suite 200
Auburn, CA 95603

The date of any notice or communication shall be deemed to be the date of receipt if delivered personally, or the date of the receipt or refusal of delivery if transmitted by mail or overnight courier. Either party may change the address for notice by giving notice to the other party in accordance with this Section 16.

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

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

18. Hazardous Substances.

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

18.1.1 "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

18.1.2 "Hazardous Substances" means any hazardous or toxic material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements, including, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto; and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department,

commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

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

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

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

(f) which contains radon gas.

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

18.1.4 "**Remediation**" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

18.2 Allocation of Responsibility for Hazardous Substances.

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

18.2.2 Environmental Reports. Grantor, as part of the Land Conservation Commitment has prepared certain environmental reports concerning the Property. Copies of these environmental reports have been provided to Grantee.

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

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

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

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

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

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

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

18.3 Hazardous Substances Indemnification.

18.3.1 By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee harmless, from and against any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, penalties, fines, taxes, obligations, controversies, debts, expenses, accounts, damages (including, without limitation, punitive damages), judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise, including, without limitation, the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements, arising from or relating, in whole or in part, to Hazardous Substances present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Easement (collectively, "**Environmental Claims**"), except to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

18.3.2 By Grantee. Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Environmental Claims, to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

19. Carbon Rights.

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

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

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

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

20. General Provisions.

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

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

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

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

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

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

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

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

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

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

20.11 Attorneys' Fees. In the event that any party shall bring an action to enforce its rights under this Easement, or relating to the interpretation hereof, whether for declaratory, injunctive or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding, including appeals, remands and any other subsequent proceeding (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). A party shall be deemed to have prevailed in any such action (without limiting the generality of the

foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Easement into any judgment on this Easement.

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

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

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

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

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

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

[20.17 Counterparts](#). This Easement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event of a discrepancy between counterparts, the recorded Easement shall be controlling.

[Signature page follows]

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

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Its: _____

GRANTEE:

PLACER LAND TRUST,
a California non-profit public benefit
corporation

By: _____
Christine A. Pieper, President

By: _____
Robert Gilliom, Treasurer

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT A

PROPERTY DESCRIPTION

[Follows this page]

EXHIBIT B

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

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

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

EXHIBIT C

Hydro Reserved Rights

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

Subject to the provisions of Section 7, the right to conduct Hydro Project Activities on the Property, including construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing and future Hydroelectric Facilities and Associated Water Delivery Facilities, including project replacements and improvements required for existing and future water delivery and other requirements for power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water, and for communications in connection with the foregoing and for compliance with any future FERC License, FERC License renewal or other regulatory requirements. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

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

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

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

(4) The right to exercise: all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters which are now or hereafter located or flowing on, under or abutting the Property; and

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

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

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

EXHIBIT D

Beneficial Public Values

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

(a) Habitat for fish, wildlife, and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The term “habitat” includes vegetation along banks and shorelines that contribute to maintaining watershed health. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors.

(b) Mixed hardwood woodland resources on the Property.

(c) The scenic viewshed of the Property.

(d) Outdoor recreation, such as fishing, hiking and sightseeing. Day use is located on the Property.

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

EXHIBIT E

Grantee Insurance Requirements

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

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

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

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

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

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

EXHIBIT F

Prohibited Uses

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

1. Number of Fee Owners; Subdivision.

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

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

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

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

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

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

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

- (a) Required Actions provided in Section 7;
- (b) Permitted Uses under Exhibit I;
- (c) Construction or placement of any structures or improvements within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights; and
- (d) Structures and improvements made in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values (including, for example, garbage enclosures, benches, interpretive kiosks, and appropriately located and sized caretaker structure).

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT G

Hydro Operating Zone

[Follows this page]

EXHIBIT H

Express Third Party Uses and Third Party Use Agreements

1. Express Third Party Uses

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

2. Third Party Use Agreements

The Third Party Use Agreements on the Property are the following:

(a) RIGHTS OF THE PUBLIC AND THE COUNTY OF PLACER, AS TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN AND ABOUT MERRY KNOLL ROAD AND ANY UNNAMED ROAD. SAID MERRY KNOLL ROAD IS MAINTAINED BY THE COUNTY OF PLACER.

(b) AN EASEMENT OVER SAID LAND FOR A DITCH AND INCIDENTAL PURPOSES, AS GRANTED TO THE SOUTH YUBA WATER COMPANY, IN INSTRUMENT RECORDED APRIL 23, 1891, IN BOOK 64 OF DEEDS, PAGE 205.

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

(c) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND BURTON W. STOKESBARY, ET UX, RECORDED MARCH 13, 1985, BOOK 2782, PAGE 280, OFFICIAL RECORDS.

(d) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "CANAL USE AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND HOWARD J. ANDERSON ET UX, RECORDED APRIL 14, 1988, BOOK 3383, PAGE 45, PLACER COUNTY RECORDS.

(e) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND BRETT G. BROGAN, RECORDED JUNE 25, 1991, INSTRUMENT NO. 1991-036808, PLACER COUNTY RECORDS.

- (f) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "ASSIGNMENT AND EASEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND PLACER COUNTY WATER AGENCY, A CALIFORNIA WATER AGENCY, RECORDED DECEMBER 31, 1997, AS INSTRUMENT NO. 97-0083402, OFFICIAL RECORDS.

AN ASSIGNMENT FOR A PORTION OF THE RIGHTS GRANTED IN THE ASSIGNMENT AND EASEMENT RECORDED MAY 2, 2000, AS INSTRUMENT NO. 2000-0029722, OFFICIAL RECORDS.

- (g) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "EASEMENT AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND PLACER COUNTY WATER AGENCY, RECORDED MARCH 04, 2002, INSTRUMENT NO. 2002-24071, PLACER COUNTY RECORDS.

- (h) REDEVELOPMENT PLAN FOR THE NORTH AUBURN REDEVELOPMENT PROJECT AREA AS DISCLOSED BY STATEMENT RECORDED JULY 10, 2007, AS INSTRUMENT NO. 2007-0068484.

- (i) THE FOLLOWING UNRECORDED AGREEMENTS:

1. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Charlie E. and Jean L. Whitecotton.
2. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Barbara E. Harris.
3. License Agreement for a Right of Entry for Temporary Use, dated December 15, 2005, between Pacific Gas and Electric Company and Richard Francis Menkick.
4. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Kenneth and Rose Maffei.
5. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Penny Ravin-Bergstrom.
6. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Brett G. Brogan.
7. Water Pipeline Permit, issued by Pacific Gas and Electric Company to Jacob and Juanita L. Jones, dated February 2, 1976.

8. Self-Reporting Rain Station installation permit, issued by Pacific Gas and Electric Company to Placer County Flood Control and Water Conservation District, dated November 8, 1994.
 9. Garden Construction Consent letter from Pacific Gas and Electric Company to Brett Brogan, dated May 6, 2011.
- (j) THE ENCROACHMENT OF POWERLINES OVER AN EASTERLY PORTION AND OVER A WESTERLY PORTION OF THE PROPERTY.

EXHIBIT I

Permitted Uses

The following are Permitted Uses:

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

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

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

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

10. The right to maintain, repair, improve, replace and reconstruct, the existing garage, garden shed, weather station, and gauge station improvements on the Property in their existing location within the Hydro Operating Zone. In addition, the expansion of the existing garage, garden shed, weather station, and gauge station building and associated improvements of the Property beyond the Hydro Operating Zone shall be a Discretionary Action unless such expansion is a Required Action.

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

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

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



**Conservation Easement Funding Agreement
Lower Drum (Wise Forebay) Planning Unit**

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 **Placer Land Trust**, a California nonprofit public benefit corporation (“Grantee”) with reference to the following facts:

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

B. Pursuant to the Settlement 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 retained by PG&E consisting of approximately 17 acres of real property located in the County of Placer, 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 Lower Drum, Lake Spaulding, Bear River, and Fordyce Lake 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 Placer County (the "Effective Date"). It is understood and agreed that if for any reason whatsoever the recording of the Conservation Easement does not occur on or before December 31, 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 Amount and Payment Terms. Effective upon the Effective Date, the Stewardship Council grants **Ninety-Four Thousand Eight Hundred Fifty-One Dollars (\$94,851)** (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 Forty Two Thousand Four Hundred Twenty-Five Dollars (\$42,425) 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 is described in Section 5 and 6 below.

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

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

4. Grant Deposit Requirements.

a. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the 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 such that only earnings on the principal of the Monitoring and Stewardship Endowment

Funds can be used by Grantee to cover the costs and expenses detailed in Sections 5 and 6 below for any Watershed Property conservation easement.

b. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of (1) the General Monitoring and Stewardship Funds into an account which shall be restricted to the stewardship and monitoring of conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property; and (2) the Defense and Enforcement Funds into an account which shall be restricted to the legal defense or enforcement of conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property. Neither of these accounts is required to be non-wasting.

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.

6. Monitoring and Stewardship Endowment Funds. Permissible uses of the Monitoring and Stewardship Endowment Funds shall include, for example:

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

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

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

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

7. General Monitoring and Stewardship Funds. Permissible uses of General Monitoring and Stewardship Funds shall include, but not be limited to the activities described in Section 6 above with regard to any of the conservation easements held by Grantee.



8. 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 held by the Grantee 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 or similar costs related to such insurance.

9. 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 first quarter of the 2025 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.

10. 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.

11. 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.

12. Assignment and Transfer of Funds. Grantee shall not assign its interest under the Conservation Easement except in accordance with the provisions of the Conservation Easement relating to permitted assignments. In the event that Grantee assigns its interest under the Conservation Easement to a successor conservation easement holder, Grantee shall transfer the remaining balance of the Grant Funds to the successor conservation easement holder. Assignee's receipt of any funds from Grantee shall be conditioned upon the assignee's agreement in writing to assume all of Grantee's obligations under this Agreement.

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

14. 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 170(c)(2)(B).

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.

15. 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.

16. 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.



17. Assignment. This Agreement may not be assigned by the Grantee in whole or in part except as provided in Section 12 above. The Stewardship Council may assign its rights and delegate its obligations under this Agreement to a third party at the Stewardship Council's sole discretion, but must provide written notice to Grantee prior to such assignment. 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.

18. 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.

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

20. 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: _____

Title:

Date: _____

Placer Land Trust,
a California Nonprofit Public Benefit Corporation

By: _____

Title: _____

Date: _____

Exhibit A

Map of the Property

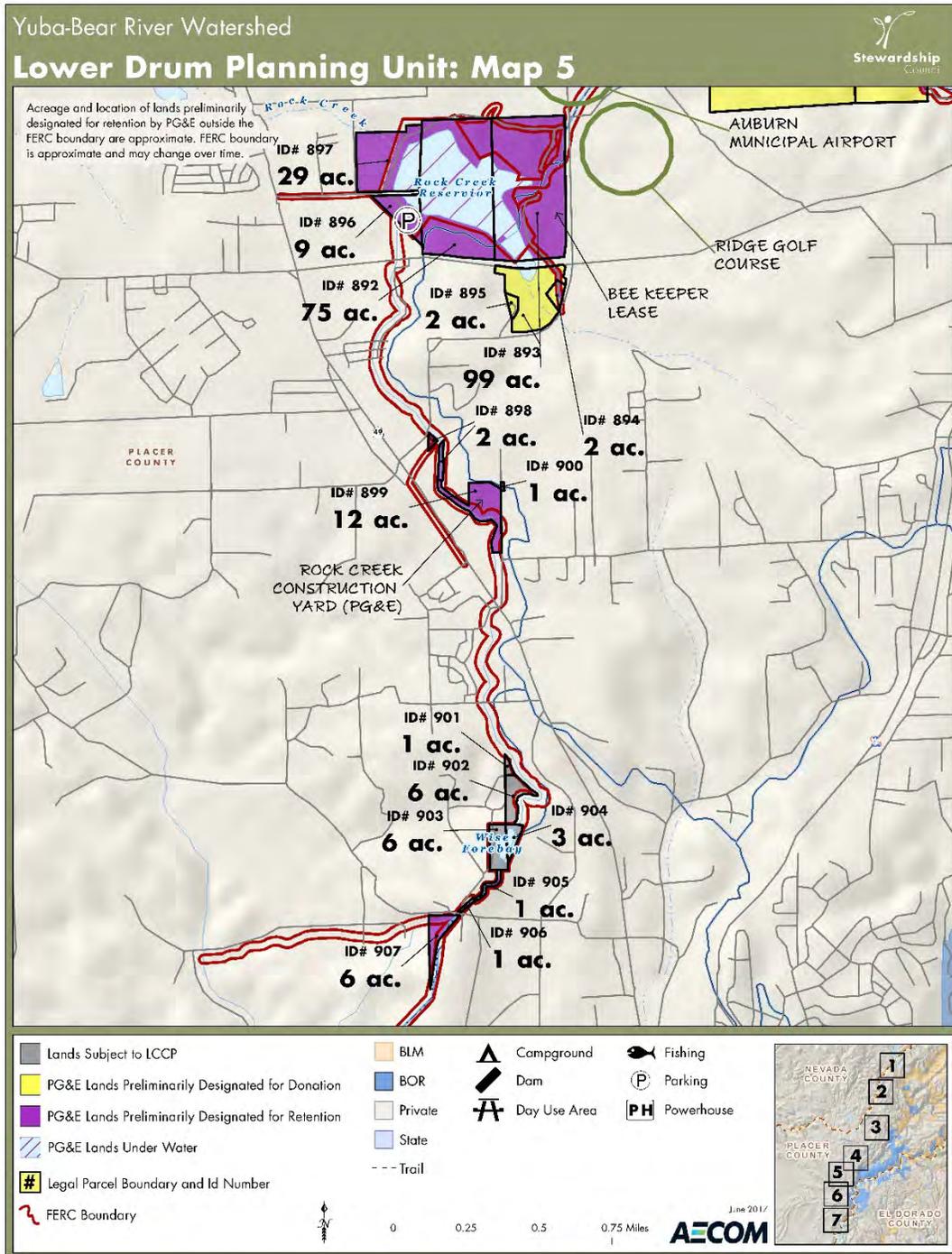




EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT

Evidence of Grant Fund Deposit and Restriction of Use Certification

Date:	Planning Unit/Property Title: Lower Drum – Wise Forebay
Grantee Name: Placer Land Trust	Grantee Address:

*Date of Deposit of Grant Funds:		Amount Deposited:	
Bank Name:	Account Name:	Account #:	
Certification of Deposit of Grant Funds and Restricted Use of Monitoring of Conservation Easement Funds			
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of General Monitoring and Stewardship Funds as set forth in Section 3c and 7 of the Grant Agreement.			
Name:		Title:	
Signature:		Date:	

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

For third section, see page 2



EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT – Page 2

*Date of Deposit of Grant Funds:		Amount Deposited:
Bank Name:	Account Name:	Account #:
Certification of Deposit of Grant Funds and Restricted Use of Defense & Enforcement Funds		
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 8 of the Grant Agreement.		
Name:	Title:	
Signature:	Date:	

Return to:
 Stewardship Council
 8863 Greenback Ln. #326
 Orangevale, Ca 95662
Phone: (916) 297-6660

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

APPENDIX E
LAND CONSERVATION COMMITMENT

STATEMENT OF PURPOSE

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

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

-

COMMITMENTS

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

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

I.02-04-026

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

2. Process For Development of the Conservation Easements and Land Donation Plan: PG&E will work with PG&E Environmental Enhancement Corporation and the Commission in the development and implementation of the conservation easements and land donation plan. PG&E Environmental Enhancement Corporation will recommend to PG&E (1) conservation objectives for the properties, including identification of conservation values, (2) criteria for ultimate disposition of the properties, (3) conservation easements guidelines, and (4) land disposition plans.

3. Reporting Responsibilities: PG&E Environmental Enhancement Corporation will prepare a report to the Commission within 18 months of the Effective Date describing the status of the conservation easement and land disposition plan. PG&E Environmental Enhancement Corporation will make the report available to the public upon request. Every two years following the first report, PG&E Environmental Enhancement Corporation will prepare a report to the Commission on the implementation of the conservation easement and land disposition plan.

Attachment B

Encroachment Agreements

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

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
 Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008)
(APN 038-250-013)
LD# 2112-08-10042

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 2020 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and BARBARA E. HARRIS, as trustee of the Barbara E. Harris Living Trust, dated March 7, 1990, and restated September 24, 2019, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-140-007 and 038-250-011 (hereinafter, the "**Owners Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008 and 038-250-013 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has constructed a portion of a residential home and a deck (the "Structure") on PG&E Property. The portion of the PG&E Property upon which the Structure was constructed (the "Structural Encroachment Area") is approximately shown by the hatched area shown on Exhibit "C" attached hereto and made a part hereof.

D. Owner has constructed a portion of a driveway ("Driveway") on PG&E Property. The portion of the of the PG&E Property upon which the Driveway was constructed (the "Driveway Encroachment Area") is described on Exhibit "D" and approximately shown within the detail area on Exhibit "D-1" attached hereto and made a part hereof.

E. Collectively, the Structure and the Driveway are hereinafter referred to as the "Encroachments" and the Structural Encroachment Area and the Driveway Encroachment Area are hereinafter referred to as the "Encroachment Area."

F. Owner has requested that PG&E grant permission for the Encroachments upon the PG&E Property. PG&E has determined that the Encroachments do not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachments on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachments. PG&E hereby consents to the Encroachments on the PG&E Property as shown on Exhibits "C" and "D". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner's use of the Encroachment Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner's sole cost and expense, shall remove all Encroachments that encroach upon the

Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner agrees to allow access to PG&E onto the Property for such purpose, and Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E's termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of the those improvements. Owner understands and agrees that notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E. (Owner to initial here BH, _____).

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment**."

(4) Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (the "**Stewardship Council**") was created to oversee and carry out the Land Conservation Commitment. In accordance with the Governing Documents, the Stewardship Council developed and adopted a land conservation plan (the "**LCP**") for protection of the Watershed Lands for the

benefit of the citizens of California. The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Activities to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the

Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("LCP Facilities"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER TO INITIAL HERE BN)

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Improvements authorized pursuant to this Agreement, Owner shall not construct any additional buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the

Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Hydro Support
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B3OA
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Barbara E. Harris
1480 Merry Knoll Road
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to the Property presently owned by Owner and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against the Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

BARBARA E. HARRIS, Trustee for the
Barbara E. Harris Revocable Trust

By: _____
Sarah Hug


Barbara E. Harris

Its: Manager
Hydro Support

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 Placer)

On June 8, 2020, before me, Rebecca J. Marsh, Notary Public,
Here insert name and title of the officer
personally appeared Barbara Harris

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.

Rebecca J. Marsh
Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name
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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10042
Area, Region or Location: 6
Land Service Office: Auburn
Line of Business: Hydro (24)
Business Doc Type: Conveyances Out
MTRSQ: 21.12.08.04.22
FERC License Number: N/A
PG&E Drawing Number: N/A
Plat No.: N/A
LD of Affected Documents: N/A
LD of Cross Referenced Documents: N/A
Type of interest: Encroachment Agreements (69)
SBE Parcel: 135-31-28-1
% Being Quitclaimed: N/A
Order or PM: 2047412
JCN: N/A
County: Placer
Utility Notice Number: N/A
851 Approval Application No: ;Decision:
Prepared By: dqmm
Checked By: S2PO
Approved By: RUM7 (7/29/19)
Revised by:

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-007)

The parcel of land described in the deed from Barbara E. Harris to Barbara E. Harris, Trustee for the Barbara E. Harris Revocable Living Trust dated January 5, 2005 and recorded as Document No. 2005-0003621 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain property, in the County of Placer, State of California, in Sections 4 and 9, Township 12 North, Range 8 East, MDB&M, described as follows:

BEGINNING at a $\frac{3}{4}$ inch pipe from which the Northeast corner of Section 9, Township 12 North, Range 8 East, MDB&M, bears the following two courses and distances: South $01^{\circ}38'$ West 264.04 feet and North $80^{\circ}40'$ East 1662.20 feet and running thence North $01^{\circ}38'$ East 218.28 feet to a point; thence South $69^{\circ}08'$ West 103.01 feet to a point; thence south $08^{\circ}14'$ East 154.52 feet to a $\frac{3}{4}$ inch pipe; thence South $67^{\circ}08'$ East 73.61 feet to the point of beginning.

(APN 038-250-011 & 038-250-008)

The parcel of land described in the deed from Barbara E. Harris to Barbara E. Harris, Trustee for the Barbara E. Harris Revocable Living Trust dated November 3, 2015 and recorded as Document No. 2005-0101004 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

A portion of Sections 4 and 9, Township 12 North, Range 8 East, M.D.B.&M., particularly described as follows:

Beginning at a point from which the northeast corner of said Section 9 bears North $80^{\circ}40'$ East 1662.20 feet, thence North $01^{\circ}38'$ East 264.04 feet; thence North $67^{\circ}08'$ West 73.61 feet; thence North $08^{\circ}14'$ West 154.52 feet; thence South $69^{\circ}08'$ West 127.00 feet; thence South $29^{\circ}12'$ West 79.92 feet; thence South $16^{\circ}12'$ East 379.60 feet to the northwest corner of property described in deed to William E. Cornett, et ux, dated August 11, 1948, recorded in Book 538 of Official Records, at Page 141, Placer County Records, thence along the North line of said property North $76^{\circ}24'$ East 138.00 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

(APN 038-150-008 and 038-250-013)

The parcel of land described and designated “(a)” reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

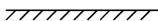
That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

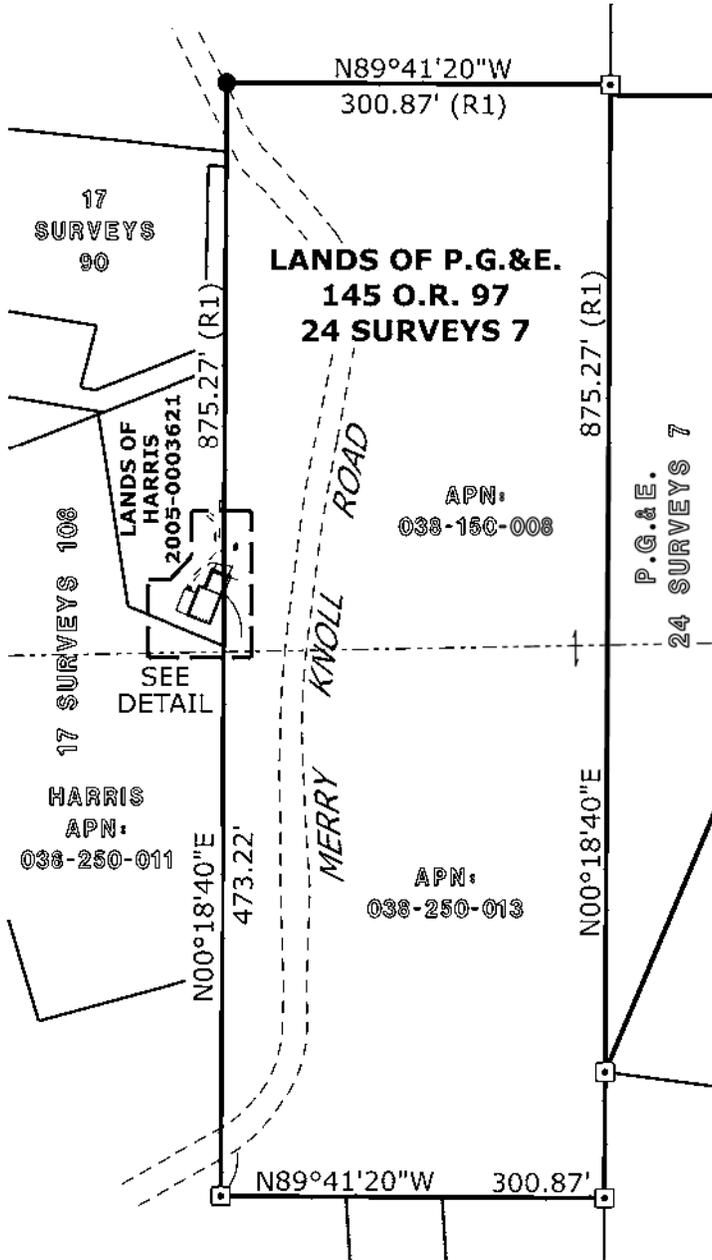
As shown on the map entitled “Record of Survey No. ESD18-00090” filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04, M.D.B.M.

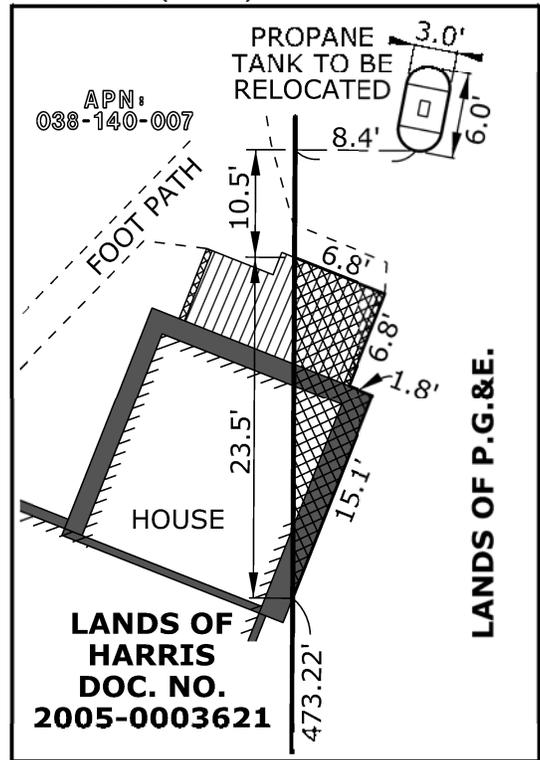
BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE
COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL
POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES
SHOWN ARE IN GRID . TO OBTAIN GROUND DISTANCES DIVIDE
ALL GRID DISTANCES BY 0.999856992 PER R1

LEGEND

-  - PG&E PARCEL LINE
-  - BUILDING FOOTPRINT
-  - BUILDING OVERHANG
-  - WOOD DECK
-  - FOUND REBAR & 2" ALUM. CAP
STAMPED "PG&E LS 6424" PER R1
-  - FOUND 5"x5" CONC. MON W/ 1"
BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

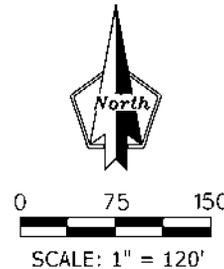


DETAIL (N.T.S.)



STRUCTURAL ENCROACHMENT AREA

 TOTAL AREA = 81.3 +/- SQ.FT



LD 2112-08-10042	
BY	PLF8
DR	CXOQ
CH	KCG6
O.K.	SDWD
DATE	09/05/2022

EXHIBIT "C"
STRUCTURE ENCROACHMENT AGREEMENT
 1460 MERRY KNOLL ROAD
 AUBURN, CALIFORNIA
 PACIFIC GAS AND ELECTRIC COMPANY
 San Francisco California



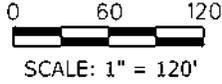
PROJ. NO.	3022380
AREA	6, SIERRA
COUNTY	PLACER
SCALE	1 INCH = 150 FEET
SHEET NO.	1 OF 1
DRAWING NUMBER	CHANGE
ENA-0206	1

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4 SECTION 04 M.D.B.M.

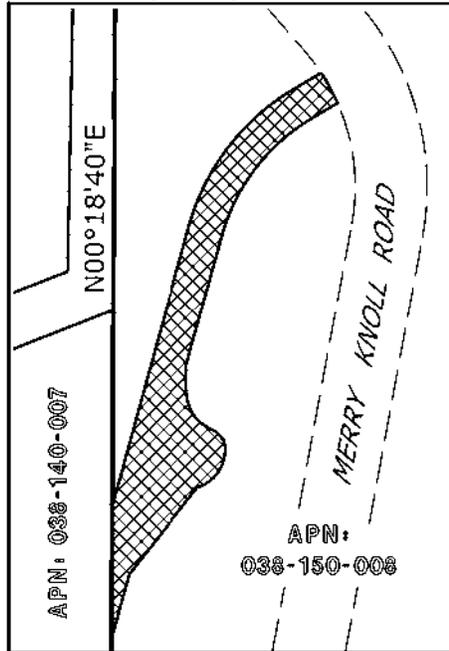
BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE
PLANE COORDINATE SYSTEM, ZONE II AND DERIVED
FROM GLOBAL POSITIONING SYSTEM (GPS)
OBSERVATIONS. DISTANCES SHOWN ARE IN GRID . TO
OBTAIN GROUND DISTANCES DIVIDE ALL GRID
DISTANCES BY 0.999856992 PER R1

LEGEND

-  - PG&E PARCEL LINE
-  - FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
-  - FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

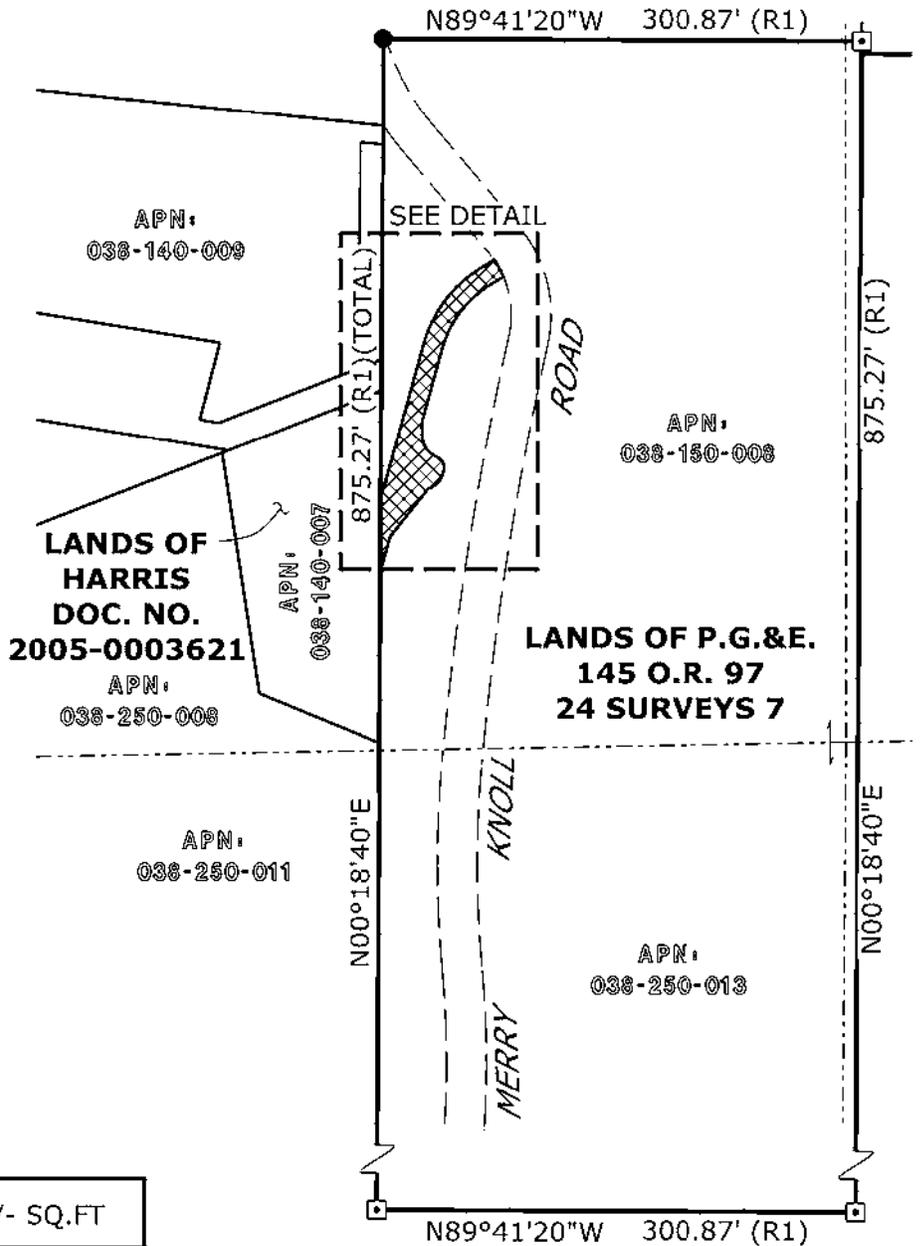


DETAIL (N.T.S.)



ENCROACHMENT AREA

 TOTAL AREA = 3034 +/- SQ.FT



LD 2112-08-10042

BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 09/05/2022

EXHIBIT 'D'
DRIVEWAY ENCROACHMENT AGREEMENT
1460 MERRY KNOLL ROAD
AUBURN, CALIFORNIA
PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



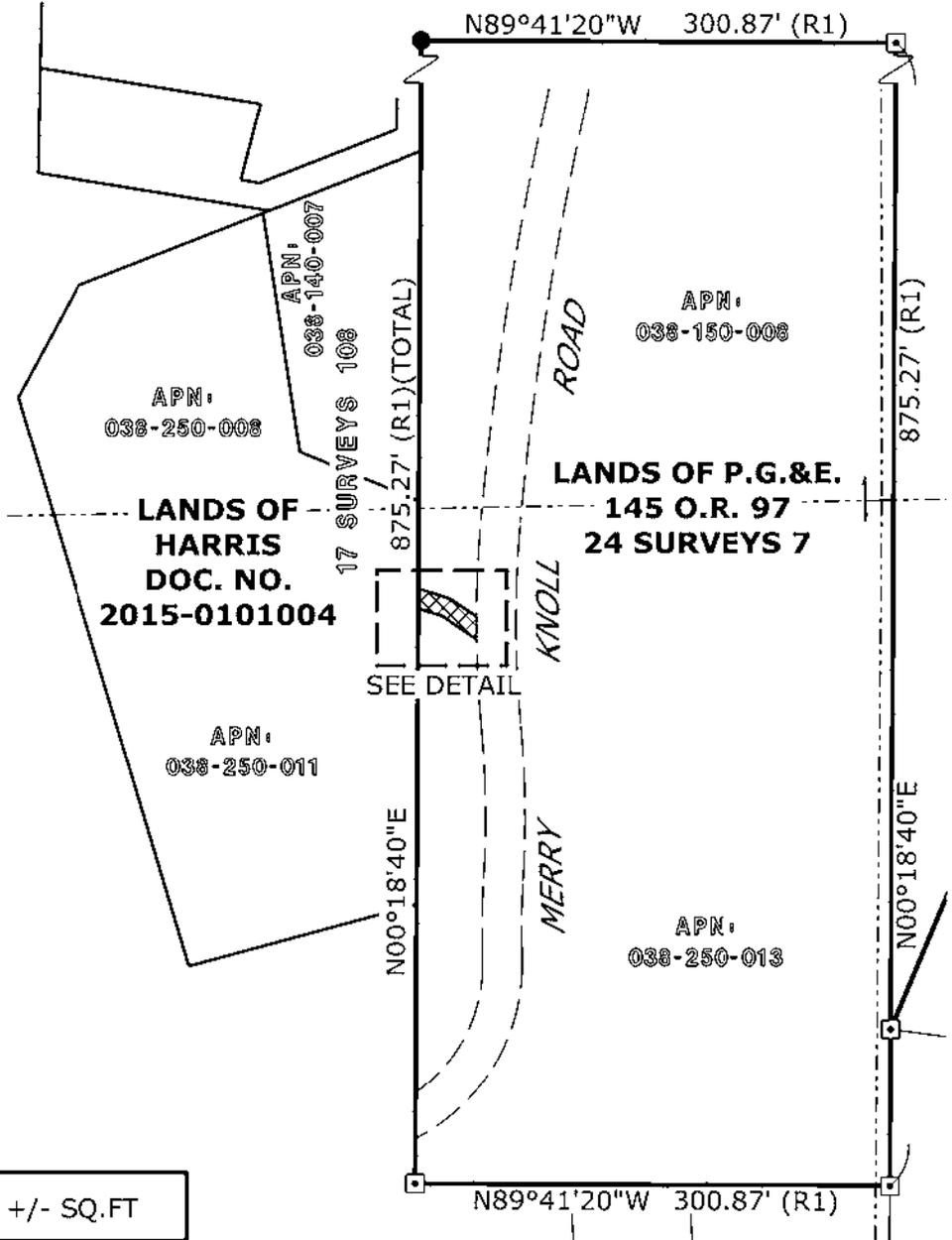
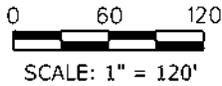
PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 120 FEET	
SHEET NO.	1	OF 1
DRAWING NUMBER	ENA-0212	CHANGE 1

TOWNSHIP 12 NORTH, RANGE 08 EAST,
NW1/4, NE1/4 SECTION 9, M.D.B.M.

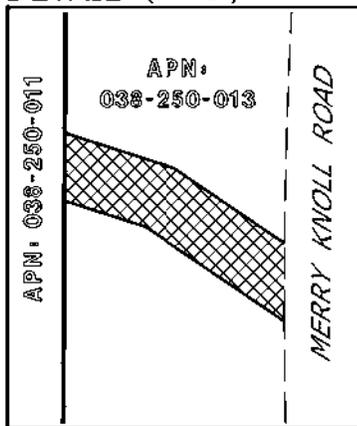
BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE
PLANE COORDINATE SYSTEM, ZONE II AND DERIVED
FROM GLOBAL POSITIONING SYSTEM (GPS)
OBSERVATIONS. DISTANCES SHOWN ARE IN GRID . TO
OBTAIN GROUND DISTANCES DIVIDE ALL GRID
DISTANCES BY 0.999856992 PER R1

LEGEND

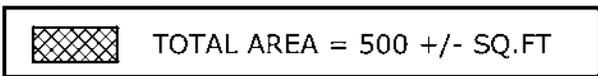
- PG&E PARCEL LINE
- - FOUND 5/8" REBAR & 2" ALUM. CAP
STAMPED "PG&E LS 6424" PER R1
- - FOUND 5"X5" CONC. MON W/ 1"
BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE



DETAIL (N.T.S.)



ENCROACHMENT AREA



LD 2112-08-10054	
BY	PLF8
DR	CXOQ
CH	KCG6
O.K.	SDWD
DATE	09/05/2022

EXHIBIT "C"
DRIVEWAY ENCROACHMENT AGREEMENT
 1480 MERRY KNOLL ROAD
 AUBURN, CALIFORNIA
 PACIFIC GAS AND ELECTRIC COMPANY
 San Francisco California

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 120 FEET	
SHEET NO.	1	OF 1
DRAWING NUMBER	ENA-0210	CHANGE
		1

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

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
 Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008)
LD# 2112-08-10043

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 2022 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and LOUIS E. PESHETTE and NANCY A. PESHETTE, as trustees of The Louis E. Peshette and Nancy A. Peshette Revocable Trust, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-140-009 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has constructed a portion of a driveway ("**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Driveway was constructed (the "**Encroachment Area**") is approximately shown on **Exhibit "C"** attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment on the PG&E Property as shown on Exhibit "C". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner's use of the Encroachment Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner's sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E's termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here J. P. R. Map)

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment.**"

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

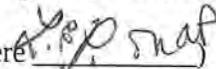
(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachments to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth

herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here )

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense

by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnatee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnatee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owner further agrees and understands that Owner is responsible for causing its agents, consultants, contractors and subcontractors (where utilized) to comply with the following minimum insurance requirements when work is being performed on PG&E Property:

- a. Commercial General Liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 each occurrence/\$2,000,000 aggregate.
- b. Business Auto Liability insurance covering "any auto" [equivalent to ISO Symbol "1"] with combined single limits of not less than \$1,000,000 each accident.
- c. Worker's Compensation in compliance with applicable labor codes, acts, laws or statutes, state or federal (where applicable); Employer's Liability insurance with limits of not less than \$1,000,000 for injury or death, each accident.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Louis and Nancy Peshette
1480 Merry Knoll Road
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

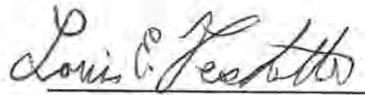
"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

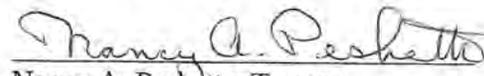
LOUIS E. PESHETTE and NANCY A.
PESHETTE, as trustees of The Louis E.
Peshette and Nancy A. Peshette Revocable
Trust

By: _____
Sarah Hug



Louis E. Peshette, Trustee

Its: Manager
Hydro Support



Nancy A. Peshette, Trustee

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 Placer

On 9/19/2022, before me, JJ Aldal Notary Public,
Insert name
personally appeared Louis E. Peschette, Nancy A. Peschette

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.

JJ Aldal
Signature of Notary Public



(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name
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 of Notary Public (Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,

Insert name

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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10043

Area, Region or Location: 6

Land Service Office: Auburn

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 21.12.08.04.23

FERC License Number: 2310

PG&E Drawing Number: N/A

Plat No.: N/A

LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)

LD of Cross Referenced Documents: N/A

Type of interest: Encroachment Agreements (69)

SBE Parcel: 135-31-28-1

% Being Quitclaimed: N/A

Order or PM: 2047412

JCN: N/A

County: Placer

Utility Notice Number: N/A

851 Approval Application No: ;Decision:

Prepared By: R9M1

Checked By: RGRR

Approved By: RUM7 (10/02/19)

Revised by:

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-009)

The parcel of land conveyed by Wells Fargo Bank, NA to Louis E Peshette and Nancy A. Peshette Trustees of The Louis E. Peshette and Nancy A. Peshette Revocable Trust by deed dated January 6, 2011 and recorded as Document No. 2011-0002733 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

A portion of Section 4, Township 12 North, Range 8 East, M.D.B. & M., more particularly described as follows:

Commencing at the section corner common to Section 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 651.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 168.18 feet; thence North $83^{\circ} 34'$ West 238.84 feet; thence South $1^{\circ} 38'$ West 208.71 feet; thence South $80^{\circ} 15'$ East 141.58 feet to the North line of Lewis Property; thence along Lew Property North $69^{\circ} 08'$ East 105.90 feet to point of beginning.

Excepting therefrom a part of the Southwest quarter of the Southeast quarter of Section 4, Township 12 North, Range 8 East, M.D.B. & M., described as beginning at the Northwest corner of this tract from which the Southeast corner of said Section 4 bears South $77^{\circ} 37'$ East 1903.46 feet; and running thence along the West line of the Cavanaugh Lot South $1^{\circ} 38'$ West 208.71 feet to a point; thence North $15^{\circ} 04'$ East 210.36 feet to a steel pin; thence North $83^{\circ} 34'$ West 20.00 feet to the point of beginning.

Also excepting therefrom the following two Parcels:

Parcel 1:

Commencing at the section corner to Sections 3, 4, 9 and 10, Township 12 North, Range 8, East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 651.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 20.00 feet; thence South $69^{\circ} 08'$ West 105.90 feet; thence North $79^{\circ} 41'$ West 11.90 feet; thence North $15^{\circ} 04'$ East 50.00 feet; thence North $80^{\circ} 15'$ West 125.00 feet; thence South $15^{\circ} 04'$ West 70.00 feet; thence South $80^{\circ} 15'$ East 141.58 feet; thence North $69^{\circ} 08'$ East 105.90 feet to the point of becoming and containing an area of 10,901.60 square feet, more or less.

EXHIBIT A
LEGAL DESCRIPTION

Parcel 2:

Beginning at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 671.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 136.18 feet; thence North $83^{\circ} 34'$ West 12.04 feet; thence South $1^{\circ} 38'$ West 142.15 feet; thence North $69^{\circ} 08'$ East 13.00 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

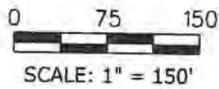
(APN 038-150-008 and 038-250-013)

The parcel of land described and designated “(a)” reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

As shown on the map entitled “Record of Survey No. ESD18-00090” filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

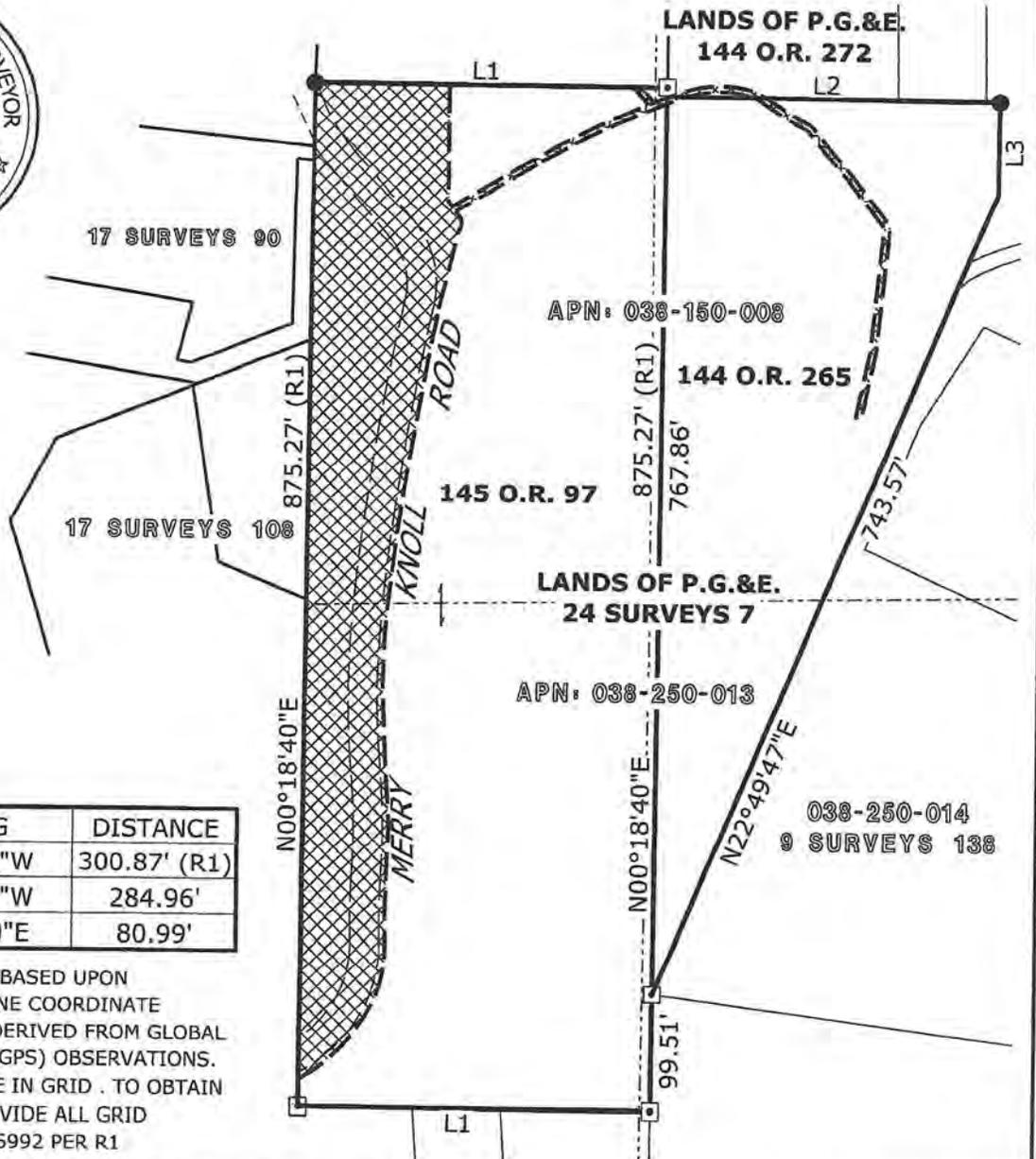


LEGEND

- PG&E PARCEL LINE
- FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID. TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

**WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA**

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1 OF 1	
DRAWING NUMBER	ENA-0214	CHANGE
		1

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

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008)

LD# 2112-08-10045

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 20__ by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and WILLIAM C. DORER, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-140-008 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has constructed a portion of a driveway ("**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the "**Encroachment Area**") is approximately shown on **Exhibit "C"** attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment on the PG&E Property as shown on Exhibit "C". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner's use of the Encroachment Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner's sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E's termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here )

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment.**"

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

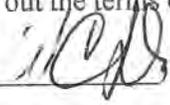
(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachments to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth

herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here )

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense

by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue PG&E and the other Indemnites 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachment authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owner further agrees and understands that Owner is responsible for causing its agents, consultants, contractors and subcontractors (where utilized) to comply with the following minimum insurance requirements when work is being performed on PG&E Property:

- a. Commercial General Liability insurance covering bodily injury and property damage with limits of not less than \$1,000,000 each occurrence/\$2,000,000 aggregate.
- b. Business Auto Liability insurance covering "any auto" [equivalent to ISO Symbol "1"] with combined single limits of not less than \$1,000,000 each accident.
- c. Worker's Compensation in compliance with applicable labor codes, acts, laws or statutes, state or federal (where applicable); Employer's Liability insurance with limits of not less than \$1,000,000 for injury or death, each accident.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

William C. Dorer
7677 Greenridge Way
Fair Oaks, CA 95628

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

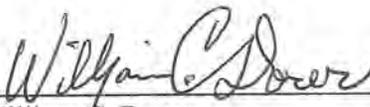
"PG&E"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____
Sarah Hug

Its: Manager
Hydro Support

"Owner"



William C. Dorer

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 Sacramento

On September 23, 2022, before me, Andrew Lit Notary Public,
Insert name

personally appeared William Clark Dorer

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]
Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name
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 of Notary Public (Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10045
Area, Region or Location: 6
Land Service Office: Auburn
Line of Business: Hydro (24)
Business Doc Type: Conveyances Out
MTRSQ: 21.12.08.04.23
FERC License Number: 2310
PG&E Drawing Number: N/A
Plat No.: N/A
LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)
LD of Cross Referenced Documents: N/A
Type of interest: Encroachment Agreements (69)
SBE Parcel: 135-31-28-1
% Being Quitclaimed: N/A
Order or PM: 2047412
JCN: N/A
County: Placer
Utility Notice Number: N/A
851 Approval Application No: ;Decision:
Prepared By: R9M1
Checked By: RGRR
Approved By: RUM7 (10/02/19)
Revised by:

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-008)

The parcels of land described and designated PARCEL ONE and PARCEL TWO in the deed from Betty Ann Francis, a widow to William C. Dorer or Carol E. Dorer, husband and wife dated April 17, 1984 in Volume 2685 of Official Records at Page 97 in the Office of the County Recorder of Placer County, California:

A portion of Section 4, Township 12 North, Range 8 East, M.D.M.&M., described as follows:

PARCEL ONE: Commencing at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, MDM&M., and running thence South $75^{\circ} 06' 20''$ West 1707.53 feet; thence North $1^{\circ} 38'$ East 651.18 feet to the southwest corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 20.00 feet; thence South $69^{\circ} 08'$ West 105.90 feet; thence North $79^{\circ} 41'$ West 11.90 feet; thence North $15^{\circ} 04'$ East 50.00 feet; thence North $80^{\circ} 15'$ West 125.00 feet; thence South $15^{\circ} 04'$ West 70.00 feet; thence South $83^{\circ} 15'$ East 141.58 feet; thence North $69^{\circ} 08'$ East 105.90 feet to the point of beginning and containing an area of 10,901.60 square feet.

PARCEL TWO: Beginning at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, MDM&M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 671.18 feet to the southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 136.18 feet; thence North $83^{\circ} 34'$ West 12.04 feet; thence South $1^{\circ} 38'$ West 142.15 feet; thence North $69^{\circ} 08'$ East 13.00 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

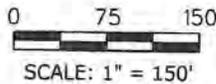
(APN 038-150-008 and 038-250-013)

The parcel of land described and designated “(a)” reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

As shown on the map entitled “Record of Survey No. ESD18-00090” filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

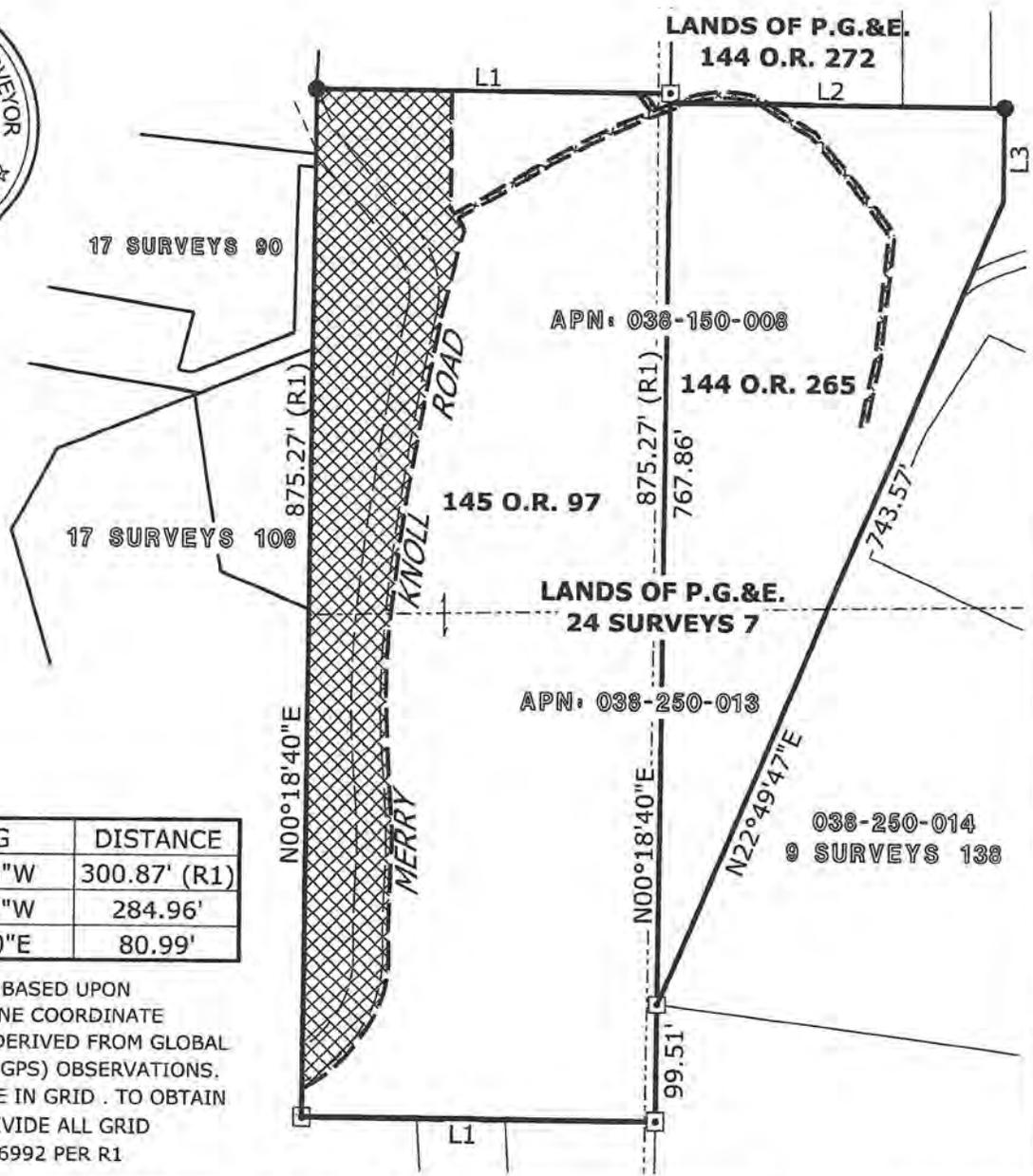


LEGEND

- PG&E PARCEL LINE
- - FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- - FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID. TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

**WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA**

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1 OF	1
DRAWING NUMBER	ENA-0214	
CHANGE	1	

Attachment C

Deed of Conservation Easement and Agreement

<p>RECORDING REQUESTED BY</p> <p>PACIFIC GAS AND ELECTRIC COMPANY Land Department Attention: Paul Coviello 1850 Gateway Blvd, Room 7043C Concord, CA 94520</p>	
<p>WHEN RECORDED MAIL TO</p> <p>PACIFIC GAS AND ELECTRIC COMPANY 245 Market Street, N10A, Room 1015 P.O. Box 770000 San Francisco, California 94177</p>	
<p>The undersigned Grantor declares that the documentary transfer tax is \$-0- (R&T Code 11911 court-ordered conveyance or decree that is not pursuant to sale)</p>	<p>(Space Above this Line for Recorder's Use)</p>
<p>LD#</p> <p>A.P.N. 038-150-008-000 Portion, 038-250-013-000 Portion, 038-150-011-000, 038-150-012-000</p>	

Date: _____

DEED OF CONSERVATION EASEMENT AND AGREEMENT
(WISE FOREBAY, LOWER DRUM PLANNING UNIT)

Between

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

and

PLACER LAND TRUST, a California non-profit public benefit corporation,
as Grantee

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

Table of Contents

	<u>Page</u>
1. Grant of Easement	3
2. Purpose	4
3. Baseline Documentation Report	4
4. Commission and FERC	4
5. Rights Conveyed to Grantee	4
5.1 Identification, Monitoring and Enforcement.....	4
5.2 Access	5
5.3 Grantee Signs.....	5
6. Prohibited Uses	6
7. Grantor's Reserved Rights	6
7.1 Hydro and Other Reserved Rights.....	6
7.2 Definitions	6
7.2.1 Anticipated Significant Actions.....	6
7.2.2 Required Actions.....	6
7.2.3 Specified Required Actions	7
7.2.4 Discretionary Action	7
7.2.5 Hydro Operating Zone.....	7
7.3 Annual Work Plan Notification, Consultation and Consent Requirements	7
7.3.1 Delivery and Contents of Annual Work Plan	7
7.3.2 Review of Annual Work Plan.....	8
7.3.3 Anticipated Significant Actions within Hydro Operating Zones.....	8
7.3.4 Anticipated Significant Actions Outside Hydro Operating Zones	9

7.4	Anticipated Significant Actions Not Identified in Annual Work Plan	9
7.5	Emergency Actions	10
7.6	Water Rights	10
8.	Responsibility for Operations.....	10
8.1	Condition of Property	10
8.2	Taxes	11
8.3	Permits and Approvals.....	11
8.4	Limitation on Restoration Obligations	11
9.	Third Party Use of the Property	11
9.1	Express Third Party Uses	11
9.1.1	Increases in Intensity or Expansion of Location or Size or Change in Use	11
9.1.2	Renewal or Replacement of Third Party Use Agreements.....	12
9.1.3	Consultation on Express Third Party Uses.....	12
9.1.4	Enforcement of Third Party Use Agreements.....	12
9.2	Informal Uses and Public Access	12
9.2.1	Rules and Regulations	12
9.2.2	Liability Limitation.....	12
9.2.3	Periodic Review of Informal Uses	12
9.3	Unauthorized Third-Party Uses.....	13
10.	Enforcement and Remedies	13
10.1	Procedures Upon Violation	13
10.2	Litigation	14
10.3	Emergency Injunctive Relief	14
10.4	Remedies Cumulative.....	14

10.5	Costs of Enforcement	14
10.6	No Waiver	14
11.	Indemnification and Insurance.....	15
11.1	Indemnification by Grantee	15
11.2	Indemnification by Grantor.....	15
11.3	Release.....	15
11.4	Insurance	15
12.	Grantee Transfer of Easement	16
12.1	Voluntary Transfer	16
12.2	Involuntary Transfer	17
13.	Subsequent Property Transfers by Grantor	17
13.1	Rights of Grantor	17
13.2	Potential Release of Hydro Reserved Rights.....	17
13.2.1	Conveyance of Entire Property	17
13.2.2	Partial Conveyance	18
13.2.3	Grantor's Continuing Reserved Rights	19
13.2.4	Easement Amendment.....	19
13.2.5	Transfer Restrictions Remain Applicable	19
14.	Extinguishment and Condemnation.....	19
14.1	Extinguishment	19
14.2	Condemnation	19
14.3	Proceeds.....	19
15.	Estoppel Certificates.....	20
16.	Notices	20
17.	Amendment.....	21

18.	Hazardous Substances	22
18.1	Definitions	22
18.2	Allocation of Responsibility for Hazardous Substances	23
18.2.1	Generally.....	23
18.2.2	Environmental Reports.....	23
18.2.3	Grantor Responsibility for the Cost of Necessary Remediation	23
18.2.4	No Owner or Operator Liability.....	23
18.3	Hazardous Substances Indemnification.....	24
18.3.1	By Grantor.....	24
18.3.2	By Grantee	24
19.	Carbon Rights.....	24
19.1	Promotion of Climate Stability.....	24
19.2	Reservation of Carbon Rights.....	25
19.3	Carbon Certification	25
20.	General Provisions	25
20.1	Governing Laws.....	25
20.2	No Public Dedication.....	25
20.3	Liberal Construction	25
20.4	Further Assurances	26
20.5	Severability	26
20.6	Entire Agreement.....	26
20.7	No Forfeiture	26
20.8	Successors	26
20.9	Recordation	26

20.10 Termination of Rights and Obligations 26

20.11 Attorneys' Fees 26

20.12 Mortgage Liens Subordinate 27

20.13 Pre-Existing Water Rights 27

20.14 Table of Contents and Captions 27

20.15 Incorporation of Recitals 27

20.16 List of Exhibits 27

20.17 Counterparts 28

**DEED OF CONSERVATION EASEMENT AND AGREEMENT
(WISE FOREBAY, LOWER DRUM PLANNING UNIT)**

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

RECITALS

A. The Property. Grantor is the owner of approximately 17 acres of real property located in Placer County, State of California, as more particularly described in the attached Exhibit A (the "**Property**").

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

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

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

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

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

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

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

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

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

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

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

I. Grantor's Continuing Hydro Project Activities. Grantor has used and continues to use the Property for the purposes related to the generation of electricity from hydropower facilities and related to the delivery, storage, and consumptive and nonconsumptive use of water as described more fully on attached Exhibit B (the "**Hydro Project Activities**"). In furtherance of the Hydro Project Activities, Grantor has improved portions of the Property with some or all of the following: water- and power-related facilities, access roads, recreational facilities, buildings and other structures. The Governing Documents provide that "[c]onservation easements on Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements."

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

AGREEMENT

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

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

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

3. Baseline Documentation Report. The parties acknowledge that certain existing conditions particularly relevant to the Property are documented in a baseline documentation report (the "**Baseline Documentation Report**"). Grantor and Grantee each have a copy of the signed Baseline Documentation Report, executed by both parties to acknowledge their approval and receipt of the Baseline Documentation Report. The parties agree that the Baseline Documentation Report contains an accurate representation of such existing conditions of the Property as of the Effective Date, and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of this Easement. The foregoing notwithstanding, if a dispute arises with respect to any of the conditions of the Property, the parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

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

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

5.1 Identification, Monitoring and Enforcement. The right to identify with Grantor the Beneficial Public Values of the Property, the right to monitor and enforce the protection and preservation of such Beneficial Public Values in accordance

with the terms of this Easement, the right to enforce the terms of this Easement, the right to enjoin any activity on the Property or other use of the Property which violates the terms of this Easement, and the right to enforce the restoration of such areas or features of the Property as may hereafter be damaged in violation of this Easement.

5.2 Access. The right for Grantee and Grantee's directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, permittees and invitees ("**Grantee's Representatives**") to enter onto the Property at reasonable times, during normal business hours, not more than twice per calendar year and upon not less than ten (10) business days' advance written notice in order to monitor and inspect the Property, to enforce the rights which are granted herein, to determine whether the activities conducted on the Property are in compliance with the terms of this Easement, and to enforce the restoration of such areas or features of the Property as may have been damaged in violation of this Easement, all in compliance with the provisions of Section 10. Grantee will limit the number of Grantee Representatives entering the Property to those who are reasonably necessary to undertake the inspections, and such entry will be for no more days than are reasonably necessary to carry out the inspections. Grantor's representatives shall have the right to accompany Grantee's Representatives during bi-annual monitoring visits or on any other visit permitted by this Section 5.2. Notwithstanding the foregoing, Grantee shall also have the right of entry upon the Property upon not less than twenty-four (24) hours' advance written notice where such entry is necessary to (i) prevent, terminate, or mitigate a violation of the terms of this Easement; or (ii) monitor actions taken pursuant to the bi-annual inspections contemplated by this Section 5.2. All access and entry allowed under this Section 5.2 will be made in a manner that will not unreasonably interfere with the permitted use(s) of the Property by Grantor, its successors in interest, and any occupant(s) or user(s) of the Property and shall comply with any entry and access guidelines established by Grantor and restrictions contained in any Third Party Use Agreements.

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

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

7. Grantor's Reserved Rights.

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

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

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

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

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

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

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

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

7.3 Annual Work Plan Notification, Consultation and Consent Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Third Party Use of the Property.

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

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

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

9.1.2 Renewal or Replacement of Third Party Use Agreements.

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

9.1.3 Consultation on Express Third Party Uses.

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

9.1.4 Enforcement of Third Party Use Agreements.

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

9.2 Informal Uses and Public Access.

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

9.2.1 Rules and Regulations.

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

9.2.2 Liability Limitation.

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

9.2.3 Periodic Review of Informal Uses.

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

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

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

10. Enforcement and Remedies.

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

10.2 Litigation. If the parties are not able to resolve a claim or dispute pursuant to Section 10.1 above, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Easement, to recover any damages to which Non-Breaching Party may be entitled for violation of the terms of this Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages and/or any other form of relief required to achieve the restoration of the Property to the condition in which it existed prior to any violation. To the extent that Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach of this Easement, all such damages recovered by Grantee (after appropriate costs of suit are reimbursed) shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary contained in this Easement, in no event shall the Breaching Party be liable to the Non-Breaching Party for, and the parties each hereby waive their right to, any indirect, special, punitive, or consequential damages resulting from the Breaching Party's breach of this Easement, whether foreseeable or unforeseeable.

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

10.4 Remedies Cumulative. The remedies described in this Section 10 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code §815 *et seq.*, inclusive. The failure of a party to discover a violation or to take immediate legal action shall not bar taking such action at a later time. Nothing in this Section 10 precludes Grantor and Grantee from agreeing to mediation or another non-judicial dispute resolution process.

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

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

term of this Easement or of any of such party's rights under this Easement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver. A party's permission to the other party to carry out, or failure to object to, any proposed use or activity by the other party shall not constitute consent to any subsequent use or activity of the same or different nature.

11. Indemnification and Insurance.

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

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

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

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

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

12. Grantee Transfer of Easement.

12.1 Voluntary Transfer.

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

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

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

12.2 Involuntary Transfer. If Grantee ever ceases to exist or no longer qualifies under §815.3 of the California Civil Code, the Stewardship Council (or its designee), or if the Stewardship Council (or its designee) shall cease to exist, the Attorney General of the State of California, shall petition a court of competent jurisdiction to transfer this Easement to an organization that meets all of the designation criteria specified in Section 12.1.

13. Subsequent Property Transfers by Grantor.

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

13.2 Potential Release of Hydro Reserved Rights.

13.2.1 Conveyance of Entire Property. In the event:

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

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

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

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

13.2.2 Partial Conveyance. In the event:

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

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

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

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

Parcel. Additionally, following such release, relinquishment and termination of Reservations, the forest management activities specified in Section 9 of Exhibit I on the Transferred Parcel shall continue as Permitted Uses, but shall be subject to Grantee's consent as Discretionary Actions.

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

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

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

14. Extinguishment and Condemnation.

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

14.2 Condemnation. If all or part of the Property is taken by the exercise of the power of eminent domain by a public, corporate, or other authority, whether permanent or temporary, including a private sale in lieu of eminent domain, so as to abrogate the restrictions imposed by the Conservation Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All compensation thereby awarded will belong and be paid to Grantor and Grantee in proportion to their respective interests in the Property as determined pursuant to Section 14.3, it being expressly agreed that the Conservation Easement constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds. Grantor and Grantee acknowledge that any and all awards to Grantor and Grantee may be subject to the approval of the Commission and/or the FERC.

14.3 Proceeds. Pursuant to California Civil Code §815.2(a) this Easement constitutes a real property interest immediately vested in Grantee. It is

acknowledged by the parties that the purposes of establishing the value of this property right and enforcing the rights of Grantee with respect thereto is to prevent a private windfall and to protect the public investment which is involved in the conveyance of the Conservation Easement. That being the case, the parties stipulate that, for the purpose of determining the ratio for proportionate value of each party's respective interest in the Property at the time of termination or extinguishment of the Conservation Easement, the value of the Conservation Easement shall be the difference between (a) the current fair market value of the fee interest in the Property at the time of termination, as if unencumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements), and (b) the current fair market value of the Property at the time of termination, as encumbered by the Conservation Easement, but taking into account all other existing restrictions on the improvement, construction, alteration, expansion, development, use, maintenance or operation of all or any portion of the Property (e.g., zoning laws, land use laws or other governmental laws, codes, regulations or ordinances, and private restrictions such as covenants, restrictions and agreements). The values shall be determined by an appraisal prepared by a qualified appraiser familiar with appraising conservation easements jointly selected by Grantor and Grantee. The cost of the appraisal shall be paid out of proceeds in proportion to the recoveries of Grantor and Grantee. There shall be no restriction on Grantor's or Grantee's use of proceeds received pursuant to this Section 14.3.

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

16. Notices. Any notice or other communication required or permitted under this Easement shall be in writing and shall be either personally delivered or transmitted by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx, UPS, or Airborne Express, addressed to the parties as follows:

If to Grantor:

If by registered or certified mail, return receipt requested:

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

With a copy to:

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

If by personal delivery or overnight courier:

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

With a copy to:

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

If to Grantee:

Placer Land Trust
Attention: Executive Director
922 Lincoln Way, Suite 200
Auburn, CA 95603

The date of any notice or communication shall be deemed to be the date of receipt if delivered personally, or the date of the receipt or refusal of delivery if transmitted by mail or overnight courier. Either party may change the address for notice by giving notice to the other party in accordance with this Section 16.

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

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

18. Hazardous Substances.

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

18.1.1 "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

18.1.2 "Hazardous Substances" means any hazardous or toxic material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements, including, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto; and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department,

commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

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

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

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

(f) which contains radon gas.

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

18.1.4 "**Remediation**" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

18.2 Allocation of Responsibility for Hazardous Substances.

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

18.2.2 Environmental Reports. Grantor, as part of the Land Conservation Commitment has prepared certain environmental reports concerning the Property. Copies of these environmental reports have been provided to Grantee.

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

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

- (a) The obligations or liability of an "owner" or "operator" or "arranger," as those terms are defined and used in Environmental Requirements;
- (b) The obligations or liabilities of a person described in 42 U.S.C. §9607(a)(3) or (4);
- (c) The obligations of a responsible person under any applicable Environmental Requirements;
- (d) The right to investigate and remediate any Hazardous Substances associated with the Property; or
- (e) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Substances associated with the Property.

18.3 Hazardous Substances Indemnification.

18.3.1 By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee harmless, from and against any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, penalties, fines, taxes, obligations, controversies, debts, expenses, accounts, damages (including, without limitation, punitive damages), judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise, including, without limitation, the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements, arising from or relating, in whole or in part, to Hazardous Substances present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Easement (collectively, "**Environmental Claims**"), except to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

18.3.2 By Grantee. Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Environmental Claims, to the extent caused, in whole or in part, by the negligent or intentional act of Grantee.

19. Carbon Rights.

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

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

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

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

20. General Provisions.

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

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

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

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

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

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

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

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

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

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

20.11 Attorneys' Fees. In the event that any party shall bring an action to enforce its rights under this Easement, or relating to the interpretation hereof, whether for declaratory, injunctive or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding, including appeals, remands and any other subsequent proceeding (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). A party shall be deemed to have prevailed in any such action (without limiting the generality of the

foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Easement into any judgment on this Easement.

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

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

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

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

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

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

[20.17 Counterparts](#). This Easement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event of a discrepancy between counterparts, the recorded Easement shall be controlling.

[Signature page follows]

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

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Its: _____

GRANTEE:

PLACER LAND TRUST,
a California non-profit public benefit
corporation

By: _____
Christine A. Pieper, President

By: _____
Robert Gilliom, Treasurer

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT A

PROPERTY DESCRIPTION

[Follows this page]

EXHIBIT B

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

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

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

EXHIBIT C

Hydro Reserved Rights

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

Subject to the provisions of Section 7, the right to conduct Hydro Project Activities on the Property, including construction, operation, repair, alteration, maintenance, removal, replacement and expansion of existing and future Hydroelectric Facilities and Associated Water Delivery Facilities, including project replacements and improvements required for existing and future water delivery and other requirements for power generation, transmission, distribution, and storage, for nonconsumptive and consumptive water, and for communications in connection with the foregoing and for compliance with any future FERC License, FERC License renewal or other regulatory requirements. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

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

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

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

(4) The right to exercise: all riparian water rights inherent in and part and parcel of the Property; all appropriative surface water rights (including, but not limited to, any appropriative surface water rights having a point of diversion, place of storage, or place of use on the Property); all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters which are now or hereafter located or flowing on, under or abutting the Property; and

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

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

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

EXHIBIT D

Beneficial Public Values

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

(a) Habitat for fish, wildlife, and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The term “habitat” includes vegetation along banks and shorelines that contribute to maintaining watershed health. The term “native” refers to plants and animals that occur naturally on the Property, and are defined as “native” by the California Department of Fish & Wildlife and its successors.

(b) Mixed hardwood woodland resources on the Property.

(c) The scenic viewshed of the Property.

(d) Outdoor recreation, such as fishing, hiking and sightseeing. Day use is located on the Property.

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

EXHIBIT E

Grantee Insurance Requirements

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

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

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

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

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

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

EXHIBIT F

Prohibited Uses

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

1. Number of Fee Owners; Subdivision.

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

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

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

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

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

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

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

- (a) Required Actions provided in Section 7;
- (b) Permitted Uses under Exhibit I;
- (c) Construction or placement of any structures or improvements within the Hydro Operating Zone which Grantor has determined relate to Grantor's exercise of the Hydro Reserved Rights; and
- (d) Structures and improvements made in the course of prudent and customary land management activities and/or to protect, preserve, or enhance the Beneficial Public Values (including, for example, garbage enclosures, benches, interpretive kiosks, and appropriately located and sized caretaker structure).

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT G

Hydro Operating Zone

[Follows this page]

EXHIBIT H

Express Third Party Uses and Third Party Use Agreements

1. Express Third Party Uses

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

2. Third Party Use Agreements

The Third Party Use Agreements on the Property are the following:

(a) RIGHTS OF THE PUBLIC AND THE COUNTY OF PLACER, AS TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN AND ABOUT MERRY KNOLL ROAD AND ANY UNNAMED ROAD. SAID MERRY KNOLL ROAD IS MAINTAINED BY THE COUNTY OF PLACER.

(b) AN EASEMENT OVER SAID LAND FOR A DITCH AND INCIDENTAL PURPOSES, AS GRANTED TO THE SOUTH YUBA WATER COMPANY, IN INSTRUMENT RECORDED APRIL 23, 1891, IN BOOK 64 OF DEEDS, PAGE 205.

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

(c) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND BURTON W. STOKESBARY, ET UX, RECORDED MARCH 13, 1985, BOOK 2782, PAGE 280, OFFICIAL RECORDS.

(d) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "CANAL USE AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND HOWARD J. ANDERSON ET UX, RECORDED APRIL 14, 1988, BOOK 3383, PAGE 45, PLACER COUNTY RECORDS.

(e) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND BRETT G. BROGAN, RECORDED JUNE 25, 1991, INSTRUMENT NO. 1991-036808, PLACER COUNTY RECORDS.

- (f) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE AGREEMENT ENTITLED "ASSIGNMENT AND EASEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND PLACER COUNTY WATER AGENCY, A CALIFORNIA WATER AGENCY, RECORDED DECEMBER 31, 1997, AS INSTRUMENT NO. 97-0083402, OFFICIAL RECORDS.

AN ASSIGNMENT FOR A PORTION OF THE RIGHTS GRANTED IN THE ASSIGNMENT AND EASEMENT RECORDED MAY 2, 2000, AS INSTRUMENT NO. 2000-0029722, OFFICIAL RECORDS.

- (g) THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE INSTRUMENT ENTITLED "EASEMENT AGREEMENT", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION, AND PLACER COUNTY WATER AGENCY, RECORDED MARCH 04, 2002, INSTRUMENT NO. 2002-24071, PLACER COUNTY RECORDS.

- (h) REDEVELOPMENT PLAN FOR THE NORTH AUBURN REDEVELOPMENT PROJECT AREA AS DISCLOSED BY STATEMENT RECORDED JULY 10, 2007, AS INSTRUMENT NO. 2007-0068484.

- (i) THE FOLLOWING UNRECORDED AGREEMENTS:

1. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Charlie E. and Jean L. Whitecotton.
2. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Barbara E. Harris.
3. License Agreement for a Right of Entry for Temporary Use, dated December 15, 2005, between Pacific Gas and Electric Company and Richard Francis Menkick.
4. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Kenneth and Rose Maffei.
5. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Penny Ravin-Bergstrom.
6. License Agreement for a Right of Entry for Temporary Use, dated December 16, 2005, between Pacific Gas and Electric Company and Brett G. Brogan.
7. Water Pipeline Permit, issued by Pacific Gas and Electric Company to Jacob and Juanita L. Jones, dated February 2, 1976.

8. Self-Reporting Rain Station installation permit, issued by Pacific Gas and Electric Company to Placer County Flood Control and Water Conservation District, dated November 8, 1994.
 9. Garden Construction Consent letter from Pacific Gas and Electric Company to Brett Brogan, dated May 6, 2011.
- (j) THE ENCROACHMENT OF POWERLINES OVER AN EASTERLY PORTION AND OVER A WESTERLY PORTION OF THE PROPERTY.

EXHIBIT I

Permitted Uses

The following are Permitted Uses:

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

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

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

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

10. The right to maintain, repair, improve, replace and reconstruct, the existing garage, garden shed, weather station, and gauge station improvements on the Property in their existing location within the Hydro Operating Zone. In addition, the expansion of the existing garage, garden shed, weather station, and gauge station building and associated improvements of the Property beyond the Hydro Operating Zone shall be a Discretionary Action unless such expansion is a Required Action.

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

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

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

Attachment D

State Board of Equalization Statement of No Tax Benefit



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0061
1-916-274-3270 • FAX 1-916-285-0132
www.boe.ca.gov

TED GAINES
First District, Sacramento

SALLY J. LIEBER
Second District, San Francisco

ANTONIO VAZQUEZ
Third District, Santa Monica

MIKE SCHAEFER
Fourth District, San Diego

MALIA M. COHEN
State Controller

YVETTE M. STOWERS
Executive Director

January 19, 2023

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

Re: Lower Drum Wise Forebay Easement Valuation

Dear Ms. Zhu:

In your email dated January 19, 2022, you requested written guidance from the State Board of Equalization (SBE) State-Assessed Properties Division as to the SBE's valuation method and assessment, in dollar value, associated with Pacific Gas and Electric Company's (PG&E) conveyance of a conservation easement to the Placer Land Trust. You specified the subject property is located in Placer County and described by SBE numbers:

135-31-28-1
135-31-28-2
135-31-7G-1
135-31-7G-2

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

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

Sincerely,

A handwritten signature in blue ink that reads "Jason M. Ybarra".

Jason M. Ybarra
Supervising Property Appraiser
State-Assessed Properties Division

Attachment E

Irrigation Line Encroachment Agreements

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

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008, 038-250-013 & 038-150-012)
LD# 2112-08-10048

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 20__ by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and Barbara E. Harris, as Trustee for the Barbara E. Harris Revocable Living Trust dated March 7, 1990, and restated September 24, 2019, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-250-011 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008, 038-250-013 and 038-150-012 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has partial interest in a water line (the "**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the

"Encroachment Area") is approximately shown on Exhibit "C" attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment within the Encroachment Area on the PG&E Property as shown on Exhibit "C". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner's use of the Encroachment Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner's sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E's termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that

notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here BH)

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment**."

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation

easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachment to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or

transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here BH)

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for

any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees,

such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Barbara E. Harris
1480 Merry Knoll Rd
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their

nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

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 Placer)

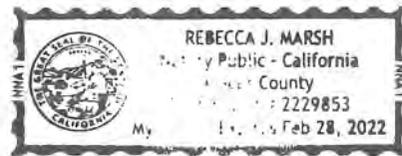
On June 8, 2020, before me, Rebecca J. Marsh, Notary Public,
Here insert name and title of the officer
personally appeared Barbara Harris

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.

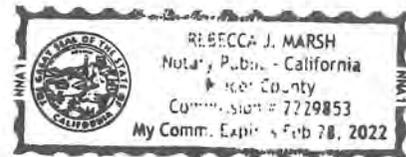
Rebecca J. Marsh
Signature of Notary Public



(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____



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,
Insert name
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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10048

Area, Region or Location: 6

Land Service Office: Auburn

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 21.12.08.04.22, 21.12.08.04.23

FERC License Number: 2310

PG&E Drawing Number: N/A

Plat No.: N/A

LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)

LD of Cross Referenced Documents: 2112-08-10043, -10046, -10047, -10051, -10049, -10050, -10052

Type of interest: Encroachment Agreements (69)

SBE Parcel: 135-31-28-1, 135-31-007G-2

% Being Quitclaimed: N/A

Order or PM: 2047412

JCN: N/A

County: Placer

Utility Notice Number: N/A

851 Approval Application No: _____; Decision:

Prepared By: R9M1

Checked By: RGRR

Approved By: RUM7 (date)

Revised by: S2P0

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-007)

The parcel of land described in the deed from Barbara E. Harris to Barbara E. Harris, Trustee for the Barbara E. Harris Revocable Living Trust dated January 5, 2005 and recorded as Document No. 2005-0003621 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain property, in the County of Placer, State of California, in Sections 4 and 9, Township 12 North, Range 8 East, MDB&M, described as follows:

BEGINNING at a $\frac{3}{4}$ inch pipe from which the Northeast corner of Section 9, Township 12 North, Range 8 East, MDB&M, bears the following two courses and distances: South $01^{\circ}38'$ West 264.04 feet and North $80^{\circ}40'$ East 1662.20 feet and running thence North $01^{\circ}38'$ East 218.28 feet to a point; thence South $69^{\circ}08'$ West 103.01 feet to a point; thence south $08^{\circ}14'$ East 154.52 feet to a $\frac{3}{4}$ inch pipe; thence South $67^{\circ}08'$ East 73.61 feet to the point of beginning.

(APN 038-250-011 & 038-250-008)

The parcel of land described in the deed from Barbara E. Harris to Barbara E. Harris, Trustee for the Barbara E. Harris Revocable Living Trust dated November 3, 2015 and recorded as Document No. 2005-0101004 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

A portion of Sections 4 and 9, Township 12 North, Range 8 East, M.D.B.&M., particularly described as follows:

Beginning at a point from which the northeast corner of said Section 9 bears North $80^{\circ}40'$ East 1662.20 feet, thence North $01^{\circ}38'$ East 264.04 feet; thence North $67^{\circ}08'$ West 73.61 feet; thence North $08^{\circ}14'$ West 154.52 feet; thence South $69^{\circ}08'$ West 127.00 feet; thence South $29^{\circ}12'$ West 79.92 feet; thence South $16^{\circ}12'$ East 379.60 feet to the northwest corner of property described in deed to William E. Cornett, et ux, dated August 11, 1948, recorded in Book 538 of Official Records, at Page 141, Placer County Records, thence along the North line of said property North $76^{\circ}24'$ East 138.00 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated "(a)" reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated Parcel II in the final order of condemnation, wherein Pacific Gas and Electric Company is the plaintiff and Ernst A. Moss, a minor, Ralph T. Moss, a minor, John Roe, Robert Roe and Mary Roe are the defendants, dated August 6, 1913 and recorded in Book 144 of Official Records at Page 265 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

Parcel II

By a line commencing at a point on the westerly boundary line of the southeast quarter of the southeast quarter of Section Four, Township Twelve North, Range Eight East, Mount Diablo Base and Meridian, from which the northwesterly corner thereof bears north ten minutes east eight hundred and sixty eight (868) feet to the corner common to lands of F.M. Carey, A.G. Snetsinger and the defendants above named; thence north twenty-three degrees east seven hundred and forty five (745) feet; thence north eighteen minutes east eighty-one (81) feet; thence west two hundred and eighty-five (285) feet to the first mentioned boundary line and point of commencement and contains three and 15/100 (3.15) acres, more or less.

EXHIBIT B
LEGAL DESCRIPTION

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County

(APN 038-150-012)

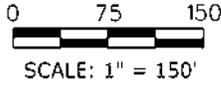
The parcel of land described in the deed from Ida M. Collyer, guardian of the persons and estate of Ralph T. Moss and Ernst A. Moss, minors to Pacific Gas and Electric Company dated August 6, 1913 in Book 144 of Deeds Page 272 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

All that portion of the S.E. 1/4 of Sec.4. T. 12 N., R. 8 East, County of Placer, State of California, situate, lying and being west of the new power water ditch right of way over and across said land as surveyed by the Pacific Gas and Electric Company (a title to which right of way said Pacific Gas and Electric Company is about to acquire by and through a condemnation action) and particularly described as follows, to wit:

Commencing at the northwest corner of the said south east quarter four in Township 12 North, Range 8 East, M.D.B. & M., as the place of beginning; thence north 88 degrees 17' east 227 feet to a point 50 feet south of the center line of said new power ditch (right of way), thence in a line parallel with west of and fifty feet distant from the center line of said right of way, said center line of said right of way described as follows:

Commencing at a point from the place of beginning named above north 88 degrees 17' east 877 feet, thence south 40 degrees 20" east 58.4 feet, thence south 44 degrees 18' east 97.8 feet, thence south 56 degrees 40' east 96.7 feet, thence south 19 degrees 43' east 82.4 feet, thence south 33 degrees 25' east 81.9 feet, thence south 71°17' east 94.3 feet, thence south 42°16' east 42.1 feet, thence south 3°07' east 96.0 feet, thence north 86°27' west 50.0 feet, thence north 80°16' west 40.9 feet, thence south 82 degrees 01' west 94.0 feet, thence north 82° 24' west 48.7 feet, thence north 45 degrees 37' west 48.7 feet, thence north 57 degrees 01' west 41.2 feet, thence north 64 degrees 56' west 46.5 feet, thence north 79° 10' west 50.9 feet, thence south 74° 27' west 33.4 feet, thence south 37° 10' west 52.8 feet, thence south 0°29' west 45.6 feet, thence 14°16' east 45.8 feet, thence south 28°29' east 35.1 feet, thence south 14 degrees 13' east 52.8 feet, thence south 8 degrees 18' west 253.7 feet, thence due west 210 feet more or less to the quarter line of said section, thence north along the quarter line to the place of beginning, containing 5.12 acres more or less.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

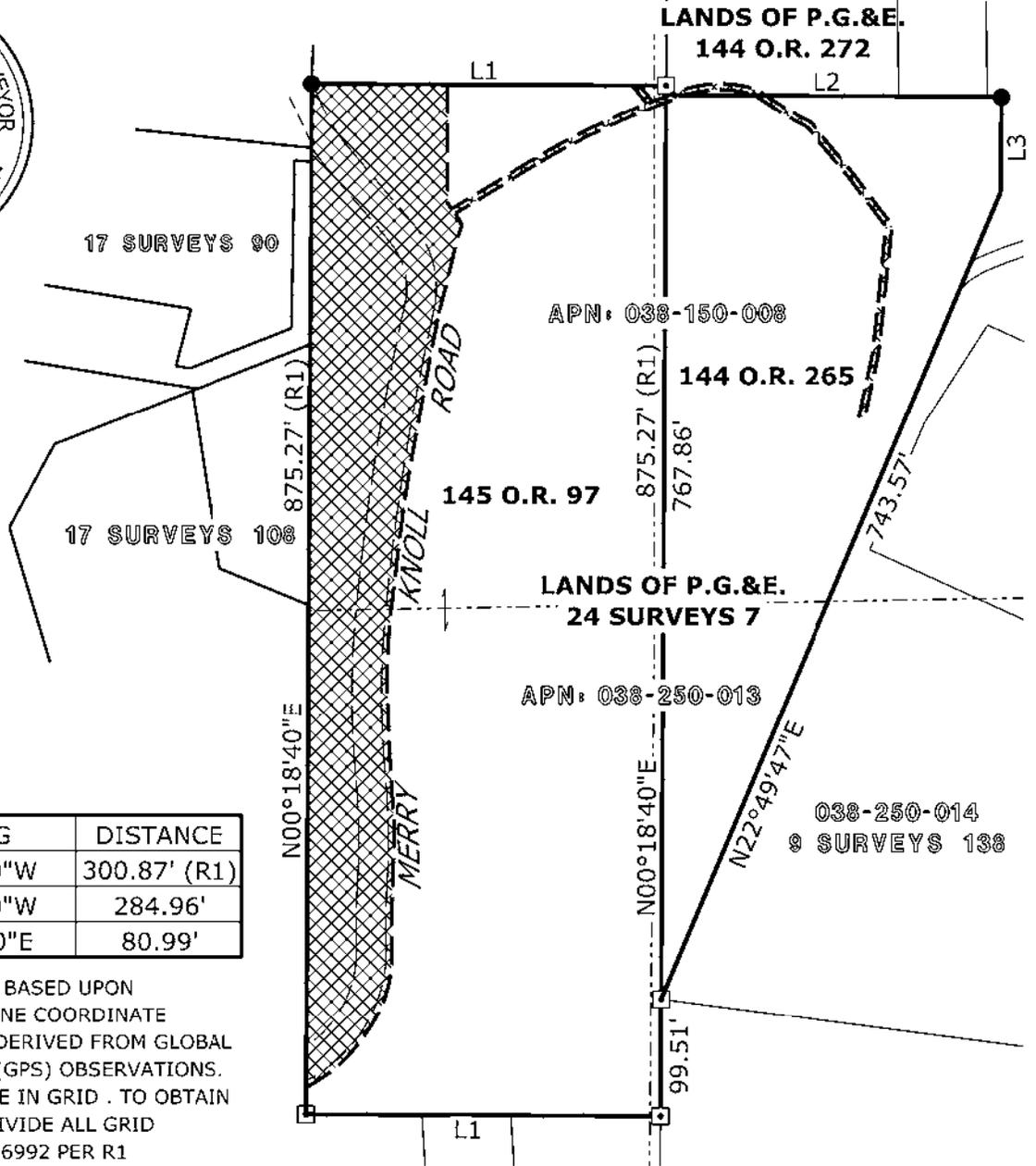


LEGEND

- PG&E PARCEL LINE
- FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID . TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA
PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1	OF 1
DRAWING NUMBER	ENA-0214	CHANGE 1

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

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
 Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008, 038-250-013 & 038-150-012)
LD# 2112-08-10083

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this 26 day of OCTOBER, 2022 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and ANDREW C. SMITH and MACAELA B. SMITH, Husband and Wife, as Community Property with Right of Survivorship, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-250-053 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008, 038-250-013 & 038-150-012 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has partial interest in a water line (the "**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the

“**Encroachment Area**”) is approximately shown on **Exhibit “C”** attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment within the Encroachment Area on the PG&E Property as shown on Exhibit “C”. In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner’s obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the “CPUC”) approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. **PG&E may terminate Owners’ rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner’s use of the Encroachment Area is inconsistent with PG&E’s operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E’s full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner’s sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E’s termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that**

notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here AS)

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment**."

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation

easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachment to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or

transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here )

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for

any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees,

such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Andrew Smith
Macaela Smith
1185 Merry Knoll Road
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their

nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

ANDREW C. SMITH and MACAELA B. SMITH,
Husband and Wife, as Community Property with Right
of Survivorship

By: _____
Sarah Hug

Andrew C. Smith

Its: Manager
Hydro Support

Macaela B. Smith

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.

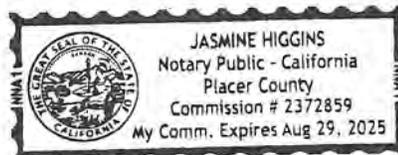
State of California
County of Placer

On 10.26.22, before me, Jasmine Higgins Notary Public,
Insert name
personally appeared Andrew C. Smith

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.



Jasmine Higgins
Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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 Placer

On 10.26.22, before me, Jasmine Higgins Notary Public,
Insert name
personally appeared Macaela B. Smith

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.



Jasmine Higgins
Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10083

Area, Region or Location: 6

Land Service Office: Auburn

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 21.12.08.04.22, 21.12.08.04.23

FERC License Number: 2310

PG&E Drawing Number: N/A

Plat No.: N/A

LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)

LD of Cross Referenced Documents: 2112-08-10043, -10046, -10047, -10048, -10049, -10050, -10052

Type of interest: Encroachment Agreements (69)

SBE Parcel: 135-31-28-1, 135-31-007G-2

% Being Quitclaimed: N/A

Order or PM: 2047412

JCN: N/A

County: Placer

Utility Notice Number: N/A

851 Approval Application No: _____; Decision:

Prepared By: R9M1

Checked By: RGRR

Approved By: RUM7 (10/30/19)

Revised by: S2P0

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-250-053)

The parcel of land described in the deed from Harry K. Randles to Harry K. Randles and Jean L. Whitecotton dated February 13, 1987 and recorded in Book 3399 of Official Records at Page 179 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

Part of Sections 4 and 9 Township 12 North, Range 8 East, M.D.B.&M., described as follows:

Commencing at the section corner common to Sections 3,4,9 and 10. Township 12 North, Range 8 East, M.D.B.&M., and running thence south $74^{\circ} 02'$ west 1825.50 feet: thence north $2^{\circ} 24'$ east 26.19 feet: thence north $33^{\circ} 35'$ west 416.51 feet to a point in center of 40 foot road, the most easterly corner of parcel to be described hereby, the point of beginning; and running thence along center of 40 foot road north $30^{\circ} 33'$ west 203.45 feet: thence south $55^{\circ} 30'$ west 210.21 feet to easterly right of way line of railroad: thence along railroad right of way line south $31^{\circ} 25'$ east 203.45 feet: thence along the line of Sinclair Property north $55^{\circ} 34'$ east 217.78 feet to the point of beginning containing one (1) acre more or less.

EXHIBIT B
LEGAL DESCRIPTION

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County

(APN 038-150-012)

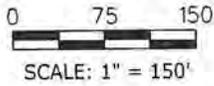
The parcel of land described in the deed from Ida M. Collyer, guardian of the persons and estate of Ralph T. Moss and Ernst A. Moss, minors to Pacific Gas and Electric Company dated August 6, 1913 in Book 144 of Deeds Page 272 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

All that portion of the S.E. 1/4 of Sec.4. T. 12 N., R. 8 East, County of Placer, State of California, situate, lying and being west of the new power water ditch right of way over and across said land as surveyed by the Pacific Gas and Electric Company (a title to which right of way said Pacific Gas and Electric Company is about to acquire by and through a condemnation action) and particularly described as follows, to wit:

Commencing at the northwest corner of the said south east quarter four in Township 12 North, Range 8 East, M.D.B. & M., as the place of beginning; thence north 88 degrees 17' east 227 feet to a point 50 feet south of the center line of said new power ditch (right of way), thence in a line parallel with west of and fifty feet distant from the center line of said right of way, said center line of said right of way described as follows:

Commencing at a point from the place of beginning named above north 88 degrees 17' east 877 feet, thence south 40 degrees 20" east 58.4 feet, thence south 44 degrees 18' east 97.8 feet, thence south 56 degrees 40' east 96.7 feet, thence south 19 degrees 43' east 82.4 feet, thence south 33 degrees 25' east 81.9 feet, thence south 71°17' east 94.3 feet, thence south 42°16' east 42.1 feet, thence south 3°07' east 96.0 feet, thence north 86°27' west 50.0 feet, thence north 80°16' west 40.9 feet, thence south 82 degrees 01' west 94.0 feet, thence north 82° 24' west 48.7 feet, thence north 45 degrees 37' west 48.7 feet, thence north 57 degrees 01' west 41.2 feet, thence north 64 degrees 56' west 46.5 feet, thence north 79° 10' west 50.9 feet, thence south 74° 27' west 33.4 feet, thence south 37° 10' west 52.8 feet, thence south 0°29' west 45.6 feet, thence 14°16' east 45.8 feet, thence south 28°29' east 35.1 feet, thence south 14 degrees 13' east 52.8 feet, thence south 8 degrees 18' west 253.7 feet, thence due west 210 feet more or less to the quarter line of said section, thence north along the quarter line to the place of beginning, containing 5.12 acres more or less.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

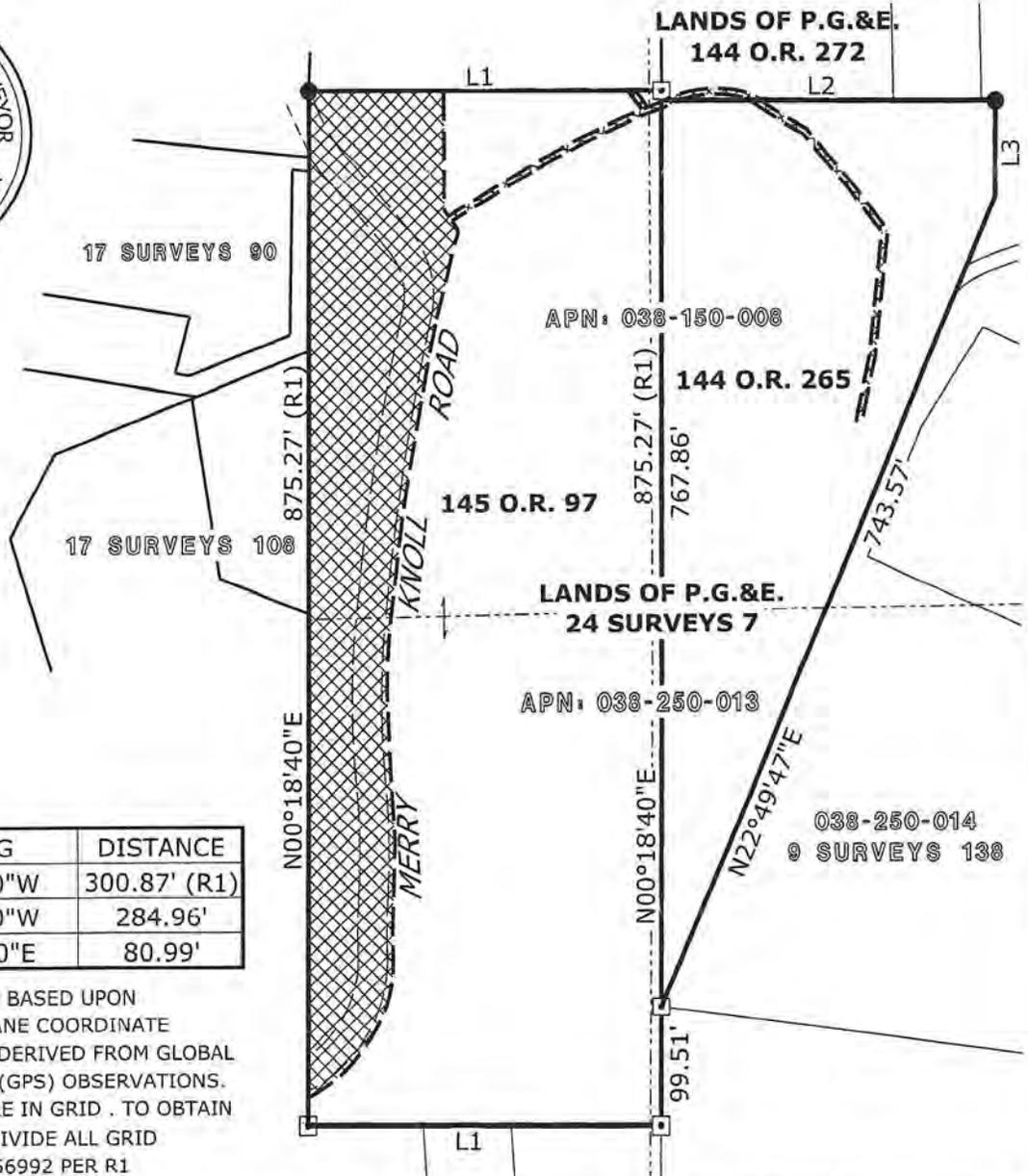


LEGEND

- PG&E PARCEL LINE
- FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID. TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

EXHIBIT 'C'
WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA
PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



PROJ. NO.	3022380
AREA	6, SIERRA
COUNTY	PLACER
SCALE	1 INCH = 150 FEET
SHEET NO.	1 OF 1
DRAWING NUMBER	CHANGE
ENA-0214	1

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

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008, 038-250-013 & 038-150-012)
LD# 2112-08-10046

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this 19 day of September, 2022 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and BRETT G. BROGAN, a single person, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-140-006 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008, 038-250-013 and 038-150-012 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has partial interest in a water line (the "**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the

“Encroachment Area”) is approximately shown on Exhibit “C” attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment within the encroachment area on the PG&E Property as shown on Exhibit “C”. In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner’s obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the “CPUC”) approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners’ rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner’s use of the Encroachment Area is inconsistent with PG&E’s operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E’s full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner’s sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E’s termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that

notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here BB)

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment.**"

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation

easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachment to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or

transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here BB)

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for

any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnatee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnatee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees,

such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Brett Brogan
1431 Merry Knoll Rd
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their

nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

BRETT G. BROGAN, a single person

By: _____
Sarah Hug

Brett G Brogan
Brett G. Brogan

Its: Manager
Hydro Support

Administrative Block Information

Attach to LD: 2112-08-10046

Area, Region or Location: 6

Land Service Office: Auburn

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 21.12.08.04.22, 21.12.08.04.23

FERC License Number: 2310

PG&E Drawing Number: N/A

Plat No.: N/A

LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)

LD of Cross Referenced Documents: 2112-08-10043, -10051, -10047, -10048, -10049, -10050, -10052

Type of interest: Encroachment Agreements (69)

SBE Parcel: 135-31-28-1, 135-31-007G-2

% Being Quitclaimed: N/A

Order or PM: 2047412

JCN: N/A

County: Placer

Utility Notice Number: N/A

851 Approval Application No: ;Decision:

Prepared By: R9M1

Checked By: RGRR

Approved By: RUM7 (10/30/19)

Revised by: S2P0

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 Placer

On 9-19-22, before me, J.J. Aldal Notary Public,
Insert name
personally appeared Brett G. Brogan

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.



J.J. Aldal
Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name

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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-006)

The parcel of land conveyed by Burton w. Stokesbary to Brett G. Brogan by deed dated January 24, 1991 and recorded as Document No. 1991-006024 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

Part of Section 4, Township 12 North, Range 8 East, M.D.B.&M., described as follows:

Commencing at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B.&M., and running thence South 75 deg. 06' 20" West 1702.53 feet; thence North 1 deg. 38' East 819.33 feet to a point on the west line of Reservoir property; the Northeast corner of the Lewis property, the point of beginning of the parcel to be described hereby; and running thence along North line of Lewis property North 83 deg. 34' West 188.01 feet; thence North 6 deg. 26' East 40 feet to a point on the North line of 40 foot road at angle of Chevreaux property; thence North 60 deg. 45' East 218.27 feet to a point in center of 40 foot road; thence South 3 deg. 02' West 38.00 feet; thence North 75 deg. 55' East 305.31 feet, more or less, to the East line of West one half of southeast quarter of Section 4; thence South along said 80 acre line 148 feet to a Northeast corner of Reservoir property; thence along North line of Reservoir property West 300 feet to the Northwest corner of Reservoir property; thence South 1 deg. 38' West 55.67 feet to the point of beginning.

EXCEPTING THEREFROM the following: Commencing at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B.&M., and running thence South 75 deg. 06' 20" west 1702.53 feet; thence North 1 deg. 38' East 819.33 feet to the point on the West line of Reservoir property, the Northeast corner of the Lewis property, the point of beginning of the parcel to be described hereby and running thence along North line of Lewis property North 83 deg. 34' West 188.01 feet; thence North 6 deg. 26' East 40 feet to a point on North line of 40 foot road at angle of Chevreaux property; thence North 60 deg. 45' East 218.27 feet to a point in center of 40 foot road; thence South 3 deg. 02' West 38.00 feet; thence South 3 deg. 29' West 74.01 feet to the Northwest corner of Reservoir property; thence South 1 deg. 38' West 55,67 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated “(a)” reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

As shown on the map entitled “Record of Survey No. ESD18-00090” filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated Parcel II in the final order of condemnation, wherein Pacific Gas and Electric Company is the plaintiff and Ernst A. Moss, a minor, Ralph T. Moss, a minor, John Roe, Robert Roe and Mary Roe are the defendants, dated August 6, 1913 and recorded in Book 144 of Official Records at Page 265 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

Parcel II

By a line commencing at a point on the westerly boundary line of the southeast quarter of the southeast quarter of Section Four , Township Twelve North, Range Eight East, Mount Diablo Base and Meridian, from which the northwesterly corner thereof bears north ten minutes east eight hundred and sixty eight (868) feet to the corner common to lands of F.M. Carey, A.G. Snetsinger and the defendants above named; thence north twenty-three degrees east seven hundred and forty five (745) feet; thence north eighteen minutes east eighty-one (81) feet; thence west two hundred and eighty-five (285) feet to the first mentioned boundary line and point of commencement and contains three and 15/100 (3.15) acres, more or less.

EXHIBIT B
LEGAL DESCRIPTION

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County

(APN 038-150-012)

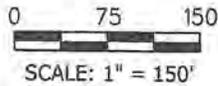
The parcel of land described in the deed from Ida M. Collyer, guardian of the persons and estate of Ralph T. Moss and Ernst A. Moss, minors to Pacific Gas and Electric Company dated August 6, 1913 in Book 144 of Deeds Page 272 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

All that portion of the S.E. 1/4 of Sec.4. T. 12 N., R. 8 East, County of Placer, State of California, situate, lying and being west of the new power water ditch right of way over and across said land as surveyed by the Pacific Gas and Electric Company (a title to which right of way said Pacific Gas and Electric Company is about to acquire by and through a condemnation action) and particularly described as follows, to wit:

Commencing at the northwest corner of the said south east quarter four in Township 12 North, Range 8 East, M.D.B. & M., as the place of beginning; thence north 88 degrees 17' east 227 feet to a point 50 feet south of the center line of said new power ditch (right of way), thence in a line parallel with west of and fifty feet distant from the center line of said right of way, said center line of said right of way described as follows:

Commencing at a point from the place of beginning named above north 88 degrees 17' east 877 feet, thence south 40 degrees 20" east 58.4 feet, thence south 44 degrees 18' east 97.8 feet, thence south 56 degrees 40' east 96.7 feet, thence south 19 degrees 43' east 82.4 feet, thence south 33 degrees 25' east 81.9 feet, thence south 71°17' east 94.3 feet, thence south 42°16' east 42.1 feet, thence south 3°07' east 96.0 feet, thence north 86°27' west 50.0 feet, thence north 80°16' west 40.9 feet, thence south 82 degrees 01' west 94.0 feet, thence north 82° 24' west 48.7 feet, thence north 45 degrees 37' west 48.7 feet, thence north 57 degrees 01' west 41.2 feet, thence north 64 degrees 56' west 46.5 feet, thence north 79° 10' west 50.9 feet, thence south 74° 27' west 33.4 feet, thence south 37° 10' west 52.8 feet, thence south 0°29' west 45.6 feet, thence 14°16' east 45.8 feet, thence south 28°29' east 35.1 feet, thence south 14 degrees 13' east 52.8 feet, thence south 8 degrees 18' west 253.7 feet, thence due west 210 feet more or less to the quarter line of said section, thence north along the quarter line to the place of beginning, containing 5.12 acres more or less.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

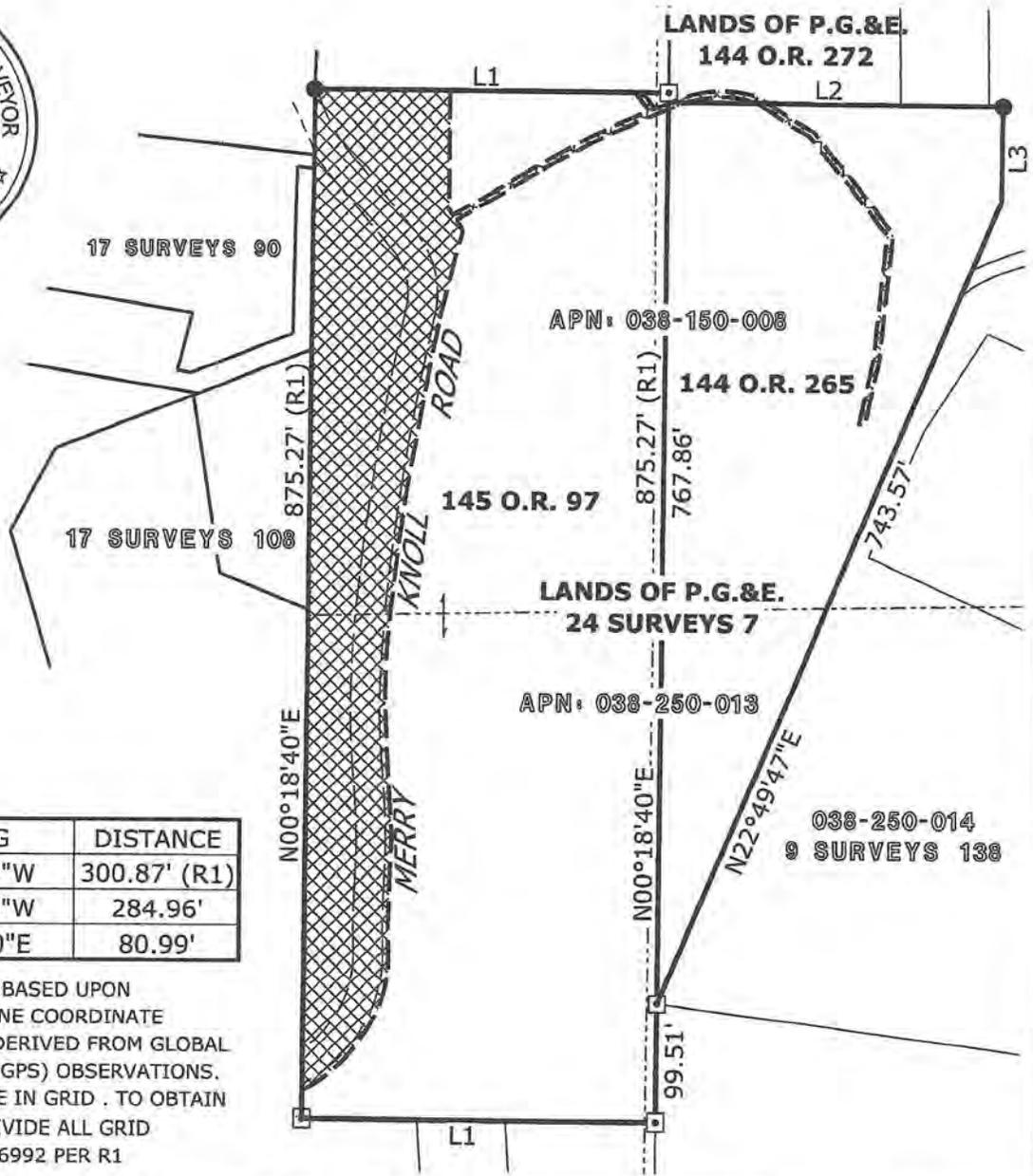


LEGEND

- PG&E PARCEL LINE
- - FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- - FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID . TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

**WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA**

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1 OF 1	
DRAWING NUMBER	ENA-0214	CHANGE
		1

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

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008, 038-250-013 & 038-150-012)
LD# 2112-08-10081

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 2022 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and MARIN N. BOGGS, an unmarried woman and CATHERINE L. SMITH and JEPPIE R. SMITH, wife and husband, all as joint tenants, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-250-003 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008, 038-250-013 and 038-150-012 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner has partial interest in a water line (the "**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the

"Encroachment Area") is approximately shown on Exhibit "C" attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the Encroachment within the Encroachment Area on the PG&E Property as shown on Exhibit "C". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners' rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner's use of the Encroachment Area is inconsistent with PG&E's operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E's full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner's sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E's termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that

notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here AMB [Signature])

4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment**."

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation

easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachment to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or

transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here MB, CE, VPS)

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for

any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees,

such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Marin N. Boggs, Jeppie R Smith and Catherine L. Smith
1155 Merry Knoll Road
Auburn, CA 95603

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their

nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

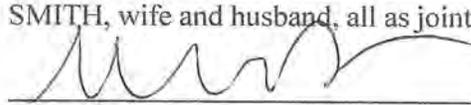
"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

MARIN N. BOGGS, an unmarried woman
and CATHERINE L. SMITH and JEPPIE R.
SMITH, wife and husband, all as joint tenants

By: _____
Sarah Hug



Marin N. Boggs

Its: Manager
Hydro Support



Catherine L. Smith



Jeppie R. Smith

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 Placer)

On October 24, 2022, before me, Lisa Fuller Notary Public,
Insert name

personally appeared Marin N. Boggs, Catherine L. Smith,
and Jeppie R. Smith

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.

Lisa Fuller
Signature of Notary Public



(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
 Corporate Officer(s) of the above named corporation(s)
 Trustee(s) of the above named Trust(s)
 Partner(s) of the above named Partnership(s)
 Attorney(s)-in-Fact of the above named Principal(s)
 Other _____

Administrative Block Information

Attach to LD: 2112-08-10081

Area, Region or Location: 6

Land Service Office: Auburn

Line of Business: Hydro (24)

Business Doc Type: Conveyances Out

MTRSQ: 21.12.08.04.22, 21.12.08.04.23

FERC License Number: 2310

PG&E Drawing Number: N/A

Plat No.: N/A

LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)

LD of Cross Referenced Documents: 2112-08-10043, -10046, -10047, -10048, -10049, -10050, -10052

Type of interest: Encroachment Agreements (69)

SBE Parcel: 135-31-28-1, 135-31-007G-2

% Being Quitclaimed: N/A

Order or PM: 2047412

JCN: N/A

County: Placer

Utility Notice Number: N/A

851 Approval Application No: _____; Decision: _____

Prepared By: R9M1

Checked By: RGRR

Approved By: RUM7 (10/30/19)

Revised by: S2P0

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-250-003)

The parcel of land described and designated PARCEL ONE in the deed from Jeremy and Kayleen Cook to Marin N. Boggs and Catherine L. Smith and Jeppie R. Smith dated January 24, 2019 and recorded as Document No. 2019-0005330-00 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

A portion of the Northeast quarter of Section 9, Township 12 North, Range 8 East, M.D.B.&M., particularly described as follows:

Beginning at the Northeast corner of Section 9, Township 12 North, Range 8 East, M.D.B.&M.; thence South 74° 02' 10" West, 1825.00 feet to a 3/4 inch iron pipe; thence North 2° 24' East, 26.19 feet to a point in the center of a 40 foot Road; thence along the center of said 40 foot Road North 33° 33' West, 216.51 feet to the most Easterly corner of the Parcel to be described hereby, the true point of beginning; thence along the center of said 40 foot Road North 33° 33' West, 200.00 feet; thence South 55° 34' West, 217.78 feet, more or less, to a point in the Northeasterly line of Southern Pacific Company 200 foot Right of Way; thence along said Southern Pacific Company line South 31 ° 25' East, 107.92 feet; thence along the Northeasterly line of the lands of T.W. Johnston, et ux, South 50° 45' East 96.09 feet to a 1 inch iron pipe tagged LS 2566; thence North 55° 34' East, 193.39 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated “(a)” reserved in the deed from Pacific Gas and Electric Company to Clarence P. Chesley and Sylvia Chesley, dated August 30, 1913 in Book 145 of Deeds Page 97 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

That certain parcel of land which is bounded by a line commencing at a point on the easterly boundary line of the lands hereby conveyed which is the common corner to the lands of the party of the first part, Moss Brothers and A.G. Snetsinger, and running thence southerly along the said easterly boundary line one hundred (100) feet; thence at a right angle westerly three hundred (300) feet; thence northerly and parallel to the said easterly boundary line eight hundred and seventy-five (875) feet; thence at a right angle easterly three hundred (300) feet to the said easterly boundary line; and thence southerly along said easterly boundary line seven hundred and seventy-five (775) feet to the point of commencement.

As shown on the map entitled “Record of Survey No. ESD18-00090” filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County.

(Portion of APN 038-150-008 and Portion of 038-250-013)

The parcel of land described and designated Parcel II in the final order of condemnation, wherein Pacific Gas and Electric Company is the plaintiff and Ernst A. Moss, a minor, Ralph T. Moss, a minor, John Roe, Robert Roe and Mary Roe are the defendants, dated August 6, 1913 and recorded in Book 144 of Official Records at Page 265 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

Parcel II

By a line commencing at a point on the westerly boundary line of the southeast quarter of the southeast quarter of Section Four , Township Twelve North, Range Eight East, Mount Diablo Base and Meridian, from which the northwesterly corner thereof bears north ten minutes east eight hundred and sixty eight (868) feet to the corner common to lands of F.M. Carey, A.G. Snetsinger and the defendants above named; thence north twenty-three degrees east seven hundred and forty five (745) feet; thence north eighteen minutes east eighty-one (81) feet; thence west two hundred and eighty-five (285) feet to the first mentioned boundary line and point of commencement and contains three and 15/100 (3.15) acres, more or less.

EXHIBIT B
LEGAL DESCRIPTION

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County

(APN 038-150-012)

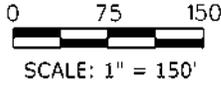
The parcel of land described in the deed from Ida M. Collyer, guardian of the persons and estate of Ralph T. Moss and Ernst A. Moss, minors to Pacific Gas and Electric Company dated August 6, 1913 in Book 144 of Deeds Page 272 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

All that portion of the S.E. 1/4 of Sec.4. T. 12 N., R. 8 East, County of Placer, State of California, situate, lying and being west of the new power water ditch right of way over and across said land as surveyed by the Pacific Gas and Electric Company (a title to which right of way said Pacific Gas and Electric Company is about to acquire by and through a condemnation action) and particularly described as follows, to wit:

Commencing at the northwest corner of the said south east quarter four in Township 12 North, Range 8 East, M.D.B. & M., as the place of beginning; thence north 88 degrees 17' east 227 feet to a point 50 feet south of the center line of said new power ditch (right of way), thence in a line parallel with west of and fifty feet distant from the center line of said right of way, said center line of said right of way described as follows:

Commencing at a point from the place of beginning named above north 88 degrees 17' east 877 feet, thence south 40 degrees 20' east 58.4 feet, thence south 44 degrees 18' east 97.8 feet, thence south 56 degrees 40' east 96.7 feet, thence south 19 degrees 43' east 82.4 feet, thence south 33 degrees 25' east 81.9 feet, thence south 71°17' east 94.3 feet, thence south 42°16' east 42.1 feet, thence south 3°07' east 96.0 feet, thence north 86°27' west 50.0 feet, thence north 80°16' west 40.9 feet, thence south 82 degrees 01' west 94.0 feet, thence north 82° 24' west 48.7 feet, thence north 45 degrees 37' west 48.7 feet, thence north 57 degrees 01' west 41.2 feet, thence north 64 degrees 56' west 46.5 feet, thence north 79° 10' west 50.9 feet, thence south 74° 27' west 33.4 feet, thence south 37° 10' west 52.8 feet, thence south 0°29' west 45.6 feet, thence 14°16' east 45.8 feet, thence south 28°29' east 35.1 feet, thence south 14 degrees 13' east 52.8 feet, thence south 8 degrees 18' west 253.7 feet, thence due west 210 feet more or less to the quarter line of said section, thence north along the quarter line to the place of beginning, containing 5.12 acres more or less.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

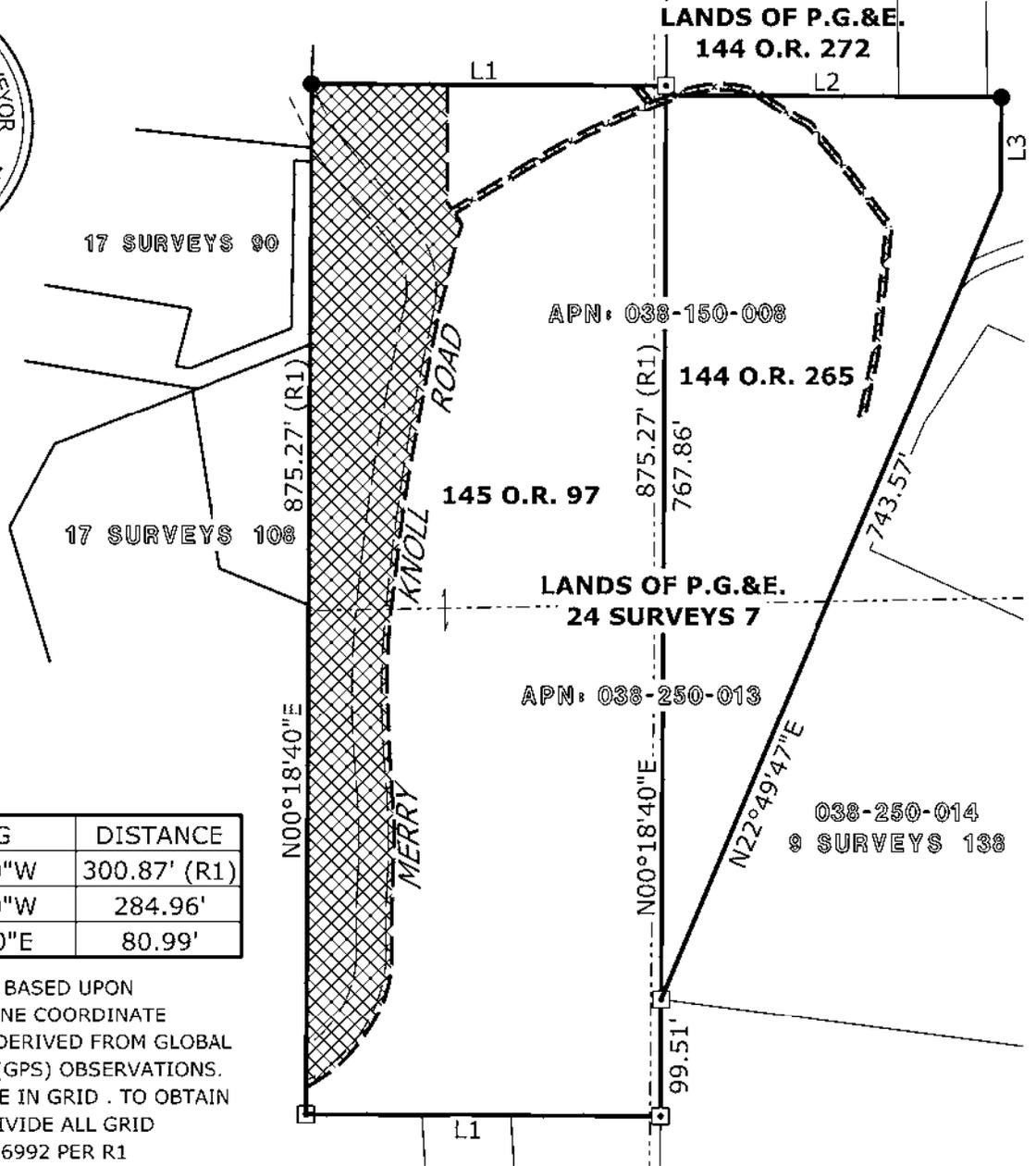


LEGEND

-  - PG&E PARCEL LINE
-  - FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
-  - FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

 TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID . TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA
PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1	OF 1
DRAWING NUMBER	ENA-0214	CHANGE 1

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

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
 Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax

(APN 038-150-008, 038-250-013 & 038-150-012)
LD# 2112-08-10043

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 2022 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and LOUIS E. PESHETTE and NANCY A. PESHETTE, Trustees of the Louis E. Peshette and Nancy A. Peshette Revocable Trust, hereinafter called "**Owner**."

RECITALS

- A. Owner is the fee title owner of certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Number 038-140-009 (hereinafter, the "**Owner's Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.
- B. PG&E is the owner of that certain real property within an unincorporated area of Placer County, State of California, Assessor's Parcel Numbers 038-150-008, 038-250-013 & 038-150-012 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.
- C. Owner has partial interest in a water line (the "**Encroachment**") on PG&E Property. The portion of the PG&E Property upon which the Encroachment was constructed (the

“Encroachment Area”) is approximately shown on **Exhibit “C”** attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Encroachment upon the PG&E Property. PG&E has determined that the Encroachment does not interfere with the present full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such Encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

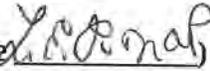
1. Consent to Encroachment. PG&E hereby consents to the Encroachment within the Encroachment Area on the PG&E Property as shown on Exhibit “C”. In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area when necessary to fulfill Owner’s obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Owner shall not commence any activity hereunder, unless and until the California Public Utilities Commission (the “CPUC”) approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Termination; Restoration. PG&E may terminate Owners’ rights under this Agreement, at any time, upon ninety (90) days written notice to the Owner, if PG&E, in its sole and absolute discretion, should determine that Owner’s use of the Encroachment Area is inconsistent with PG&E’s operational needs in the future, or in any way interferes with, impairs or otherwise impedes PG&E’s full use of facilities installed or that may be installed by PG&E in the vicinity of the Encroachment Area. Upon such termination, Owner, at Owner’s sole cost and expense, shall remove all Encroachments that encroach upon the Encroachment Area and shall repair and restore the Encroachment Area as nearly as possible to the condition that existed prior to the construction of said Encroachments. Owner shall pay the entire cost of such removal and restoration, and PG&E shall have no liability for any costs caused by or related to any such termination. If Owner fails to remove all Encroachments that encroach onto the Encroachment Area or fail to repair or restore the PG&E Property within said ninety (90) day period, PG&E may perform such removal, repair or restoration as necessary and recover such costs and expenses therefore from Owner. Owner shall pay all such costs and expenses within ten (10) days of receipt of an invoice therefore. Owner further acknowledges that PG&E’s termination right shall not be affected by any improvements that Owner has made to the Encroachment Area, regardless of the nature or extent of those improvements. Owner understands and agrees that

notwithstanding that Owner may have made a substantial investment in such improvements, Owner shall not be entitled to any compensation whatsoever for the termination of Owner's rights under this Agreement by PG&E.

(Owner to initial here)



4. Conservation Documents.

(a) PG&E and Owner hereby enter into this Encroachment Agreement with reference to the following:

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

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

(3) The Settlement Agreement and the Stipulation (collectively, the "**Governing Documents**") require PG&E to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by PG&E (collectively, the "**Watershed Lands**"), including the Encroachment Area, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of PG&E with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "**Land Conservation Commitment.**"

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

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Encroachment Area (the "**Disposition Package**") in order to carry out the objectives of the LCP with respect to the Encroachment Area.

(6) PG&E has agreed that, subject to (A) CPUC approval under California Public Utilities Code Section 851, (B) approval by the Federal Energy Regulatory Commission (the "**FERC**") for lands subject to its jurisdiction, and (C) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Encroachment Area, will be subject to a fee simple donation or donations and/or conservation

easement or easements donated by PG&E to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, PG&E intends to grant a conservation easement or easements (the "**Conservation Easement**") over the Encroachment Area to one or more public agencies or qualified non-profit conservation organizations (the "**Easement Grantee**").

(8) Concurrently with the conveyance of the Conservation Easement, it is anticipated that the Easement Grantee and PG&E will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "**Land Management Plan**") to preserve and enhance the beneficial public values present at the Encroachment Area.

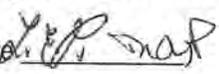
(b) Owner acknowledges and agrees that, except as expressly set forth above, neither PG&E nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that PG&E may enter into pursuant to the foregoing (collectively, the "**Conservation Documents**"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Owner, the Encroachment Area, the rights and obligations of Owner under this Encroachment Agreement or otherwise.

(c) Without in any way limiting PG&E's rights under Section 3 above, PG&E may terminate this Encroachment Agreement under Section 3 above, at any time, where PG&E determines such termination is or may be necessary or desirable to further the purposes of the LCP or the Land Management Plan. In addition, PG&E shall have the right to require modifications to Owner's Encroachment to the extent necessary or desirable to preserve and enhance the beneficial public values present at the Encroachment Area in accordance with the Conservation Documents. Owner acknowledges that, such modifications may result in Owner being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Encroachment Area and such modifications may materially impact Owner economically and otherwise. In addition to the rights reserved under this Encroachment Agreement, PG&E and others permitted by the Conservation Documents shall have the right to temporarily or permanently construct on the Encroachment Area such new structures or other improvements as PG&E deems appropriate in PG&E's sole discretion to comply with the provisions of the Conservation Documents ("**LCP Facilities**"), and to reconstruct, maintain, operate and use the LCP Facilities. PG&E shall give Owner at least thirty (30) days' prior written notice of PG&E's election to modify Owner's use hereunder.

(d) If PG&E shall sell, convey or otherwise transfer fee title to the Encroachment Area, and assign the interest in this Encroachment Agreement concerning the Encroachment Area or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 4, PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Encroachment Agreement, accruing from or after the date of such sale, conveyance or

transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Encroachment Agreement. This Encroachment Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Encroachment Agreement. Under no circumstances shall PG&E be liable for any act or omission whatsoever of any Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 4. PG&E shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for PG&E's benefit upon any sale, conveyance or transfer of the Encroachment Area, or any portion thereof (the "**Reserved Easements**"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Encroachment Area or in connection with property in the vicinity of the Encroachment Area, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. Owner hereby agrees that this Encroachment Agreement shall be subject to, and subordinate to, the Reserved Easements. Owner agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 4, and to further document the provisions of this Encroachment Agreement that will continue in effect between Owner and PG&E, as a third-party beneficiary.

(e) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Owner agrees to execute such documentation as may be reasonably requested by PG&E in order to carry out the terms of this Section 4.

(OWNER to initial here )

5. Indemnification; Release.

(a) Indemnification. Owner 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 Encroachment Area by Owner or Owners' contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owners' 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; (2) injury to property or other interest of PG&E, Owner 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, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for

any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Release. Owner accepts all risk relating to its occupancy and use of the Encroachment Area. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue 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 Encroachment Area, the condition of Encroachment Area, the use or occupancy of the Encroachment Area by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any Indemnitee, any injury, damage, or loss arising from the sole, active negligence or willful misconduct of such Indemnitee.

6. Compliance with Laws. Owner shall, at its sole cost and expense, promptly comply with 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, with the conditions of any permit, relating to Owner's use or occupancy of the Encroachment Area.

7. Alterations. Except for the Encroachments authorized pursuant to this Agreement, Owner shall not construct any buildings or structures on the Encroachment Area, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the size of the Encroachment Area, either horizontally or vertically.

8. Damage or Destruction. In the event that the Encroachments which encroach onto the Encroachment Area shall be destroyed or demolished, Owner shall not rebuild the Encroachments on any part of the Encroachment Area except pursuant to plans and specifications previously approved by PG&E in PG&E's sole discretion.

9. Condition of Encroachment Area. Owner accepts the Encroachment 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 Encroachment Area. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the Encroachment Area, and that hazardous materials may be used in connection with PG&E facilities that may be operated in the Encroachment Area, and agrees that entry onto the Encroachment Area is at Owner's sole risk and expense.

10. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the PG&E Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees,

such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

11. Maintenance. Owner shall be responsible for the maintenance of the Encroachments, and shall keep them in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Encroachments to reasonably minimize any interference with the use by PG&E of the PG&E Property and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris and/or promptly repair any damages to the Encroachment Area following any entry or activity by Owner, returning the Encroachment Area to a like or better condition.

12. Reserved Rights. PG&E reserves the right to use the Encroachment 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. Furthermore, PG&E reserves the right to restrict access to the Encroachment Area if emergency repairs or maintenance are required to PG&E facilities in the vicinity of the Encroachment Area.

13. Insurance. Owner shall procure and maintain in effect at all times, insurance to cover liabilities of Owner in connection to this Agreement, including the indemnity obligations of Owner as set forth in Section 5. Owner shall furnish a Certificate of Insurance to PG&E prior to the commencement of services under this Agreement evidencing its compliance with this insurance requirement. Owners are also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

14. 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, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier

If to PG&E:

Manager, Hydro Support
PG&E Land Management
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B3OA
San Francisco, California 94120
Attention: Real Estate Attorney

If to Owner:

Louis E. Peshette and Nancy A. Peshette
P.O. Box 5682
Auburn, CA 95604-5682

15. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

16. 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 the parties.

17. 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 18 below). No assignment or delegation by Owner, whether by operation of law or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

18. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to Owner's Property and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

19. 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.

20. Survival of Obligations. Owners' obligations under Sections 3 and 5 of this Agreement, and all representations, warranties, indemnities or other provisions which by their

nature survive termination shall survive the exercise of PG&E's termination rights pursuant to Section 3 of this Agreement.

21. 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.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. 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.

24. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against Owner's Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

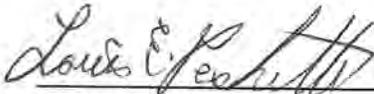
"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

LOUIS E. PESHETTE AND NANCY A.
PESHETTE, Trustees of the Louis E. Peshette
and Nancy A. Peshette Revocable Trust

By: _____
Sarah Hug



Louis E. Peshette, Trustee

Its: Manager
Hydro Support



Nancy A. Peshette, Trustee

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 Placer

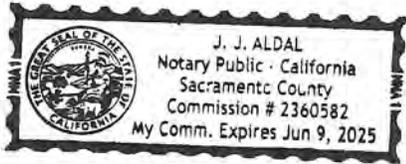
On 9/19/2022, before me, J. Aldal Notary Public,
Insert name
personally appeared Louis E. Peslotte, Nancy A. Peslotte

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.

J. Aldal
Signature of Notary Public



(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name
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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

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,
Insert name
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 of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____

Administrative Block Information

Attach to LD: 2112-08-10043
Area, Region or Location: 6
Land Service Office: Auburn
Line of Business: Hydro (24)
Business Doc Type: Conveyances Out
MTRSQ: 21.12.08.04.22, 21.12.08.04.23
FERC License Number: 2310
PG&E Drawing Number: N/A
Plat No.: N/A
LD of Affected Documents: 2112-08-0265, 2112-08-0253, 2112-08-0249, (hold for CE LD#)
LD of Cross Referenced Documents: 2112-08-10051, -10046, -10047, -10048, -10049, -10050, -10052
Type of interest: Encroachment Agreements (69)
SBE Parcel: 135-31-28-1, 135-31-007G-2
% Being Quitclaimed: N/A
Order or PM: 2047412
JCN: N/A
County: Placer
Utility Notice Number: N/A
851 Approval Application No: ;Decision:
Prepared By: R9M1
Checked By: RGRR
Approved By: RUM7 (10/30/19)
Revised by: S2P0

EXHIBIT A
LEGAL DESCRIPTION

(APN 038-140-009)

The parcel of land conveyed by Wells Fargo Bank, NA to Louis E Peshette and Nancy A. Peshette Trustees of The Louis E. Peshette and Nancy A. Peshette Revocable Trust by deed dated January 6, 2011 and recorded as Document No. 2011-0002733 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

A portion of Section 4, Township 12 North, Range 8 East, M.D.B. & M., more particularly described as follows:

Commencing at the section corner common to Section 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 651.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 168.18 feet; thence North $83^{\circ} 34'$ West 238.84 feet; thence South $1^{\circ} 38'$ West 208.71 feet; thence South $80^{\circ} 15'$ East 141.58 feet to the North line of Lewis Property; thence along Lewis Property North $69^{\circ} 08'$ East 105.90 feet to point of beginning.

Excepting therefrom a part of the Southwest quarter of the Southeast quarter of Section 4, Township 12 North, Range 8 East, M.D.B. & M., described as beginning at the Northwest corner of this tract from which the Southeast corner of said Section 4 bears South $77^{\circ} 37'$ East 1903.46 feet; and running thence along the West line of the Cavanaugh Lot South $1^{\circ} 38'$ West 208.71 feet to a point; thence North $15^{\circ} 04'$ East 210.36 feet to a steel pin; thence North $83^{\circ} 34'$ West 20.00 feet to the point of beginning.

Also excepting therefrom the following two Parcels:

Parcel 1:

Commencing at the section corner to Sections 3, 4, 9 and 10, Township 12 North, Range 8, East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 651.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 20.00 feet; thence South $69^{\circ} 08'$ West 105.90 feet; thence North $79^{\circ} 41'$ West 11.90 feet; thence North $15^{\circ} 04'$ East 50.00 feet; thence North $80^{\circ} 15'$ West 125.00 feet; thence South $15^{\circ} 04'$ West 70.00 feet; thence South $80^{\circ} 15'$ East 141.58 feet; thence North $69^{\circ} 08'$ East 105.90 feet to the point of becoming and containing an area of 10,901.60 square feet, more or less.

EXHIBIT A
LEGAL DESCRIPTION

Parcel 2:

Beginning at the section corner common to Sections 3, 4, 9 and 10, Township 12 North, Range 8 East, M.D.B. & M., and running thence South $75^{\circ} 06' 20''$ West 1702.53 feet; thence North $1^{\circ} 38'$ East 671.18 feet to the Southeast corner of the parcel to be described hereby, the point of beginning; and running thence North $1^{\circ} 38'$ East 136.18 feet; thence North $83^{\circ} 34'$ West 12.04 feet; thence South $1^{\circ} 38'$ West 142.15 feet; thence North $69^{\circ} 08'$ East 13.00 feet to the point of beginning.

EXHIBIT B
LEGAL DESCRIPTION

As shown on the map entitled "Record of Survey No. ESD18-00090" filed for record May 31, 2019 in Book 24 of Surveys at Page 7 in the Office of the County Recorder of Placer County

(APN 038-150-012)

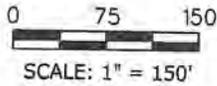
The parcel of land described in the deed from Ida M. Collyer, guardian of the persons and estate of Ralph T. Moss and Ernst A. Moss, minors to Pacific Gas and Electric Company dated August 6, 1913 in Book 144 of Deeds Page 272 in the Office of the County Recorder of Placer County, California and more particularly described as follows:

All that portion of the S.E. 1/4 of Sec.4. T. 12 N., R. 8 East, County of Placer, State of California, situate, lying and being west of the new power water ditch right of way over and across said land as surveyed by the Pacific Gas and Electric Company (a title to which right of way said Pacific Gas and Electric Company is about to acquire by and through a condemnation action) and particularly described as follows, to wit:

Commencing at the northwest corner of the said south east quarter four in Township 12 North, Range 8 East, M.D.B. & M., as the place of beginning; thence north 88 degrees 17' east 227 feet to a point 50 feet south of the center line of said new power ditch (right of way), thence in a line parallel with west of and fifty feet distant from the center line of said right of way, said center line of said right of way described as follows:

Commencing at a point from the place of beginning named above north 88 degrees 17' east 877 feet, thence south 40 degrees 20" east 58.4 feet, thence south 44 degrees 18' east 97.8 feet, thence south 56 degrees 40' east 96.7 feet, thence south 19 degrees 43' east 82.4 feet, thence south 33 degrees 25' east 81.9 feet, thence south 71°17' east 94.3 feet, thence south 42°16' east 42.1 feet, thence south 3°07' east 96.0 feet, thence north 86°27' west 50.0 feet, thence north 80°16' west 40.9 feet, thence south 82 degrees 01' west 94.0 feet, thence north 82° 24' west 48.7 feet, thence north 45 degrees 37' west 48.7 feet, thence north 57 degrees 01' west 41.2 feet, thence north 64 degrees 56' west 46.5 feet, thence north 79° 10' west 50.9 feet, thence south 74° 27' west 33.4 feet, thence south 37° 10' west 52.8 feet, thence south 0°29' west 45.6 feet, thence 14°16' east 45.8 feet, thence south 28°29' east 35.1 feet, thence south 14 degrees 13' east 52.8 feet, thence south 8 degrees 18' west 253.7 feet, thence due west 210 feet more or less to the quarter line of said section, thence north along the quarter line to the place of beginning, containing 5.12 acres more or less.

TOWNSHIP 12 NORTH, RANGE 08 EAST,
SW1/4, SE1/4, SECTION 04 M.D.B.M.

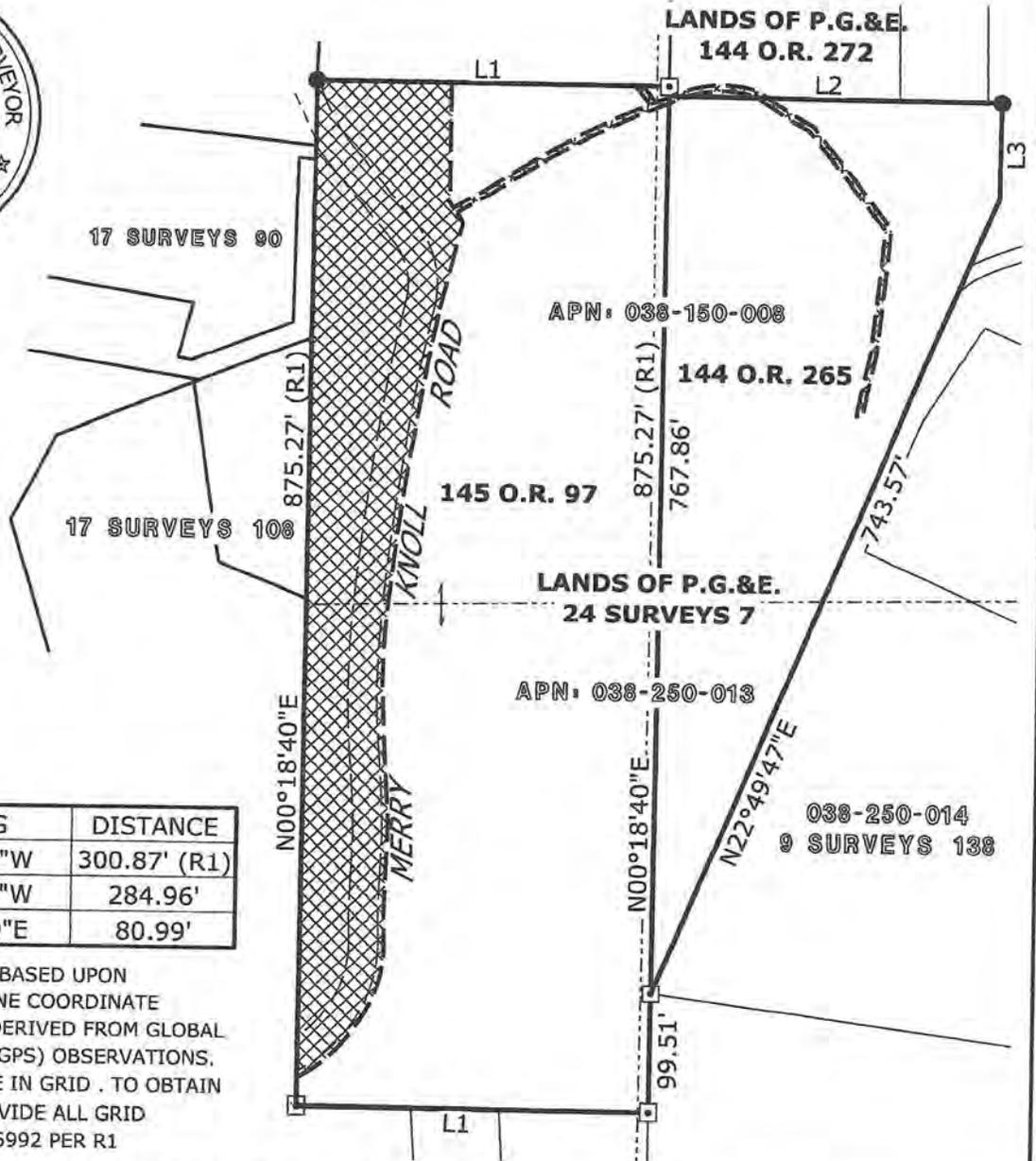


LEGEND

- PG&E PARCEL LINE
- - FOUND 5/8" REBAR & 2" ALUM. CAP STAMPED "PG&E LS 6424" PER R1
- - FOUND 5"X5" CONC. MON W/ 1" BRASS DISC & PUNCH PER R1
- R1 - BOOK 24 OF SURVEYS PAGE 7
- N.T.S. - NOT TO SCALE

ENCROACHMENT AREA

TOTAL AREA = 1.698 +/- ACRES



LINE TABLE

LINE	BEARING	DISTANCE
L1	N89°41'20"W	300.87' (R1)
L2	N89°41'20"W	284.96'
L3	N00°26'40"E	80.99'

BEARINGS HEREIN ARE BASED UPON CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE II AND DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) OBSERVATIONS. DISTANCES SHOWN ARE IN GRID. TO OBTAIN GROUND DISTANCES DIVIDE ALL GRID DISTANCES BY 0.999856992 PER R1

EXHIBIT 'C'

WATERLINE ENCROACHMENT AGREEMENT
AUBURN, CALIFORNIA
PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



BY PLF8
DR CXOQ
CH KCG6
O.K. SDWD
DATE 08/23/2022

PROJ. NO.	3022380	
AREA	6, SIERRA	
COUNTY	PLACER	
SCALE	1 INCH = 150 FEET	
SHEET NO.	1 OF 1	
DRAWING NUMBER	ENA-0214	CHANGE
		1

**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 Blaising 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
Downey Brand LLP
Dish Wireless L.L.C.

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

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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.

Resource Innovations

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
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

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