

Recording requested by and when recorded please return to:

California Department of Forestry and
Fire Protection
Resource Management
Attn: Forest Legacy Program
Coordinator
PO Box 944246
Sacramento, CA 94244-2460

(Space above this line reserved for Recorder's use)

**Draft DEED AND AGREEMENT
CONVEYING A CONSERVATION EASEMENT**

This Grant Deed of Conservation Easement is granted on this ____ day of _____, 2020, by the County of Humboldt ("**Grantor**"), and in favor of THE STATE OF CALIFORNIA ("**Grantee**"), acting by and through its Department of Forestry and Fire Protection (CAL FIRE), a subdivision of the California Natural Resources Agency, who hereby enter into the following agreement:

Recitals

1. WHEREAS, Grantor is the owner in fee simple of approximately 197 acres of certain real property located in Humboldt County, California and described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").
2. WHEREAS, The Property possesses forest, timberland, carbon sequestration potential, water quality and wildlife habitat values of great importance to Grantor, Grantee, and the people of the State of California and Grantor and Grantee have the common desire to preserve the character of the Property and prevent its use or development for any other purpose or in any other manner which would conflict with its forest management potential, timberland, recreational, open space, wildlife habitat, carbon sequestration, water quality and scenic values (collectively the "Conservation Values").
3. WHEREAS, Grantor and Grantee have prepared a "Baseline Conditions Report", dated as of June 10, 2020, on file with Grantee, describing the Property and its improvements as of the date of this instrument, and hereby agree and acknowledge that said document accurately represents the condition of the Property for purposes of determining compliance with the covenants contained herein.
4. WHEREAS, Grantor intends, as owner of the Property, to convey to Grantee the right to ensure that the Conservation Values of the Property are protected and

preserved in perpetuity, and to keep the Property as a single tract of land or merge with the adjacent Community Forest.

5. WHEREAS, Grantor and Grantee intend that the restrictions imposed by this Easement shall be binding on Grantor and all Grantor's heirs, assigns, and successors in interest.

6. WHEREAS, it is intended that this Deed is irrevocable and shall constitute enforceable restrictions within the meaning of Article XIII, Section 8 of the California Constitution and that said Easement shall thereby qualify as an enforceable restriction under the provisions of the California Revenue and Taxation Code Section 402.1.

7. WHEREAS, Grantor intends that all forestry operations and activities on the Property will be conducted in a manner that will conserve and enhance the Conservation Values of the Property to help promote the recovery of the Species of Special Concern, to improve biodiversity, and to enhance carbon sequestration.

8. WHEREAS, Grantor intends to prepare a Forest Management Plan which will ensure use and maintenance of the Property in accordance with the Conservation Values and incorporate the language legally required by California Civil Code Section 815.11.

9. WHEREAS, the State of California, through CAL FIRE, is funding the acquisition of the Property through a grant from the Greenhouse Gas Reduction Fund (GGRF) and this easement is a condition of that Grant Agreement and CAL FIRE is an agency of the State of California with authority and funding to carry out an acquisition and development program for conservation of forestland through the Wildlife Conservation Board (WCB); and WCB is a separate and independent board of the State of California with authority and funding to carry out an acquisition and development program for wildlife conservation (California Fish and Game Code Sections 1300 et seq.); and the State of California, through CAL FIRE and WCB or their successors, is a third-party beneficiary of certain rights as described in this Easement.

10. WHEREAS, the Conservation Values of the Property are consistent with the goals of the California Forest Legacy Program and the establishment of this Easement will provide public benefits by (i) preventing future conversions of forest land and forest resources; (ii) protecting and enhancing water quality and water supplies; (iii) protecting wildlife habitat and maintaining habitat connectivity and related values to ensure biodiversity; (iv) protecting riparian areas; (v) maintaining and restoring natural ecosystem functions; and (vi) maintaining forest sustainability and the cultural and economic vitality of rural communities.

11. WHEREAS, Grantor intends to convey to Grantee, and Grantee intends to accept, the right to uphold the purpose and terms of this Easement in perpetuity.

12. WHEREAS, Grantee is a qualified easement holder under Civil Code section 815.3 and section 170(h)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and possesses the resources and commitment to uphold and enforce the terms and conditions of this Easement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of California including, inter alia, Sections 815-816 of the California Civil Code, Grantor does hereby voluntarily grant to Grantee a Conservation Easement in gross in perpetuity over the Property of the nature and character and to the extent hereinafter set forth (the "Easement").

ARTICLE I

Purpose and General Effect of Easement

1. **Primary Purpose.** It is the primary purpose of this Easement to preserve and protect in perpetuity the Conservation Values of the Property (the "Primary Purpose").
2. **Grantor's Retention of Rights.** The Parties agree that Grantor's retention of certain rights specified in this Easement, including expressly permitted property management activities, forest management activities, recreational, and commercial uses, is consistent with the Primary Purpose, provided those rights are exercised in accordance with the terms of this Easement.
3. **Perpetual Restrictions.** This Easement shall run with and burden title to the Property in perpetuity and shall bind Grantor and all future owners, tenants, and holders of interest in the Property and their successors, heirs and assigns.

ARTICLE II

Rights Conveyed

The rights conveyed to Grantee by this Easement are the following:

1. **Identification and Protection.** To identify, to preserve and to protect in perpetuity the Conservation Values, including the soil and water quality, of the Property. To prevent any activity on or use of the Property that is inconsistent with the Primary Purpose of this Easement and to require, at Grantor's expense, the reasonable restoration of such areas or features of the Property that may be materially damaged by any inconsistent activity or use by Grantor. However, it is the intention that this Easement not limit Grantor's discretion to employ its choice of forestry uses and management practices so long as those uses and practices are consistent with the terms and conditions of this Easement.

2. Access. To enter upon, inspect, observe, and study the Property for the purposes of (1) identifying the current uses and practices thereon and the baseline condition thereof, and (2) monitoring the uses and practices regarding the Property to determine whether they are consistent with this Easement. Such entry shall be permitted upon reasonable prior notice to Grantor, and shall be made in a manner that will not unreasonably interfere with Grantor's use and quiet enjoyment of the Property.

3. Signage. To erect and maintain a sign or other appropriate marker on the Property, bearing information indicating that the Property is protected by a Conservation Easement held by Grantee. The location and design of the sign shall be determined by mutual consent of Grantor and Grantee. The wording of the information shall be determined by mutual consent of Grantor and Grantee, but shall clearly indicate that the Property is open to the public subject to reasonable terms and conditions of entry. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

4. Injunction and Restoration. To enforce the terms of this Easement, to prevent or stop, by any legal means, any activity on or use of the Property that is inconsistent with the Primary Purpose or other terms of this Easement and to require the reasonable restoration of areas or features of the Property that may be damaged by any act or any use that is inconsistent with the Primary Purpose or other terms of this Easement, as provided in Article V of this Easement.

Article III

Reserved Rights and Prohibited Uses

1. Reserved Rights. Grantor reserves to itself and to its personal representatives, heirs, successors, and assigns, all rights accruing from their ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein and are not inconsistent with the Primary Purpose or violate the terms of this Easement. Without limiting the generality of the foregoing sentence, those uses and practices described in Exhibit C, attached hereto and incorporated by this reference, are expressly permitted.

2. Prohibited Uses. The uses of the Property set forth in Exhibit D, attached hereto and incorporated by this reference, are prohibited except to the extent (if any) permitted or conditionally permitted pursuant to the terms of Exhibit C.

ARTICLE IV

Prior Notice by Grantor and Approval of Grantee

1. Grantor's Written Notice. Prior to the commencement of any enterprise, use or activity requiring Grantee's approval under the terms of this Easement or prior to

initiating any activity that might have a material adverse impact on the Conservation Values, Grantor shall send Grantee written notice of the intention to commence or undertake such enterprise, use or activity. Said notice shall inform Grantee of all aspects of such proposed enterprise, use or activity, including, but not limited to, the nature, siting, size, capacity, and number of structures, improvements, facilities, or uses.

2. Grantee's Address. Said notice shall be sent by registered or certified mail, return receipt requested, or by a private delivery service and shall be addressed to Grantee: Forest Legacy Program Coordinator, California Department of Forestry and Fire Prevention, Resource Management, P.O. Box 944246, Sacramento, CA 94244-2460, or to such other address as Grantee may from time to time inform Grantor of in writing.

3. Grantee's Response. Grantee shall have up to thirty (30) days from its receipt of Grantor's notice, as indicated by the registered or certified return receipt, or by a private delivery service, to review the proposed enterprise, use or activity and to notify Grantor of either (1) any objection to the proposed enterprise, use or activity; or (2) in cases where Grantee's approval is required under the terms of this Easement, its express approval of the proposed enterprise, use or activity. Any objection, if applicable, shall be based upon Grantee's reasonable opinion that the proposed enterprise, use or activity is likely to materially impair the Conservation Values. In the event that Grantee opts to retain an expert to assist in the review of the proposed enterprise, use or activity, Grantee may have an additional fifteen (15) days for its review, so long as Grantee notifies Grantor in writing of Grantee's need for such extension prior to the expiration of the 30-day review period. If, in Grantee's reasonable judgment, conformity with the Primary Purpose of this Easement is possible, Grantee's response shall inform Grantor of the manner in which the proposed enterprise, use or activity could be modified to be consistent with this Easement.

Except as provided in Section 5 of this Article IV, for any enterprise, use or activity that requires Grantee's approval under the terms of this Easement, Grantor may commence and conduct such enterprise, use or activity only with Grantee's express written approval, and only in the manner explicitly represented by Grantor and approved by Grantee. Grantee's approval pursuant to this section shall not be unreasonably withheld, conditioned or delayed.

4. Grantor's Address. Grantee's response to Grantor's notice shall be sent by registered or certified mail, return receipt requested, or by a private delivery service and shall be addressed to

Department of Public Works, Humboldt County
1106 2nd Street
Eureka, California, 95501-0579
Attn: Director of Public Works

or to such other address as Grantor may from time to time inform Grantee of in writing.

5. Grantee's Failure to Respond. Should Grantee fail to post its response to Grantor's notice within thirty (30) days of Grantee's receipt of said notice (as extended per Section 3 above, as applicable), the proposed enterprise, use or activity shall automatically be deemed approved, provided that Grantor conducts the enterprise, use or activity as noticed and that the enterprise, use or activity is carried out in a manner that does not significantly impair or degrade the Conservation Values. In any action challenging an activity that has been deemed approved, there shall be a rebuttable presumption that the activity is being carried out in a manner consistent with preservation of the Conservation Values, if it is undertaken as described in Grantor's notice. In challenging the activity, Grantee shall have the burden of producing clear and convincing evidence to rebut the presumption.

6. Notice for Acts Beyond Grantor's Control. Grantor shall be under no liability or obligation for any failure in the giving of notice with regard to any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property or to any person or personal property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement or trespass or from any other cause beyond the control of Grantor similar to those occurrences specified.

7. Notice Requirement for Certain Plans. Any amendment to the Plan (as defined in Section 1(a)(ii) of Exhibit C), or other forest management plan, forest management plan amendment, or subsequent easement conveyance, shall be executed only after satisfaction of the notice and approval conditions of this Article IV.

ARTICLE V **Remedies and Restoration**

1. Grantee's Remedies. If Grantee determines that Grantor is in material violation of the terms of this Easement or that a material violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation. Where said violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Easement, Grantee may require reasonable restoration of the portion of the Property so injured. If Grantor fails to cure said violation within thirty (30) days after receipt of written notice thereof from Grantee, or, if the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fail to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, by temporary or permanent injunction, to recover any damages for any loss of the Conservation Values, and/or may require the reasonable restoration of the Property

to the condition that existed prior to any such injury. If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant and material damage to the Conservation Values of the Property, Grantee may pursue its remedies under this paragraph without waiting for the period provided for cure to expire, provided that prior written notice is given to Grantor. Grantee's rights under this paragraph apply equally in the event of either actual or threatened material violations of the terms of this Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement may be inadequate and that Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

2. Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including reasonable costs of suit and reasonable attorneys' fees, and any costs of restoration incurred by Grantee necessitated by Grantor's violation of the terms of this Easement, shall be borne by Grantor.

3. Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any Grantee's rights under this Easement. Reasonable delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall not impair such right or remedy or be construed as a waiver.

5 Liability for Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, pest infestation, earth movement, trespass or from any reasonable action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

ARTICLE VI **Costs and Taxes**

1. Costs, Legal Requirements, and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any activity or use permitted by this Easement and for undertaking any such activity or use in accordance with all applicable federal, state and local laws, regulations and requirements.

2. Taxes. Grantor shall pay or cause to be paid before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any such taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. It is intended that this Easement constitutes an enforceable restriction within the meaning of Article XIII, Section 8 of the California Constitution, and that this Easement qualifies as an enforceable restriction under the provisions of California Revenue and Taxation Code Section 402.1 or successor statute.

ARTICLE VII
Environmental Matters/Hold Harmless

1. Grantee not Operator. Notwithstanding any other provision herein to the contrary, this Easement shall not be construed such that it imposes on, creates in or gives Grantee any obligation, right or ability to exercise physical or managerial control of the day-to-day operations of the Property or of Grantor's activities on the Property.

2. Environmental Matters.

a. Hazardous Substance. The term "Hazardous Substance" means (1) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to any federal, state or local laws regulations and ordinances, as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or "PE toxicity"; and (2) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource-recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal sources.

b. Non-Responsibility. Grantee shall have no responsibility whatsoever for the operation of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public, or any third parties from risks relating to conditions on the Property. Notwithstanding any other provision of this Easement to the contrary, the parties do not intend and this Easement shall not be construed such that (1) it creates in Grantee the obligations or liabilities of an "owner" or "operator" as those words are defined and used in the environmental laws, as defined below, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code § 9601 *et seq.*); (2) it creates in Grantee the obligations or liabilities of a person described in 42 United States Code § 9607(a)(3); (3) Grantee has the right to investigate and remediate any hazardous substances associated with the Property; or (4) Grantee has any control over Grantor's

ability to investigate and remediate any hazardous materials associated with the Property. The term "environmental laws" includes, without limitation, any federal, state, local, or administrative agency statute, regulation, rule, ordinance, order or requirement relating to environmental conditions or hazardous substances.

c. Indemnification. Grantor agrees to indemnify, defend (with counsel reasonably selected by Grantee) and hold Grantee's Indemnified Parties (as defined in Article VII, Section 3a below) harmless from any claim, judgment, damage, penalty, fine, cost, liability (including any amount paid in settlement of a claim) or loss, including reasonable attorneys' fees, consultant fees and expert fees (consultants and experts to be reasonably selected by Grantee), which arise during or after the term of this Easement from or in connection with the presence or suspected presence of Hazardous Substances in the soil, groundwater, or soil vapor on or under the Property, unless the Hazardous Substances are present solely as a result of the negligence or willful misconduct of the Grantee's Indemnified Parties. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover any cost occurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence or suspected presence of Hazardous Substances in the soil, groundwater or soil vapor on or under the Property, unless the Hazardous Substances are present solely as a result of the negligence or willful misconduct of Grantee's Indemnified Parties. Without limiting the generality of the foregoing, the indemnification provided by this section shall also specifically cover any cost incurred in connection with: (1) Hazardous Substances present or suspected to be present in the soil, groundwater or soil vapor on or under the Property before the date this Easement is executed; (2) Hazardous Substances that migrate, flow, percolate, diffuse or in any way move onto or under the Property after this Easement is executed; or (3) Hazardous Substances present on or under the Property as a result of any discharge, dumping, spilling (accidental or otherwise) onto the Property during or after the term of this Easement, by any person, corporation, partnership or entity other than Grantee's Indemnified Parties.

3. Hold Harmless.

a. Grantor shall hold harmless, indemnify, and defend Grantee (with counsel reasonably selected by Grantee) and its members, directors, officers, employees, agents, attorneys, and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively, including Grantee, "Grantee's Indemnified Parties") from and against any liability, penalty, loss, expense, claim, damage, demand, cause of action, judgment or costs, including, but not limited to, reasonable attorney's fees, arising from or in any way connected with or incident to (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except to the extent caused by or attributable to the negligence or willful misconduct of any of the Grantee's Indemnified Parties; (2) the obligations specified in Article VI; and (3) title defects.

b. Consistent with Government Code section 14662.5, Grantee agrees to indemnify and hold harmless the Grantor and repair or pay for any damage proximately caused by reason of the uses authorized by this Agreement.

ARTICLE VIII **Assignment of Easement**

This Easement is assignable, but Grantee may not transfer or assign any rights or obligations under this Easement except to a "qualified organization," within the meaning of Code Section 170(h)(3) and California Civil Code Section 815.3. In the event assignment of this Easement becomes necessary, Grantee shall seek an assignee, which is mutually acceptable to Grantee and Grantor, which agrees to enforce in perpetuity the Primary Purpose and other terms of this Easement. Grantee further represents to Grantor that its intention as of the Effective Date is to assign its interest in this Easement only in connection with a dissolution of Grantee.

ARTICLE IX **Extinguishment: Grantee's Entitlement to Proceeds**

1. **Extinguishment.** If circumstances arise in the future such as render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by California law at the time, in accordance with Section 3 below. Grantee shall use all such proceeds in a manner consistent with the Conservation Values of this Easement.

2. **Eminent Domain.** If all or a portion of the Property is taken in the exercise of eminent domain by public, corporate or other authority, so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee may join in appropriate actions to recover the full value of the Property (or portion thereof) taken and all incidental or direct damages resulting from such taking. Any expense incurred by Grantor or Grantee in any such action shall be first reimbursed out of the recovered proceeds; the remainder of such proceeds shall be divided between Grantor and Grantee in proportion to their respective interests in the Property, or portion thereof, as established by Section 3 of this Article IX. If this Easement is extinguished on a portion of the Property or if a portion of the Property is taken through the exercise of eminent domain, the balance of the Property shall remain subject to this Easement. In this event, all relevant documents shall be updated and re-recorded by Grantee to reflect the modified Easement.

3. Compensation: This Easement conveys a real property interest immediately vested in Grantee. For purposes of Sections 1 and 2 of this Article IX, the parties stipulate that Grantee's interest in any proceeds is equal to the ratio of the grant funds from the GGRF provided by the Grantee (as discussed in the Recitals) to the purchase price Grantor paid to acquire the Property (e.g., if the Grantee provided \$50,000.00 in grant funds and the Property purchase price was \$75,000.00, then Grantee would have a two-thirds interest).. Grantee shall use all such proceeds in a manner consistent with the Conservation Values of this Easement.

The parties acknowledge and agree that in the event of a sale or exchange undertaken in accordance with the terms of this Easement of an interest in the Property, where the interest conveyed remains subject to this Easement, no part of the sale proceeds shall be payable to Grantee or the United States.

ARTICLE X **MISCELLANEOUS PROVISIONS**

1. Partial Invalidity. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provisions to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

2. "Grantor" and "Grantee." The terms "Grantor" and "Grantee," as used herein, and any pronouns used in place thereof, shall mean and include the above-named Grantor and its heirs, personal representatives, executors, successors in interest, and assigns, and the State of California and its successors and assigns, respectively.

3. Titles. Section and paragraph titles and subtitles are for convenience only and shall not be deemed to have legal effect.

4. Subsequent Transfers. Grantor agrees that reference to this Easement and reference to its dates and places of recording in the Public Records of Humboldt County will be made in any subsequent deed or other legal instrument by which Grantor conveys any interest in the Property, including but not limited to any leasehold interest. Grantor further agrees to attach a copy of this Easement to any deed by which Grantor conveys title to the Property. Grantor further agrees to give written notice to Grantee of the transfer of any interest at least thirty (30) days prior to the date of such transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

5. Governing Law. In the event any dispute arises over the interpretation or enforcement of the terms and conditions of this Easement, the laws of the State of California shall govern resolution of such dispute.

6. Amendment. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to

jointly amend this Easement, provided that no amendment shall be allowed that will affect the qualification of this Easement or the status of CAL FIRE under any applicable laws, including California Civil Code Section 815 *et seq.*, or Code sections 170(h) and 501(c)(3). Any amendment shall be consistent with the Primary Purpose of this Easement, shall not affect its perpetual duration, and either must enhance, or must have no effect on, the Conservation Values that are protected by this Easement. Furthermore, the provisions concerning valuation of this Easement, which are set forth in Article IX above, may not be amended. Any Easement amendment must be in writing, signed by both parties, and recorded in the Official Records of Humboldt County, California.

7. Conservation Intent. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to affect the Primary Purpose of this Easement and the policy and purpose of California Civil Code Section 815 *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid, and any ambiguities in this Easement shall be construed in a manner which best effectuates the Primary Purpose of this Easement.

8. Effective Date. This Easement is effective upon its recordation in the official records of Humboldt County ("Effective Date").

9. Separate Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

GRANTOR:

HUMBOLDT COUNTY:

HUMBOLDT COUNTY,
a political subdivision of the State of California

By: _____

Name: _____


Title: Public Works Director

Date: _____

GRANTEE:

STATE OF CALIFORNIA

Department of Forestry and Fire Protection

By: 
Thomas W. Porter
Director

Date: 5/27/2020

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.

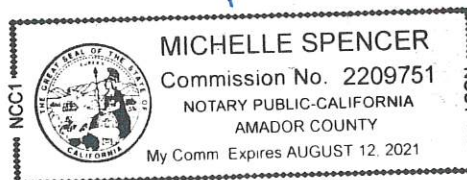
STATE OF CALIFORNIA)
COUNTY OF Sacramento)

On May 27, 2020, before me,
Michelle Spencer, a Notary Public in and for said County and State,
personally appeared Thomas William Porter, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within instrument and
acknowledged to me that he/she executed the same in his/her authorized capacity and that by
his/her signature on the instrument of the entity upon behalf of which the person 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 Michelle Spencer (Seal)



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 _____, 2020, before me,
_____, a Notary Public in and for said County and State,
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to the within instrument and
acknowledged to me that he/she executed the same in his/her authorized capacity and that by
his/her signature on the instrument of the entity upon behalf of which the person 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.

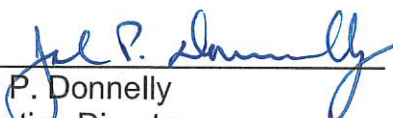
WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE


THIS IS TO CERTIFY that the interest in real property conveyed by the deed or grant, dated _____, 20____, from **Humboldt County, a political subdivision of the State of the State of California** to the STATE OF CALIFORNIA, hereby accepted by the undersigned officer on behalf of the State of California, Department of Forestry and Fire Protection, pursuant to authority conferred by Public Resources Code Section 12240, Government Code Section 15853(f) and authorization of the Wildlife Conservation Board, Department of Fish and Wildlife, Natural Resources Agency, State of California, adopted on February 26, 2020, and the grantee consents to the recordation thereof by its duly authorized officer.

STATE OF CALIFORNIA
Natural Resources Agency
Department of Fish and Wildlife

By: 
John P. Donnelly
Executive Director
Wildlife Conservation Board

Date: 6/9/2020

Consent
Department of Forestry and Fire Protection

By: 
Thomas Porter
Director

Date: 4/23/2020

LIST OF EXHIBITS

- Exhibit A Legal Description of Property
- Exhibit B Property Boundary Map
- Exhibit C Permitted Uses and Practices
- Exhibit D Prohibited Uses and Practices

EXHIBIT A

LEGAL DESCRIPTION

Humboldt County Community Forest – McKay Tract (Phase 2)

PARCEL ONE

Those portions of the Sections 12, 13 and 14 of Township 4 North, Range 1 West, Humboldt Meridian, in the County of Humboldt, State of California described as follows:

BEGINNING at the corner common to Sections 11, 12, 13 and 14 of Township 4 North, Range 1 West, Humboldt Meridian, which is monumented with a 2 ½" brass cap on a 1" galvanized iron pipe set per Book 48 of Surveys, Page 95, being the TRUE POINT OF BEGINNING;

thence along the Section line common to Sections 11 and 12, North 01 degrees 55 minutes 47 seconds East, 1198.08 feet, to the intersection of said Section line and the centerline of Henderson Gulch;

thence downstream along the centerline of Henderson Gulch the following courses:

North 16 degrees 11 minutes 21 seconds East, 44.07 feet;

North 13 degrees 26 minutes 55 seconds East, 142.55 feet;

North 06 degrees 20 minutes 25 seconds West, 109.17 feet;

North 04 degrees 05 minutes 08 seconds East, 42.30 feet;

North 28 degrees 36 minutes 38 seconds East, 37.77 feet;

North, 66.31 feet;

North 20 degrees 10 minutes 14 seconds East, 157.34 feet;

North 08 degrees 07 minutes 49 seconds West, 42.62 feet;

North 31 degrees 40 minutes 32 seconds East, 166.46 feet;

North 04 degrees 23 minutes 55 seconds East, 39.30 feet;

North 53 degrees 44 minutes 46 seconds East, 56.06 feet;

North 10 degrees 47 minutes 04 seconds East, 64.43 feet;

North 32 degrees 16 minutes 32 seconds East, 67.73 feet, to the confluence of

Henderson Gulch and an unnamed fork of Henderson Gulch;

thence Southerly and upstream along the centerline of the unnamed fork of Henderson Gulch the following courses:

South 36 degrees 52 minutes 11 seconds East, 30.14 feet;

South 75 degrees 31 minutes 47 seconds East, 96.50 feet;

South 54 degrees 12 minutes 40 seconds East, 159.77 feet;

South 70 degrees 54 minutes 23 seconds East, 82.93 feet;

South 31 degrees 47 minutes 56 seconds East, 177.32 feet;

South 34 degrees 59 minutes 31 seconds East, 183.95 feet;

South 19 degrees 30 minutes 09 seconds East, 153.48 feet;

South 05 degrees 31 minutes 39 seconds East, 187.74 feet;

South 14 degrees 22 minutes 53 seconds East, 121.35 feet;

South 40 degrees 27 minutes 44 seconds East, 134.69 feet;

South 18 degrees 26 minutes 06 seconds West, 19.06 feet;

South 25 degrees 12 minutes 04 seconds East, 113.26 feet;

South 41 degrees 38 minutes 01 seconds East, 108.88 feet;

South 11 degrees 18 minutes 35 seconds West, 46.11 feet;

South 30 degrees 57 minutes 50 seconds West, 35.15 feet;

South, 108.50 feet;

South 32 degrees 44 minutes 07 seconds East, 50.16 feet;

South, 48.22 feet;

South 36 degrees 52 minutes 12 seconds East, 90.42 feet;

thence leaving said centerline, South 46 degrees 19 minutes 56 seconds East, 366.67 feet, to the centerline of a truck road commonly known as the R-7-2 Road on Green Diamond Resource Company maps;

thence Northerly along said centerline of truck road the following courses:

North 43 degrees 05 minutes 27 seconds East, 127.95 feet;

North 42 degrees 47 minutes 51 seconds East, 110.91 feet;

North 43 degrees 31 minutes 52 seconds East, 83.15 feet;

North 12 degrees 31 minutes 43 seconds East, 111.15 feet;

North 19 degrees 05 minutes 37 seconds East, 82.93 feet, to the intersection with a truck road commonly known as the R-7 Road on Green Diamond Resource Company maps;

thence Southerly along said centerline of truck road the following courses:

South 63 degrees 26 minutes 05 seconds East, 40.44 feet;

South 87 degrees 03 minutes 52 seconds East, 117.70 feet;

South 64 degrees 17 minutes 24 seconds East, 180.64 feet;

South 35 degrees 40 minutes 35 seconds East, 144.70 feet;

South 08 degrees 52 minutes 50 seconds East, 97.62 feet;

South 22 degrees 37 minutes 11 seconds West, 117.55 feet;

South 44 degrees 14 minutes 10 seconds West, 159.86 feet;

South 31 degrees 13 minutes 06 seconds West, 116.30 feet;

South 22 degrees 20 minutes 53 seconds West, 293.29 feet;

South 01 degrees 39 minutes 37 seconds East, 208.06 feet;

South 05 degrees 11 minutes 40 seconds West, 166.46 feet;

South 12 degrees 02 minutes 33 seconds West, 231.14 feet;

South 04 degrees 23 minutes 55 seconds East, 78.60 feet;

South 33 degrees 41 minutes 24 seconds East, 97.81 feet;

South 43 degrees 01 minutes 31 seconds East, 61.84 feet;

South 14 degrees 13 minutes 34 seconds East, 220.77 feet;

South 11 degrees 53 minutes 19 seconds East, 58.52 feet;

South 41 degrees 11 minutes 09 seconds East, 64.08 feet;

South 59 degrees 02 minutes 10 seconds East, 70.30 feet;

South 19 degrees 05 minutes 37 seconds East, 248.78 feet;

South 30 degrees 31 minutes 47 seconds East, 136.47 feet;

South 00 degrees 57 minutes 17 seconds East, 180.87 feet;

South 13 degrees 03 minutes 19 seconds West, 213.49 feet;

South 65 degrees 33 minutes 22 seconds West, 72.84 feet;

North 78 degrees 18 minutes 39 seconds West, 89.26 feet;

North 65 degrees 55 minutes 28 seconds West, 310.31 feet;

North 86 degrees 59 minutes 14 seconds West, 114.69 feet;

West, 129.60 feet;

South 61 degrees 33 minutes 26 seconds West, 82.27 feet;

South 02 degrees 02 minutes 43 seconds West, 168.89 feet;

South 25 degrees 06 minutes 54 seconds West, 106.52 feet;

South 21 degrees 35 minutes 43 seconds West, 155.60 feet;

South 32 degrees 13 minutes 44 seconds West, 163.90 feet;

South 23 degrees 11 minutes 55 seconds West, 160.68 feet;

South 12 degrees 31 minutes 44 seconds West, 111.15 feet;

South 21 degrees 02 minutes 15 seconds East, 83.96 feet;

South 46 degrees 32 minutes 54 seconds East, 78.88 feet;

South 22 degrees 37 minutes 11 seconds East, 117.55 feet;

South, 63.29 feet;

South 17 degrees 33 minutes 37 seconds West, 499.49 feet;

South 55 degrees 00 minutes 29 seconds West, 183.95 feet;

South 61 degrees 23 minutes 22 seconds West, 75.53 feet;

South 47 degrees 56 minutes 08 seconds West, 84.49 feet, to the intersection of said truck road and an unnamed creek;

thence Northwesterly and upstream along the centerline of said unnamed creek the following courses:

North 27 degrees 07 minutes 57 seconds West, 76.14 feet;
North 07 degrees 39 minutes 10 seconds East, 166.51 feet;
North 21 degrees 46 minutes 58 seconds West, 46.41 feet;
North 32 degrees 28 minutes 01 seconds West, 39.84 feet;
North 01 degrees 03 minutes 11 seconds East, 41.79 feet;
North 37 degrees 54 minutes 48 seconds East, 23.25 feet;
North 04 degrees 31 minutes 23 seconds East, 11.77 feet;
North 26 degrees 27 minutes 58 seconds West, 42.20 feet;
North 01 degrees 47 minutes 30 seconds West, 19.89 feet;
North 12 degrees 08 minutes 01 seconds West, 21.70 feet;
North 65 degrees 53 minutes 59 seconds West, 21.34 feet;
North 51 degrees 04 minutes 20 seconds West, 35.35 feet;
North 71 degrees 40 minutes 24 seconds West, 21.07 feet;
North 27 degrees 09 minutes 21 seconds West, 38.81 feet;
North 73 degrees 01 minutes 31 seconds West, 30.94 feet;
North 45 degrees 25 minutes 55 seconds West, 18.20 feet;
North 87 degrees 22 minutes 09 seconds West, 25.23 feet;
North 69 degrees 10 minutes 25 seconds West, 23.00 feet;
North 85 degrees 23 minutes 45 seconds West, 22.78 feet;
North 59 degrees 36 minutes 10 seconds West, 21.35 feet;
North 52 degrees 15 minutes 46 seconds West, 55.39 feet;
North 58 degrees 09 minutes 16 seconds West, 80.86 feet;
North 77 degrees 17 minutes 16 seconds West, 18.51 feet;
North 53 degrees 13 minutes 03 seconds West, 52.52 feet;
North 57 degrees 06 minutes 04 seconds West, 101.20 feet;
North 84 degrees 54 minutes 48 seconds West, 30.20 feet;
North 60 degrees 06 minutes 10 seconds West, 60.16 feet;
North 89 degrees 27 minutes 18 seconds West, 18.19 feet;
North 69 degrees 36 minutes 03 seconds West, 24.98 feet;
North 85 degrees 50 minutes 58 seconds West, 27.58 feet;
South 69 degrees 02 minutes 14 seconds West, 25.67 feet;
South 52 degrees 44 minutes 25 seconds West, 29.95 feet;
South 76 degrees 15 minutes 08 seconds West, 32.09 feet;
South 43 degrees 44 minutes 19 seconds West, 40.15 feet;
South 80 degrees 13 minutes 30 seconds West, 46.96 feet;
South 39 degrees 48 minutes 03 seconds West, 74.01 feet;
South 71 degrees 22 minutes 05 seconds West, 123.20 feet;
South 34 degrees 52 minutes 07 seconds West, 121.54 feet;
South 56 degrees 37 minutes 55 seconds West, 65.47 feet;
South 82 degrees 47 minutes 05 seconds West, 34.82 feet;
South 45 degrees 29 minutes 20 seconds West, 87.27 feet;
South 69 degrees 31 minutes 30 seconds West, 55.48 feet;
South 43 degrees 35 minutes 53 seconds West, 34.05 feet;
South 04 degrees 44 minutes 24 seconds West, 23.63 feet;
North 33 degrees 16 minutes 33 seconds West, 27.28 feet;
North 69 degrees 08 minutes 58 seconds West, 31.34 feet;
North 51 degrees 55 minutes 42 seconds West, 44.27 feet;
North 34 degrees 59 minutes 04 seconds West, 106.41 feet;
North 48 degrees 09 minutes 23 seconds West, 133.53 feet;
North 46 degrees 27 minutes 10 seconds West, 137.24 feet;
North 58 degrees 58 minutes 49 seconds West, 56.77 feet;
North 46 degrees 39 minutes 30 seconds West, 141.57 feet;
North 73 degrees 25 minutes 02 seconds West, 55.92 feet;
North 28 degrees 24 minutes 28 seconds West, 44.46 feet;

North 53 degrees 07 minutes 44 seconds West, 62.29 feet;
North 15 degrees 13 minutes 57 seconds West, 84.27 feet;
North 07 degrees 48 minutes 27 seconds East, 83.71 feet;
North 42 degrees 53 minutes 58 seconds West, 136.93 feet;
North 19 degrees 43 minutes 23 seconds West, 11.94 feet, more or less, to the North line
of the Southeast Quarter of Section 14;

thence Easterly along said North line, South 87 degrees 33 minutes 05 seconds East, 1150.25
feet, more or less, to the Quarter Corner between Sections 13 and 14, as said corner is shown on Book
71 of Surveys, pages 44 through 50, Humboldt County Records;

thence Northerly along the section line between Sections 13 and 14, North 01 degrees 22
minutes 08 seconds East, 2636.43 feet, more or less, to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed by Louisiana-Pacific Corporation, a Delaware
corporation, to Arvilla L. Rost recorded August 1, 1973 at Book 1201 of Official Records, Page 541,
Humboldt County Records.

ALSO EXCEPTING THEREFROM that portion of the Northwest Quarter of said Section 13 described in
the deed to Humboldt Community Services District recorded June 4, 2015 as Instrument No. 2015-
010688-3.

Note, it is the intent that the legal boundary of parcels described herein as "along the centerline" of roads,
where called for, be the centerline of said road at the date of execution of this deed. It is also the intent
that the legal boundary of parcels described herein as "along the centerline" of a creek or gulch follow the
natural meanderings of said creek. Courses along said centerlines are informational and are to be
considered secondary to the physical location of called for creeks and road.

The bearings in this description are based on Book 71 of Surveys, Pages 44 through 50.

A portion of the above described lands being shown as Parcel C on the Record of Survey filed in Book 73
of Surveys, pages 58 through 62, Humboldt County Records.

PARCEL TWO

A non-exclusive easement for ingress, egress and utilities over and across a strip of land 50 feet in width
the centerline of which is the centerline of the existing roads known as the R-Line Road system which
runs from the southerly line of Parcel One above, southeasterly and thence northerly to the public road
know as Harris Street.

PARCEL THREE

Easement Rights as contained in and subject to the terms of that certain document entitled "Reciprocal
Access Easement" dated: August 20, 2014 and executed by and between Green Diamond Resource
Company, a Washington corporation and Humboldt County, a political subdivision of the State of
California, recorded August 21, 2014 as Instrument No. 2014-014703-54 Humboldt County Official
Records.

EXHIBIT B: Property Boundary Map

Image not recordable.

For official color map, please contact CAL FIRE at the following address:

Forest Legacy Program Coordinator,
California Department of Forestry and Fire Prevention, Resource Management
P.O. Box 944246
Sacramento, CA 94244-2460

EXHIBIT C: Permitted Uses and Practices

Rights Retained by Grantor. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are hereby deemed to be consistent with the Primary Purpose of this Easement and are expressly permitted provided that they are undertaken in accordance with the Easement and that all applicable governmental approvals and permits are properly obtained.

1. Forest Management. Grantor shall manage the forest and harvest timber in accordance with all applicable state and federal forestry laws, practices, guidelines, and regulations, provided that said management and/or harvesting complies with the conditions of this section:

a. Commercial Timber Harvest.

(i) Definition of Commercial Timber Harvest. For the purposes of this Easement, the term "Commercial Timber Harvest" is defined as any timber harvest (other than timber harvest described in Exhibit C, Section 1(b) below) in which the product of such harvest is sold, traded, exchanged, or used off of the Property.

(ii) Forest Management Plan. Prior to conducting any Commercial Timber Harvest, Grantor shall prepare, and Grantee shall review and approve for consistency with the terms of this Easement, a long-term forest management plan. In lieu of preparing a long-term forest management plan, at Grantor's sole discretion, Grantor may prepare for Grantee's review and approval a governmentally reviewed management plan, such as, but not limited to, an NTMP as that term is defined in Section 4593.2 of Chapter 8 of Part 2 of Division 4 of the California Public Resources Code (the "Forest Practice Act"). In addition, any specific timber harvest plan or other required forest-management permit must be reviewed and approved by Grantee for consistency with the terms of this Easement and all applicable California law prior to Grantor's submission thereof to the government agency(ies) having jurisdiction over such plan or permit. Grantee's approval of the Plan or any other plan or permit shall not be unreasonably withheld, conditioned, or delayed so long as the Plan is does not materially impair the Conservation Purposes of this Easement. The Plan should include the following elements, as applicable:

- (A) Grantor's forest management objectives;
- (B) A description of each forest stand or forest area with relatively uniform and similar forest conditions. Descriptions of forest stand and forest stand location shall be at a level of detail necessary to support normal forest planning and timber operations pursuant to this Easement, and shall include, at a minimum, site class, tree numbers and stand volume by conifer species and size class, and stand location maps;
- (C) Descriptions and mapped locations of soil types;
- (D) Measurements of slope and erosion potential described and

mapped;

(E) Descriptions and mapped locations of existing and planned roads, including plans for construction, maintenance and decommissioning thereof;

(F) Information on the presence and protection of any known habitat or individuals of any species which are protected under California or federal law, or which are listed by the California Department of Fish and Wildlife (DFW) or the federal government as rare, threatened, endangered, or of special concern;

(G) Descriptions and locations of known archaeological, cultural or historic sites, including management considerations thereof;

(H) Description of stand management history; occurrences of disease, insect infestation and fires based on best available knowledge;

(I) Discussion of planned silvicultural and harvest methods, schedules and equipment;

(J) Descriptions of expected forest growth by stand and species group per decade, as well as expected products and projected harvest yields; growth and yield estimates shall be for a minimum period of 30 years;

(K) Reforestation and other forest health improvement activities;

(L) Erosion control activities; and

(M) Other management activities consistent with the terms and conditions of this Easement, with consideration of the impacts of all management activities on the Conservation Values of the Property.

(iii) Review and Approval of Any Governmentally Reviewed Timber Harvest Plans or Other Permits, NTMP, and Amendments. Consistent with the terms of Article IV of this Easement, Grantor shall send any proposed governmentally reviewed timber harvest plan or permit, including but not limited to a Nonindustrial Timber Harvest Plan (NTMP), or amendment to any such plan or permit that had been previously approved to Grantee at least seventy-two (72) hours prior to submission to the lead agency charged with approving said plan or amendment. Grantor shall attach to the proposed timber plan or amendment a copy of this Easement and the current Plan (if applicable) upon submission to the lead agency charged with approving said plan or amendment. During the approval process, Grantor shall send copies of any review team question and Grantor's response thereto to Grantee within seventy-two (72) hours of receipt of and response to such question. Grantee's review is for the purpose of ensuring such plan's consistency with the terms and conditions of this Easement. Grantee's approval shall not be unreasonably withheld, conditioned, or delayed.

(iv) Forest Management Plan Updates or Amendments. Grantor shall review the Plan periodically, at least every ten years, and, when necessary, update the

Plan to reflect the condition of the Property as it changes over time and as management activities are implemented. If Grantor does not undertake any forest management activities within a ten-year period, no update to the original Plan identified or called for above is required, provided that at such time as additional forest management activities are contemplated, an update shall be prepared. Subject to the foregoing guidelines, updates and amendments to the Plan may be accomplished at any time; however, Grantor shall provide notice of any Plan update or amendment to Grantee no less than sixty (60) days prior to the intended commencement of any forest management activity not in conformance with the existing Plan. Any Plan update or amendment shall be provided to Grantee for review and approval for consistency with the terms and conditions of this Easement, and Grantee's approval shall not be unreasonably withheld, conditioned or delayed.

(v) Use of Professional Foresters and Other Resource Professionals.

Grantor reserves the right to conduct forest management activities consistent with the terms, conditions and purposes of this Easement, utilizing professional foresters and other natural resource, employees, consultants or advisers of its choice. Grantee shall utilize a registered professional forester or other qualified resource management professional of its choice to evaluate compliance with the forest management provisions herein, and to review forest management plans, updates and amendments, timber harvest plans, related documents, and amendments to this Easement pertaining to forest management.

b. Non-Commercial Forestry Activities. Grantor may remove, burn (including controlled burns in accordance with accepted forest, timberland management practices), chip and cut shrubs and brush, and reasonably control other vegetation for habitat enhancement, fire breaks, and prevention of disease, and /or other normal forestry practices.

2. Wildlife. Grantor may control predatory and problem animals by the use of selective control techniques consistent with policies promulgated by the State of California Department of Fish and Game, U.S. Department of Agriculture or the local County Agricultural Commissioner.

3. Non-Road or Stream Crossing Structures and Improvements

a. Improvements. Grantor may install, construct, or develop non-road or stream crossing related structures and other improvements on the Property (together with any necessary easements) such as: fences; telecommunications, electric, gas and other utility conduits, pipes, cables, wires, antennas, connections, and meters; sewer connections; recreational trails; roads and access easements to public roads; and development, transport, and storage of domestic and agricultural water supplies, connections, conduits and facilities. Such improvements, together with the right to construct, repair, replace, improve and maintain the same, shall be permitted so long as they do not materially impair or damage the Conservation Values, and with prior review and written approval of Grantee, which approval shall not be unreasonably withheld.

b. Forest Stewardship. Grantor shall protect, conserve, enhance, and maintain forest values in accordance with the Primary Purpose of this Easement and in accordance with the overarching goals of the applicable NTMP or other timber harvest plan or permit as applicable for commercial timber harvest and other relevant forest restoration or stewardship planning documents. Grantor may construct improvements necessary for continued forest stewardship activities and use, including wildlife habitat enhancements, water storage facilities, fuel breaks for wildland fire risk management, road maintenance, and other activities related to forest stewardship to benefit Conservation Values and use the Property for recreation and education including the development of trails for non-motorized travel.

4. Transfer of Land. Grantor shall grant, sell, exchange, devise, gift or otherwise convey or dispose of all or any portion of Grantor's right, title, estate, and interest in the Property solely as one (1) parcel, subject also to the provisions of Section 4 of Article X and Exhibit D, Sections 2 and 15. Grantor shall furnish Grantee with a copy of any document or conveyance utilized to effect the transfer of the Property within thirty (30) days of the execution of said document or conveyance.

5. Roads and Stream Crossings. For the purpose of this Easement, a road is defined as any constructed trail, established path, or other definable route used for recreational or commercial uses (including but not limited to forest management and ranching activities), the construction of which requires the movement of soil or other land alteration. Further, a stream crossing is defined as a rocked ford, culvert or bridge.

a. Existing and New Roads and Stream Crossings. Grantor may construct and maintain any road and stream crossing without Grantee's advance approval if such activity is conducted according to the express provisions of the Plan or a Grantee-approved plan (i.e., a DFW-funded and approved ranch conservation and restoration planning document or similar document approved by Grantee) and may maintain any existing road or stream crossing documented in the Baseline Conditions Report, provided that any such activity does not materially impair the Conservation Values. With Grantee's advance written approval, which shall not be unreasonably withheld, conditioned, or delayed, Grantor may also construct and maintain additional new roads or stream crossings for the following purposes: timber harvesting and management as provided in Exhibit C; (i) to support uses on contiguous land owned by Grantor currently and on the Effective Date of this Easement subject to Grantee's approval, which shall be granted only if (I) such new road or stream crossing supports uses of the same type as are permitted by this Easement, (II) the placement or use of such road or stream crossing would not violate the Primary Purpose or materially impair the Conservation Values, (III) such road or stream crossing is to be sized and located so as to minimize any impact to the Conservation Values, and (ii) road extensions as minimally necessary to carry out the provisions of Exhibit C, Section 3. Roads shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage, utilizing best management practices as recommended by the U.S. Natural Resource Conservation Service or similar or successor entity, but this section shall not be construed to require that existing roads be reconstructed to meet these

standards. No portion of the Property presently unpaved shall be paved or otherwise covered with concrete, asphalt, or any other paving material. Notwithstanding the foregoing, Grantor may make use of heavy equipment, including but not limited to bulldozers and excavators, on the Property, including at established stream crossings, including those crossings within designated Riparian Corridors (as described in the Baseline Conditions Report), when reasonably necessary for the construction, maintenance and repair of existing or permitted roads and stream crossings.

b. Replacement of Roads and Stream Crossings. In the event that catastrophic flood or geologic instability makes the use of an existing road or stream crossing impossible or impractical, Grantor may construct a replacement road and/or stream crossing and abandon the original with Grantee's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed. The abandoned road or stream crossing shall be made impassable to vehicle traffic and shall be re-contoured in such a manner as to reduce erosion and encourage re-vegetation. Replacement roads will be held to the standards for new roads, as described above.

6. ORV Use. Use of recreational off-road vehicles ("ORV") is permitted for facility and forest management and shall be limited to low-intensity uses. Low-intensity use means a level of use that does not cause material physical impacts to the Property, such as significant erosion, significant damage or removal of vegetation, or any other impact that materially impairs the Conservation Values of the Property. Grantor shall not construct any facility or feature for ORV use, such as a mud bog, hill climb, or constructed race track. Except for established stream crossings (as described in the Baseline Conditions Report), ORV use shall be limited to areas outside of the Riparian Corridors unless necessary for forest stewardship activities and management. The intent of this provision is to allow the minimum ORV use necessary to support everyday forest landowner uses and commercial guest use as it relates to forest stewardship, but not to allow such ORV use as a primary purpose of any commercial recreational enterprise.

7. Alternative Energy Systems. Grantor may construct and maintain solar, hydroelectric, wind and other types of electrical generation improvements to generate electricity for use on the Property. Electric utility lines for connection to any permitted structure or improvement and to a commercial electrical grid are also permitted. Also permitted are solar or other electrical generation systems for water pumping, electric fences or to supply power for other permitted uses on the Property.

8. Carbon Rights. Grantor agrees that the terms and conditions of the Easement will be taken into account when calculating the baseline/business as usual of the Property for purposes of establishing carbon credits or other emissions offsets that the Grantor proposes to authorize, create, sell, exchange or transfer, and to notify the Grantee at least 45 days prior to any such proposed establishment.

Consistent with the provisions of Article II of this Easement, Grantee agrees to include in any required monitoring report, a summary of any activity by the Grantor to establish

carbon credits or other emissions offsets with respect to the Property.

9. Debt Security. The Property encumbered by this Easement (including any portion of it or any interest in it) may be used as security for any debt; provided, that any such debt shall be subordinate to the terms and conditions contained in this Easement.

EXHIBIT D: Prohibited Uses and Practices

- 1. Inconsistent Use.** Grantor shall not establish any agricultural, residential, commercial or industrial activity or use that is inconsistent with the Primary Purpose of this Easement; provided, however, that those uses that are expressly permitted under this Easement shall be deemed to be consistent with the Primary Purpose.
- 2. Subdivision.** Grantor shall maintain all legal parcels that are part of the Property and all interests therein as though the Property were a single legal parcel owned by a single owner. The legal or de facto division, subdivision or partitioning of the Property into two or more legal parcels and/or any sale, transfer or conveyance of one portion or parcel apart from the sale, transfer or conveyance of the entire Property is prohibited, and the seeking of a partition of the Property as a remedy in a lawsuit is prohibited; provided, however, that such division, subdivision, sale, transfer, conveyance or partition is permissible if accomplished in connection with an action initiated by an entity exercising the power of eminent domain. Any development right that is now or hereafter allocated to, implied, reserved, or inherent in or to the Property may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property (whether adjacent or otherwise).
- 3. Mineral Exploitation.** The exploration for, or development and extraction of, minerals and hydrocarbons by any surface mining method, or any other method that would impair or interfere with the Conservation Values of the Property, is prohibited; provided, however, that, with Grantee's prior written consent, Grantor may employ a method of mineral extraction that will be limited and localized, and will not be irretrievably destructive of any significant Conservation Values, within the meaning of Treasury regulation section 1.170A-14(g)(4)(i). The preceding sentence shall not preclude the removal or transport of rocks, dirt or gravel from one part of the Property to another consistent with a NTMP or other timber harvest plan or permit as applicable for commercial timber harvest, or for purposes of erosion control, landfill or construction otherwise consistent with this Easement, or to an adjacent property also subject to a conservation easement protecting forestland, wildlife habitat and scenic open space.

No extraction of minerals may occur within any watercourse except in accordance with a State-approved riparian restoration plan, and with the advance written approval of Grantee and DFW or other appropriate state or federal agency. For purposes of the preceding sentence, the term "watercourse" shall have the meaning set forth in the 2006 Forest Practice Rules, Title 14 California Code of Regulations, Chapter 4, Article 1, Section 895: "A watercourse means any well-defined channel with distinguishable bed and bank showing evidence of having contained flowing water indicated by deposit of rock, sand, gravel, or soil, including but not limited to, streams as defined in PRC 4528(f). Watercourses also mean manmade watercourses."

- 4. Commercial Facilities.** The establishment of any commercial or industrial facility (other than those necessary in the operation or use of the Property expressly permitted by this Easement) is prohibited, including, but not limited to (i) water bottling plant; (ii) any retail sales or service business; (iii) restaurant; (iv) night club; (v) trailer

park; (vi) motel or hotel; (vii) gas station; or (viii) facility for the manufacture or distribution of any product (other than products grown, or produced on the Property in connection with activities expressly permitted in Exhibit C).

5. Dumping. The dumping or other disposal of noncompostable refuse on the Property is prohibited, except nonhazardous wastes generated by normal agricultural, ranching, and forestry operations. Storage or dumping of animal waste in the Riparian Corridors is prohibited. Dumping or storage of organic material generated by permitted agricultural and ranching uses on the Property shall be conducted in accordance with applicable law and generally accepted ranch management practices, and runoff from organic material shall not adversely affect water quality.

6. Construction. The construction of any residence, structure, or improvement is prohibited, except as provided in Exhibit C.

7. Billboards. The construction, maintenance, or erection of any billboard is prohibited except as permitted as per Article II, Section 3. Roadside signs are permitted only for the purposes of posting the name of the Property, advertising any permitted business on the Property, controlling public access, providing public notification of this Easement, or advertising the Property for sale or lease.

8. Watercourse Protection. Any use or activity that causes significant, verifiable erosion or that contributes to the significant, verifiable pollution of any watercourse is prohibited so as to prevent significant negative impacts to the health of salmonid populations. There shall also be no development of waters on the Property for the purposes of commercial fish farming.

9. New Road Construction. The Grantor shall not construct any new roads except as specifically provided for in Exhibit C.

10. Water Rights. Grantor shall effect no severance, conveyance, impairment, or encumbrance of water or water rights appurtenant to the Property separately from the underlying title to the Property or initiate other action, which diminishes or extinguishes such water rights. This Easement shall not be construed as a severance or impairment of any riparian water rights appurtenant to the Property.

11. Forest Management; Riparian Corridors. Any forest management activity not expressly permitted by Section 1 of Exhibit C of this Easement is prohibited. Notwithstanding the foregoing, vegetation-disturbing activities or removal may take place within any Riparian Corridor pursuant to a habitat restoration plan approved by Grantee and DFW (or another regulatory body with related permitting authority).

12. Utilities. The granting of any major utility corridor right-of-way easement is prohibited; provided, however, that any such utility right-of-way easement may be granted by mutual agreement of Grantor and Grantee in cases where the utility would be entitled to exercise the power of eminent domain to acquire the right and a greater

public necessity has been clearly demonstrated to Grantor and Grantee. Nothing in this section is intended to preclude Grantor from (i) constructing and maintaining any alternative energy system expressly permitted in Exhibit C, Section 7; or (ii) installing any utility structure, line, conduit, cable, wire, or pipeline upon, over, under, within, or beneath the Property to any existing and subsequently constructed structure and improvement expressly permitted by this Easement. Grantor may also install such minor improvements serving contiguous land owned by Grantor currently and on the Effective Date of this Easement, only with Grantee's prior written permission, which shall be granted only if (a) such new improvement supports uses of the same type as are permitted by this Easement, (b) the placement or use of such improvement would not materially impair the Conservation Values, and (c) such improvement is sized and located so as to minimize any impact to the Conservation Values.

13. Motor Vehicle Use. The use of motorized vehicles, including but not limited to ORVs, off of roadways is prohibited, except by Grantor or any third party under Grantor's control for forest management activities, property management activities, camping, wildlife viewing, residential uses or other permitted uses of the Property or as otherwise provided in Exhibit C, Section 6; provided that such use does not materially impair the Conservation Values of the Property.

14. Cultural Resources. The removal, disturbance or destruction of any significant cultural or archaeological resources on the Property that have been documented and registered with the State of California is prohibited; provided, however, that Grantor may use heavy equipment in such areas when reasonably necessary for the construction, maintenance and repair of existing or permitted roads and fords.

15. Subsequent Easements. Grantor shall not grant any subsequent easement on the Property that would adversely affect the Conservation Values of the Property. If Grantor wishes to grant a subsequent easement on the Property that Grantor believes would not adversely affect the Conservation Values of the Property, Grantor shall (i) notify Grantee at least sixty (60) days prior to any such proposed grant; (ii) provide Grantee with a copy of any proposed easement together with any additional information relating to the proposed easement that Grantee may reasonably request; and (iii) request Grantee's approval of such grant. Within forty-five (45) days of Grantor's notice of proposed easement, Grantee shall review the proposal and may, in its reasonable discretion, (I) approve the proposal as being consistent with the Primary Purpose and protection of the Conservation Values; (II) approve the proposal on conditions intended to ensure the easement's consistency with the Primary Purpose and protection of the Conservation Values; or (III) disapprove the proposal as being actually or potentially inconsistent with the Primary Purpose or protection of the Conservation Values. Grantor and Grantee hereby expressly agree that any grant of a subsequent easement without Grantee's express written approval shall be void and of no effect. Notwithstanding anything contained herein to the contrary, prior to Grantor's execution of any instrument conveying or restricting any property adjacent to the Property, the result of which would or could eliminate or restrict Grantee's access to the Property, Grantor shall convey to Grantee an easement granting the right of vehicular or other access to the Property

across such property or across any other property adjacent to the Property owned by Grantor, provided that the access granted is of a similar nature and quality of that eliminated or restricted.