

**CALIFORNIA WILDLIFE CONSERVATION BOARD  
GRANT AGREEMENT  
FOR  
ACQUISITION OF FEE INTEREST**

**Grantee:** Name: The Nature Conservancy

Address: 830 S Street  
Sacramento, CA 95811

Attn: Mike Sweeney, Executive Director

Phone: (916) 449-2850  
Federal Employers ID No.:/Taxpayer ID No.: 20-5797732

**Project Name:** Parks Creek Ranch

**Project Location:** Siskiyou County

**WCB Grant Agreement Number:** WC-2472DD

**WCB Project ID:** 2023273

**Grant Agreement Amount:** Not to exceed \$9,300,000

**Notices to be addressed to:**

For Grantee: The Nature Conservancy  
830 S Street  
Sacramento, CA 95811  
Attn: Executive Director

For Grantor: Wildlife Conservation Board  
Mailing address: P.O. Box 944209  
Sacramento, CA 94244-2090  
Attn: Executive Director

With a copy to: Department of Fish and Wildlife  
P.O. Box 944209  
Sacramento, CA 94244-2090  
Attn: Director

## 1. **SCOPE OF AGREEMENT**

Pursuant to Chapter 4 of Division 2 (commencing with Section 1300) of the California Fish and Game Code and General Fund, Budget Act of 2021, Water Supply for Environmental Flows, Stream Flow Enhancement Program Provision (SB170, Sec. 54), the Wildlife Conservation Board ("Grantor") hereby grants to The Nature Conservancy, a nonprofit organization, ("Grantee"), a sum not to exceed Nine Million Three Hundred Thousand Dollars (\$9,300,000.00) ("Grant Funds"), upon and subject to the terms and conditions of this Grant Agreement for Acquisition of Fee Interest ("Agreement"). Grantor and Grantee are each a "Party" and collectively the "Parties."

## 2. **PURPOSES OF GRANT**

Grantor is entering into this Agreement, and the Grant Funds shall be used, only for the purpose of the project (the "Project") described as: Grantee's acquisition of fee title to approximately 5,277 acres of land known as Parks Ranch, located in the County of Siskiyou, California (the "Property"). The Property is more particularly described in **Exhibit A** attached to this Agreement.

Grantee covenants and agrees that if Grantor deposits the Grant Funds into escrow and Grantee acquires the Property, the Property shall be held, used, operated, managed and maintained only for the purposes of wildlife habitat preservation, restoration and management; creation, restoration and enhancement of riparian and floodplain habitat for fall Chinook salmon and coho salmon; wildlife-oriented education and research; compatible grazing use; compatible public or private uses, all as may be consistent with wildlife habitat preservation and protection of sensitive biological resources (individually and collectively, the "Purposes of Grant").

Grantor acknowledges the Grantee desires to lease the Property for continued ranching purposes such as cattle grazing with irrigation from Parks Creek, and the associated use of the buildings on the Property, including occupation of the residences existing on the Property as of the date of this Agreement by lessees or Grantee. No expansion of the structures existing on the Property as of the date of this Agreement is allowed. Grantor agrees that these uses are consistent with the Purposes of the Grant and are an allowable use of the Property.

## 3. **CONDITIONS OF GRANT**

Grantor's obligation to disburse Grant Funds under this Agreement is conditioned upon and subject to the satisfaction of all of the following conditions precedent:

3.1. Grantor shall have reviewed and approved all documents pertaining to Grantee's acquisition of the Property, including, without limitation, appraisals, preliminary title reports and items referenced therein, options, agreements for purchase and sale, escrow instructions, and instruments of conveyance. Such review and approval by Grantor shall not be unreasonably withheld or delayed. Grantee shall have removed or caused to be removed, or otherwise addressed to the

satisfaction of Grantor, any encumbrances or defects of title that Grantor determines are inconsistent, or could interfere, with the Purposes of Grant. Any outstanding security interests or monetary encumbrances affecting the Property shall have been terminated.

3.2. Grantee shall acquire the Property from a willing seller for a purchase price that does not exceed the fair market value of the Property, as established by an appraisal that is conducted by an appraiser who is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code. The appraisal shall be prepared pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP) and approved by the Department of General Services. The appraisal shall become part of the project file maintained by Grantor and shall be retained for no less than three years from the date of value.

3.3. Grantor shall have reviewed and approved a certified resolution or other appropriate action of the governing board or governing body of Grantee, authorizing the execution and performance of this Agreement and the acquisition of the Property by Grantee. Upon approval by Grantor, the authorizing resolution or other action shall be attached to this Agreement as **Exhibit B**.

3.4. Grantee shall have deposited, or caused to be deposited, into escrow all funds beyond those granted under this Agreement that are needed for Grantee to complete the Project.

#### 4. **DISBURSEMENT PROCEDURE**

Except as provided in Section 17, upon satisfaction of all of the above Conditions of Grant, and subject to approval of the Project by the Wildlife Conservation Board at a duly noticed public meeting, Grantor shall disburse the Grant Funds directly into an escrow account established for the Project according to the following procedure:

4.1. Grantee shall request disbursement of the Grant Funds by sending a letter to the Grantor ("Disbursement Request"). The Disbursement Request shall be signed by an authorized representative of Grantee and shall contain all of the following:

- a. Name and address of Grantee;
- b. Project Name and Number of Grant Agreement;
- c. Dollar amount and purpose of disbursement;
- d. Name, address and telephone number of the title company or escrow holder, name of the escrow officer, and the escrow account number to which the Grant Funds will be disbursed; and
- e. A certification by Grantee that all funds (exclusive of the Grant Funds to be provided under this Agreement) needed to complete the Project have

been secured and have been or will be deposited to escrow prior to or at the same time as the requested Grant Funds.

4.2. After receipt of the Disbursement Request, Grantor will promptly and timely (estimated to be 45 working days from the date Grantor receives the Disbursement Request) disburse an amount not to exceed Nine Million Three Hundred Thousand Dollars (\$9,300,000) into the designated escrow account.

## 5. **GRANTEE'S COVENANTS**

In consideration of Grantor's disbursement of the Grant Funds, Grantee hereby covenants and agrees as follows:

5.1. The Grant Funds shall be used as purchase money only, which excludes escrow and title fees and any other fees and costs incurred to accomplish the transaction and the conveyance and acquisition of the Property.

5.2. The Property shall be held, used, operated, managed and maintained only in a manner that is consistent with this Agreement, including the "Purposes of Grant" set forth in Section 2.

5.3. Grantee shall recognize the cooperative nature of the Project and shall provide credit to the Grantor, the California Department of Fish and Wildlife ("CDFW") and any other contributor on signs, demonstrations, promotional materials, advertisements, publications or exhibits prepared or approved by Grantee referencing the Project. Subject to the mutual agreement of Grantor and Grantee regarding text, design and location, Grantee shall post sign(s) on the Property to indicate the participation of Grantor and CDFW in Grantee's purchase of the Property; *provided however*, that the sign(s) shall display Grantor's logo, as shown on **Exhibit C**.

5.4. Grantee shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), and shall furnish Grantor with satisfactory evidence of payment upon request. Grantee shall keep the Property free from any liens including, without limitation, those arising out of any obligations incurred by Grantee for any labor or materials furnished or alleged to have been furnished to or for Grantee at or for use on the Property.

5.5. Except as otherwise allowed in this Agreement, the Property (including any portion of it or any interest in it) shall not be sold, transferred, exchanged or otherwise conveyed without the written approval of the State of California, acting through the Executive Director of the Wildlife Conservation Board ("WCB"), or its successor. Such approval shall not be unreasonably withheld as long as the Property shall continue to be held and used only in a manner consistent with this Agreement, including the Purposes of Grant set forth in Section 2, and each successor-in-interest assumes and agrees in writing to be bound by the terms, covenants and conditions

of this Agreement.

5.6. "Mitigation" as used in this Agreement means to satisfy any requirement or condition imposed by any permit, agreement, authorization or entitlement for use, including but not limited to any requirement to compensate for or otherwise offset impacts of any activity. The Property may not be used for Mitigation without the prior written approval of the State of California, acting through the Executive Director of WCB or its successor. Provided, however, that under no circumstances shall the Property be used for any Mitigation that is: (a) inconsistent with this Agreement, or (b) based upon (i) the protection of the Property resulting from its acquisition or ownership by Grantee, or (ii) any activity on the Property (including but not limited to restoration) to cure, correct or otherwise remedy any breach or default of this Agreement. If the State approves any Mitigation under this section, such approval shall be for the purposes of this Agreement only. Actual Mitigation requirements and conditions will be established and enforced by the authorities imposing them.

5.7. The Property (including any portion of it or interest in it) may not be used as security for any debt without the written approval of the State of California, acting through the Executive Director of WCB, or its successor.

5.8. Grantee shall record or cause to be recorded, concurrently with close of escrow for the purchase of the Property, a Notice of Unrecorded Grant Agreement (the "Notice"), incorporating by reference this Agreement and giving public notice that Grantee received funds under this Agreement in order to assist Grantee in acquiring the Property and that, in consideration for the receipt of the Grant Funds, Grantee has agreed to the terms of this Agreement. The Notice shall be in the form of **Exhibit D**.

5.9. Grantee shall provide to Grantor, promptly following the close of escrow, a conformed copy of the recorded deed(s) and Notice, with all recording information, as well as a copy of the final closing or settlement statement and the title insurance policy insuring Grantee as the owner of fee simple title to the Property subject only to those matters approved by Grantor under Section 3.1 of this Agreement. Grantee shall also provide copies of such other documents related to the closing of the above transaction as requested by Grantor. These documents shall become part of the project file maintained by Grantor.

5.10. At the request of Grantor, not less than once in any period of three calendar years, Grantee shall allow designated staff of Grantor to access the Property to assess compliance with the terms, covenants and conditions of this Agreement.

5.11. Grantee agrees to ensure that the terms and conditions of this Grant Agreement shall be taken into account when calculating the baseline/business as usual of the Property for purposes of establishing carbon credits or other emissions offsets proposed to be authorized, created, sold, exchanged or transferred. Grantee agrees to notify Grantor prior to any such proposed establishment.

5.12. Restoration Planning, Permitting and Implementation. Upon acquiring the Property, Grantee shall commence a long-term restoration planning, permitting and implementation project to create, enhance and maintain riparian and floodplain habitat for the benefit of fish and wildlife.

a. Grantee shall:

i. Submit a Parks Creek Ranch Restoration Plan (Restoration Plan) within two (2) years following close of escrow. At a minimum, the Restoration Plan shall:

- A. Incorporate restoration actions taken since Grantee's acquisition of the Property (whether through the Parks Creek Ranch Site Plan Agreement for the Shasta River Safe Harbor Agreement Program or otherwise);
- B. Identify riparian and floodplain restoration treatments for fall Chinook salmon and coho salmon suitable for the Property and a timeline and potential funding for designing, permitting, and implementing those treatments;
- C. Identify methodologies for evaluating consumptive water and determining volume of water to be dedicated to instream flow;
- D. Identify species and benefits derived from restoration and water dedication;
- E. Identify funding opportunities and plan for securing private, public or Grantee funding; and
- F. Include other information reasonably necessary for the Restoration Plan for the planning, permitting and implementation of restoration of the Property.

ii. Submit a Parks Creek Ranch Management Plan (Management Plan) within five (5) years following the close of escrow. At a minimum, the Management Plan shall identify conceptual continued agricultural uses, including irrigated agriculture and agricultural areas.

iii. Make a good faith effort to initiate planning, permitting and restoration activities pursuant to the timelines set forth in the Restoration Plan.

iv. Grantee will implement restoration identified in the Restoration Plan within eight (8) years following close of escrow.

b. Dedication of Water Rights.

- i. The Property's water right consists of rights to draw water from Parks Creek ("Water Rights"). Within six (6) years from the close of escrow, Grantee will assemble and submit a petition to the State Water Resources Control Board (SWRCB) seeking to permanently dedicate a significant portion of the Property's Water Rights for

enhanced instream flow using California Water Code section 1707. The Wildlife Conservation Board defines enhanced instream flow as a change in the amount, timing, or quality of water flowing down a stream or portion of a stream to benefit fish and wildlife. Once the instream dedication is complete, Grantee shall not use the Property's Water Rights to divert water, excepting any water required to maintain the habitat or Property management needs, including continued agricultural use of the Property as outlined in the Management Plan. Grantee will notify Grantor in writing when it files its petition(s) with the State Water Resources Control Board.

- c. The Parties anticipate preparation of the Restoration Plan and Management Plan will be a collaborative and iterative process. Grantee will provide Grantor the opportunity to review and comment on the draft plans and Grantee will consider any such comments. The Parties will meet and confer on any comments or edits in good faith. Such review shall not be unreasonably withheld or delayed.
- d. The Parties acknowledge that the timelines for completing planning, permitting and restoration are contingent on several factors including approval by government agencies and funders not party to this Grant Agreement and outside the control of either Party.
- e. Grantee may request an extension if it knows or has reason to believe it will not meet the timelines set forth in the Restoration Plan. The extension request shall be made timely, in writing and set forth the reason for the delay, steps taken to meet the timeline, and the anticipated time for achieving the milestone. The Wildlife Conservation Board Executive Director may approve any request for an extension at its discretion, which shall not be unreasonably withheld or delayed.
- f. Grantee is committed to completion of the activities to be identified in the Restoration Plan subject the terms in this Agreement. As the Parties have acknowledged in Section 5.12(d), several factors beyond the control of Grantee may affect Grantee's ability to do so and may require the need to modify the Restoration Plan. Amendments or modifications to the Restoration Plan will be shared by Grantee with Grantor and the provisions of Section 5.12(c) will also apply to any such amendments or modifications to the Restoration Plan. If the activities identified in the Restoration Plan, or any amendment to the Restoration Plan, are not completed within the timelines included in the Restoration Plan or as reasonably extended in writing by Grantor and Grantee according to section 5.12(e), notwithstanding the other remedies also included in Section 7 below, Grantor may seek specific performance and require Grantee to complete the activities in the Plan, as amended if applicable. Notwithstanding the foregoing, prior to Grantor seeking specific performance or any other available remedies, Grantor and Grantee shall meet and confer 90 days

prior to the end of the timeline specified in the Restoration Plan to determine the status of the restoration activities specified in the Restoration Plan and appropriate next steps, including agreed upon reasonable extensions of the timing of those restoration activities or need to modify such activities, in lieu of Grantor exercising legal action.

- g. Until the restoration activities identified in the Restoration Plan are complete and the SWRCB petition process is complete, Grantee will provide an annual written report regarding the status of the planning, permitting and restoration project. The Parties will meet and confer regarding the annual report or any other relevant matters. The meetings will be held at a time and place mutually agreed upon by the Parties' representatives and may be in person or virtual. Grantor may require more frequent reports and meetings if Grantee is not progressing satisfactorily in achieving the timelines.

### 5.13 Income.

- a. Grantee shall use income generated from the Property only as follows:
  - i. to offset the costs of owning and managing the Property, including all direct and indirect costs of managing the Property;
  - ii. planning and implementing restoration treatments on the Property; and
  - iii. subject to written approval by Grantor, for other conservation purposes.
- b. So long as Grantee is receiving income generated from the Property, Grantee shall provide Grantor with an accounting of the income generated from the Property upon request.

5.14 Subject to Grantor's prior written approval, which may include additional requirements including but not limited to requiring repayment of a proportional amount of Grantor funds or requiring some or all proceeds of the sale up to the amount of the Grant Funds adjusted for inflation calculated based on Consumer Price Index, to be conveyed to Grantor and Grantee and Grantor entering into an amendment to this Agreement (or an amended and restated Grant Agreement) and the Notice, Grantee may sell all or a portion of the Property subject to a conservation easement. The conservation easement must be approved by Grantor and must conform with Grantor's Conservation Easement Minimum Requirements (Exhibit E), Baseline Conditions Report Minimum Standards (Exhibit F), and Monitoring Protocols Minimum Standards (Exhibit G), all of which are detailed in the Grantor's Minimum Requirement Checklist for Conservation Easements (Exhibit H) as those requirements exist at the time of sale.

## 6. **BREACH AND DEFAULT**

6.1. In the event of a breach of any of the terms, covenants or conditions of this Agreement, Grantor shall give written notice to Grantee describing the breach. Notice



shall be deemed given when personally delivered or deposited in the United States Mail, postage prepaid, or with a reliable over-night courier, addressed to Grantee at Grantee's address for notices set forth at the beginning of this Agreement.

6.2. If Grantee does not cure the breach within 90 days of the date a notice of breach is given or, if the breach is not curable within said 90-day period, Grantee does not commence the cure within the 90-day period and diligently pursue it to completion, then Grantee shall be in default ("Default") under this Agreement.

6.3. Grantee shall also be in Default under this Agreement upon the discovery that information given to Grantor by or on behalf of Grantee under or in connection with obtaining this Agreement was materially false, incomplete or misleading. Notice of a Default under this Section 6.3 shall be given in accordance with Section 6.1.

## **7. REMEDIES**

In the event of a Default under this Agreement, in addition to any and all remedies available at law or in equity, including monetary damages, Grantor shall have the following remedies:

7.1. Grantor may seek specific performance of this Agreement. Grantee agrees that payment by Grantee to Grantor of an amount equal to the Grant Funds disbursed under this Agreement would be inadequate compensation to Grantor for any Default because the benefit to be derived by Grantor from full compliance by Grantee with the terms of this Agreement is wildlife habitat preservation, restoration and management; creation, restoration and enhancement of riparian and floodplain habitat for fall Chinook salmon and coho salmon; wildlife-oriented education and research; compatible grazing use; compatible public or private uses, all as may be consistent with wildlife habitat preservation and protection of sensitive biological resources (and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by Grantor by way of Grant Funds under this Agreement).

7.2. Grantor may require Grantee to convey a conservation easement over the Property in favor of Grantor (or, at the election of Grantor, another entity or organization authorized by California law to acquire and hold conservation easements and that is willing and financially able to assume all of the obligations of Grantee), and to pay a sum to Grantor which, when combined with the fair market value of the conservation easement, equals the sum granted to Grantee pursuant to this Agreement, together with interest compounded semi-annually starting from the date of this Agreement to and including the date of payment, at a rate equivalent to that which is being earned at the time of Default on deposits in the State of California's Pooled Money Investment Account. The conservation easement shall be for the purposes of wildlife habitat preservation, restoration and management; creation, restoration and enhancement of riparian and floodplain habitat for fall Chinook salmon and coho salmon; wildlife-oriented education and research; compatible grazing use; compatible public or private uses, all as may be consistent with wildlife

habitat preservation and protection of sensitive biological resources. The value of the conservation easement shall be determined by a fair market value appraisal that is conducted by an appraiser who is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code and acceptable to Grantor. The appraisal shall be prepared pursuant to USPAP and, if required by law, approved by the Department of General Services.

7.3. Despite the contrary provisions of Article 6 of this Agreement, if Grantor determines that circumstances require immediate action to prevent or mitigate interference with the Purposes of Grant arising from a breach of this Agreement, then Grantor may pursue its remedies without waiting for the period provided for cure to expire.

## 8. **NONPROFIT ORGANIZATION GRANTEE**

If Grantee is a nonprofit organization and the existence of Grantee is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the State of California. However, prior to that termination, upon approval of Grantor, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property by recording its acceptance of title in writing. Any deed or other instrument of conveyance whereby real property is being acquired by a nonprofit organization pursuant to this Section 8 shall be recorded and shall set forth the executory interest or right of entry on the part of the State of California.

## 9. **TERM**

9.1. This Agreement shall be deemed executed and effective when signed by an authorized representative of each Party and received in the respective offices of Grantee and Grantor, together with the resolution described in Section 3.3. Grantee and Grantor shall each sign two original Agreements. Grantee shall receive one completely executed original and Grantor shall receive one completely executed original.

9.2. The term of this Agreement will commence on the date authorized by the Wildlife Conservation Board, as set forth in Section 16 and, unless previously terminated as provided in Section 9.3, will expire on May 23, 2025, if escrow has not closed by that date.

9.3. Prior to Grantee's close of escrow for acquisition of the Property, either Party may terminate this Agreement for any reason or for no reason, by providing the other Party with not less than 15 days written notice of such termination. If this Agreement is terminated after Grantor's deposit of the Grant Funds into escrow but before close of escrow for Grantee's acquisition of the Property, Grantee shall cause the escrow holder to immediately return all Grant Funds to Grantor and Grantee shall bear all costs and expenses of such termination.

9.4. The provisions of this Agreement that are not fully performed as of the close

of escrow, including but not limited to Section 2 (Purposes of Grant) and Section 5 (Grantee's Covenants), shall survive the close of escrow for Grantee's acquisition of the Property and remain in full force and effect.

10. **LIABILITY; MODIFICATIONS; INTERPRETATION**

10.1. Grantee shall indemnify, protect and hold harmless Grantor, CDFW, the State of California, and their respective members, directors, officers, agents, and employees (each an "Indemnified Party"), from and against any and all claims, demands, damages, liabilities, losses, costs (including attorneys' fees) and expenses (collectively, "Claims") arising out of, connected with, or incident to this Agreement or the acquisition, ownership, use, management, operation or maintenance of the Property, except that Grantee shall have no obligation to indemnify or hold harmless an Indemnified Party for Claims caused by the negligent or wrongful act of that Indemnified Party.

10.2. This Agreement may be modified only by written amendment signed by Grantor and Grantee. No prior or contemporaneous oral understanding or agreement not incorporated in this Agreement shall be binding on either of the Parties.

10.3. All references herein to "Grantee" are intended to refer to Grantee or its designee, successor or assignee as may be approved by Grantor.

10.4. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, that shall not affect any other provision of this Agreement or applications of the Agreement that can be given effect without the invalid provision or application and to this end the provisions of this Agreement are severable.

10.5. Grantee, its officers, directors, employees, agents and representatives, is each acting in an independent capacity in entering into and carrying out this Agreement, and not as a partner, member, director, officer, agent, employee or representative of Grantor.

10.6. This Agreement is not assignable or transferable by Grantee, either in whole or in part, except in connection with a transfer of the Property approved by Grantor under Section 5.4 of this Agreement.

10.7. Any costs incurred by Grantor, where Grantor is the prevailing party, in enforcing the terms of this Agreement against Grantee, including but not limited to costs of suit, attorneys' and experts' fees, at trial and on appeal, and costs of enforcing any judgment, shall be borne by Grantee.

10.8. Enforcement of the terms of this Agreement by Grantor shall be at the discretion of Grantor, and any forbearance by Grantor to exercise its rights under this Agreement shall not be deemed or construed to be a waiver of such term or of any

subsequent breach of the same or any other term of this Agreement or any of the rights of Grantor under it.

10.9. Grantor will notify Grantee as promptly as possible following Grantor's receipt of any request for information related to the Project under the California Public Records Act (Government Code Section 6250 *et seq.*).

## 11. **CONDEMNATION**

If the Property is, or is under threat of being, taken by exercise of eminent domain, Grantee shall promptly notify Grantor in writing. If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, Grantor and Grantee shall act jointly to recover from the condemning authority the full value of the property so taken or purchased, and all direct or incidental damages resulting therefrom. Grantor shall be entitled to the share of the Award (as defined below) which equals the ratio of the Grant Funds provided by Grantor to the purchase price Grantee paid to acquire the Property (e.g., if Grantor provided \$50,000.00 of Grant Funds and the purchase price was \$75,000.00, then Grantor would be entitled to two-thirds of the Award). For purposes of this Agreement, the "Award" shall mean all compensation awarded, paid or received on account of the Property so taken or purchased, and all direct or incidental damages resulting from the taking or purchase, less all out-of-pocket expenses reasonably incurred by Grantee in connection with the taking or purchase.

## 12. **AUDIT**

Grantee shall maintain complete and accurate records of its actual Project costs, in accordance with generally accepted accounting principles and practices, and shall retain said records for at least three years after final disbursement by Grantor. During such time, Grantee shall make said records available (or cause them to be made available) to the State of California for inspection and audit purposes during normal business hours. Expenditures not documented, and expenditures not allowed under this Agreement or otherwise authorized in writing by Grantor shall be borne by Grantee. The audit shall be confined to those matters connected with this Agreement, including but not limited to administration and overhead costs.

## 13. **UNION ORGANIZING**

By signing this Agreement, Grantee hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement and certifies that:

13.1. No state funds disbursed by this grant will be used to assist, promote or deter union organizing;

13.2. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure;

13.3. Grantee shall, where state funds are not designated as described in

Section 13.2 above, allocate, on a pro-rata basis, all disbursements that support the grant program; and

13.4. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

#### 14. **NON-DISCRIMINATION**

During the performance of this Agreement, Grantee shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, marital status, military and veteran status, age (over 40), sex, sexual orientation, gender identity, gender expression, or use of family-care leave, medical-care leave, or pregnancy-disability leave. Grantee shall take affirmative action to ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination and harassment. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Grantee shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 (a – f) *et seq.*), and applicable regulations (California Code of Regulations, Title 2, Section 7285 *et seq.*). The regulations of the Fair Employment and Housing Commission regarding Contractor Nondiscrimination and Compliance (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations) are incorporated by reference into this Agreement. Grantee shall give written notice of its obligations under this non-discrimination clause to labor organizations with which Grantee has a collective bargaining or other agreement, and shall post in conspicuous places available to employees and applicants for employment, notice setting forth the provisions of this section. Grantee shall also include the nondiscrimination and compliance provisions of this Agreement in all contracts related to the Project.

#### 15. **EXHIBITS**

Each of the Exhibits referenced in this Agreement is incorporated by reference as though set forth in full herein. The following Exhibits are attached to this Agreement:

**Exhibit A** – Property Description

**Exhibit B** – Certified Resolution or Other Action of Governing Body of Grantee

**Exhibit C** – Grantor's Logo

**Exhibit D** – Form of Notice of Unrecorded Grant Agreement

**Exhibit E** – Conservation Easement Minimum Requirements

**Exhibit F** – Baseline Conditions Report Minimum Standards

**Exhibit G** – Monitoring Protocols Minimum Standards

**Exhibit H** – Minimum Requirement Checklist for Conservation Easements

#### 16. **AUTHORIZATION**

The signature of the Executive Director certifies that at the Wildlife Conservation Board meeting held on May 23, 2024, the Board authorized the award of an acquisition grant to Grantee as provided in this Agreement.

17. **NON-AVAILABILITY OF FUNDS**

Grantor shall not be obligated to disburse any Grant Funds under this Agreement unless and until the bond cash proceeds identified for allocation to the Project (as further specified in the Funding Certification attached to this Agreement) are released by the State Treasurer's Office to Grantor for expenditure for this grant. Despite any contrary provision of this Agreement, no request for disbursement submitted prior to the release of such bond cash proceeds to Grantor shall be effective.

18. **COUNTERPARTS**

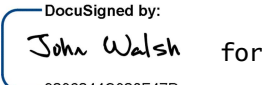
This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one, and the same instrument.

19. **ELECTRONIC SIGNATURES**

The Parties agree to accept electronic signatures (as defined in Section 1633.2 of the California Civil Code), faxed versions of an original signature, or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

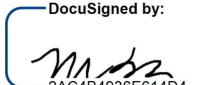
IN WITNESS WHEREOF, this Agreement is made and entered into this 24<sup>th</sup> day of May, 2024, in the State of California, by and between the Wildlife Conservation Board and The Nature Conservancy, each of which hereby agrees to the terms and conditions referenced on pages 1 through 14, along with Exhibits A through H, of this Agreement.

STATE OF CALIFORNIA  
WILDLIFE CONSERVATION BOARD

By:  for  
3286244C820F47D...  
Jennifer M. Norris, PhD  
Title: Executive Director

Date: 5/29/2024

GRANTEE:  
THE NATURE CONSERVANCY

By:   
2AC4B4936E614D4...  
Mike Sweeney  
Title: Executive Director, California Chapter

Date: 5/13/2024

**Project Name:** Parks Creek Ranch  
**County:** Siskiyou  
**Project ID:** 2023273

**FUNDING CERTIFICATION:**

I hereby certify that (a) the following funds will be encumbered on behalf of Grantor; and (b) Grant Funds shall not be disbursed unless and until sufficient proceeds from the source identified below become available to Grantor to disburse.

DocuSigned by: <i>Steve Bouthillier</i> _____ Fiscal Officer	5/24/2024 _____ Date
---	----------------------------

Grantee:	The Nature Conservancy 830 S Street Sacramento, CA 95811  Mike Conner, Associate Director of Land Protection
WCB Grant Agreement:	WC-2472DD
Agreement Term:	May 24, 2024 to May 23, 2025
WCB Grant Amount:	<b>\$9,300,000.00</b>
Fund Source:	General Fund, SB170, Sec.54
Appropriation Item:	Chapter 240, Statutes of 2021
Line Item:	3640-102-0001
Expenditure Code:	1000121102

## **EXHIBIT A**

### **(Legal Description)**

Real property in the County of Siskiyou, State of California, described as follows:

**Parcel I:**

The Southwest quarter of the Northeast quarter, the West one-half of the Southwest quarter of the Northeast quarter of the Northeast quarter of the Southeast quarter, the West one-half of the Northeast quarter of the Southeast quarter, and the West one-half of the Southeast quarter of the Northeast quarter of the Southeast quarter of Section 18, Township 42 North, Range 5 West, M.D.M.

Assessor's Parcel No.: 020-090-360 & 020-090-430

**Parcel II:**

All that property conveyed in that Grant Deed to MOLE-RICHARDSON COMPANY, a California corporation, recorded July 31, 1990, as Instrument No. 90008825, Official Records.

Assessor's Parcel No.: 020-100-240, 020-100-490, 020-100-520, 020-100-600 & 020-100-620

**Parcel III:**

All that property conveyed in that Grant Deed to MOLE-RICHARDSON CO., a California corporation, recorded November 25, 1987, as Instrument No. 87013915, Official Records.

EXCEPTING THEREFROM all that property described in that certain Boundary Line Adjustment for Mole- Richardson Company & Mills Ranch, Inc., Recorded October 12, 1990, as Instrument No. 90013357, Official Records.

Also EXCEPTING THEREFROM all that property described in that certain Boundary Line Adjustment for Mole Richardson Company, Recorded March 22, 1993, as Instrument No. 93002965, Official Records.

And further EXCEPTING THEREFROM all that property described in that certain Grant Deed from Outpost M-R, LLC, a California limited liability company to Gino Fiorucci, an unmarried man recorded February 21, 2018 as Instrument No. 2018-0001290.

Assessor's Parcel No.: 020-080-230, 020-090-140, 020-090-510 & 022-300-120



Parcel IV:

All that property described in that certain Boundary Line Adjustment for Mole-Richardson Company & Mills Ranch, Inc., Recorded October 12, 1990, as Instrument No. 90013357, Official Records.

EXCEPTING THEREFROM all that property described in that Grant Deed to Mills Ranch, a corporation, recorded October 12, 1990, as Instrument No. 90013358, Official Records.

ALSO EXCEPTING THEREFROM all that property described in that Grant Deed to Mills Ranch, a corporation, recorded October 12, 1990, as Instrument No. 90013362, Official Records.

AND FURTHER EXCEPTING THEREFROM all that property described in that certain Boundary Line Adjustment for Mole Richardson Company, Recorded March 22, 1993, as Instrument No. 93002965, Official Records.

Assessor's Parcel No.: 020-090-230, 020-090-260, 020-090-520, & 022-300-130

Parcel V:

All that property described in that certain Boundary Line Adjustment for Mole Richardson Company, Recorded March 22, 1993, as Instrument No. 93002965, Official Records.

Assessor's Parcel No.: 020-090-090, 020-090-130, 020-090-600, & 020-090-630

Parcel VI:

All that property conveyed in that Grant Deed to MOLE-RICHARDSON CO., a California corporation, recorded April 6, 1987, as Instrument No. 87003561, Official Records.

Assessor's Parcel No.: 020-090-150, 020-090-170, 022-300-110, 022-300-140, 022-300-150, & 022-300-180

Parcel VII:

All that property conveyed in that Grant Deed to MOLE-RICHARDSON CO., a California corporation, recorded June 18, 1980, as Book 891, Page 244, Official Records.

Assessor's Parcel No.: 020-160-140, 020-160-160 & 020-340-130

Parcel VIII:

All that property conveyed in that Grant Deed to MOLE-RICHARDSON CO., a California corporation, recorded May 5, 1980, as Book 888, Page 233, Official Records.

Together with a portion of the East half of the Northeast Quarter and the East half of the Southeast Quarter of Section 32, Township 42 North, Range 5 West Mount Diablo Meridian, particularly described as follows:

BEGINNING AT a point on the Southerly right of way line of the California State Highway from Weed to Gazelle. From which point Engineer's Station 204+28.29 of the surveyed centerline of said Highway bears North 34° 25' 00" East, 50.00 feet; thence South 45° 43' 00" West, 466.99 feet along Stewart Spring Road (Co. Rd. No. 4L051) to the West line of the East half of the Southeast quarter of Section 32: thence North 0° 17' 30" West, 557.06 to the Southerly right of way line of said Highway; thence South 55° 35' 00" East, 408.69 feet along the right of way line to the POINT OF BEGINNING.

Basis of Bearings per Book 908 Siskiyou County Official Records, page 268.

APNs: 020-150-011, 020-150-021, 020-150-030, 020-150-080, 020-150-091, 020-150-100, 020-160-020, 020-160-230 (Portion), 020-160-030, 020-160-050, 020-160-171, 020-160-181, 020-160-190, 020-160-200, 021-130-021, 022-310-101, 022-570-140 & 022-570-150.

**EXHIBIT B**

(Resolution)



California Regional Office  
830 S Street  
Sacramento, CA 95811

tel [415] 777-0487  
nature.org  
nature.org/california

### **CERTIFICATION OF CORPORATE ACTION**

California Wildlife Conservation Board Grant for the purchase of Parks Creek Ranch  
Siskiyou County, State of California

The undersigned hereby certifies, as of the date of execution set forth below, that  
The Nature Conservancy, a District of Columbia non-profit corporation:

- (1) is duly organized, validly existing and in good standing under the laws of the District of Columbia;
- (2) is qualified to transact business in the State of California;
- (3) has taken the requisite corporate action to enter into a Grant Agreement with the California Wildlife Conservation Board in the amount of \$9,300,000 to purchase Parks Creek Ranch in Siskiyou County; and
- (4) has taken appropriate action to authorize Mike Sweeney, Executive Director of the California Program of The Nature Conservancy and the California, Hawaii and Pacific Division Director, to execute and deliver such Grant Agreement and all related required documents from The Nature Conservancy pertaining to the Grant Agreement described above.

Executed as of April 19, 2024.

By: Cathy Norlie

Name: Cathy Norlie

Assistant Secretary and Senior Attorney, The Nature Conservancy

**EXHIBIT C**

(WCB Logo)



**EXHIBIT D**

(Notice of Unrecorded Grant Agreement)

**RECORDING REQUESTED BY:**

[Insert Grantee Name and Address]

**WHEN RECORDED, RETURN TO:**

State of California )  
 Wildlife Conservation Board )  
 Attn: Executive Director )  
 Mailing address: P.O. Box 944209 )  
 Sacramento, California 94244-2090 )

Project Name: Parks Ranch  
 County: Siskiyou

*Space above line for Recorder's use*

**NOTICE OF UNRECORDED GRANT AGREEMENT  
 (WITH COVENANTS AFFECTING REAL PROPERTY)**

This Notice of Unrecorded Grant Agreement ("Notice"), dated as of \_\_\_\_\_, 20\_\_\_\_, is made by \_\_\_\_\_ ("Grantee") and recorded concurrently with the Deed described below, to provide notice of an agreement between Grantee and the Wildlife Conservation Board ("Grantor" or "WCB"), a subdivision of the State of California, affecting the real property described below.

1. WCB and Grantee have entered into the California Wildlife Conservation Board Grant Agreement for Acquisition of Fee Interest, Grant Agreement No. WC-2472DD ("Grant" or "Agreement"), pursuant to which WCB grants to Grantee certain funds for Grantee's acquisition of fee title to approximately 5,277 acres of real property located in the County of Siskiyou, California (the "Property"), by Grant Deed (the "Deed") from \_\_\_\_\_ [identify Grantor]. The Property is legally described in **Exhibit A** attached to this Notice and incorporated in it by this reference. Initial-capitalized terms used in this Notice and not otherwise defined shall have the meaning set forth in the Grant.

2. Grantee agrees under the terms of the Grant to execute this Notice to give notice that Grantee received funds under the Agreement to assist Grantee in acquiring the Property and that, in consideration of the Grant Funds, Grantee has agreed to the terms of the Grant. The Grant is incorporated by reference into this Notice.

3. Grantee covenants and agrees in Section 5 of the Agreement as follows:

3.1. The Property shall be held, used, operated, managed and maintained only in a manner that is consistent with the Agreement, including the following "Purposes of Grant" set forth in Section 2 of the Agreement:

The Property shall be held and used for the purposes of wildlife habitat preservation, restoration and management; creation, restoration and enhancement of riparian and floodplain habitat for fall Chinook salmon and coho salmon; wildlife-oriented education and research; compatible grazing use; compatible public or private uses, all as may be consistent with wildlife habitat preservation and protection of sensitive biological resources (individually and collectively, the "Purposes of Grant").

3.2 Grantee shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), and shall furnish Grantor with satisfactory evidence of payment upon request. Grantee shall keep the Property free from any liens including, without limitation, those arising out of any obligations incurred by Grantee for any labor or materials furnished or alleged to have been furnished to or for Grantee at or for use on the Property.

3.3. The Property (including any portion of it or any interest in it) shall not be sold, transferred, exchanged or otherwise conveyed without the written approval of the State of California, acting through the Executive Director of the Wildlife Conservation Board ("WCB") or its successor.

3.4. The Property may not be used to satisfy any requirement or condition imposed by any permit, agreement, authorization or entitlement for use ("Mitigation"), including but not limited to any requirement to compensate for or otherwise offset impacts of an activity, without the written approval of the State acting through the Executive Director of WCB or its successor.

3.5. The Property (including any portion of it or any interest in it) may not be used as security for any debt without the written approval of the State of California, acting through the Executive Director of WCB or its successor.

3.6. At the request of Grantor, not less than once in any period of three calendar years, Grantee shall allow designated staff of Grantor to access the Property to assess compliance with the terms, covenants and conditions of this Agreement.

3.7. Grantee agrees to ensure that the terms and conditions of this Agreement shall be taken into account when calculating the baseline/business as usual of the Property for purposes of establishing carbon credits or other emissions offsets proposed to be authorized, created, sold, exchanged or transferred. Grantee agrees to notify WCB prior to any such proposed establishment.

4. Pursuant to Section 7 of the Agreement, in the event of a Default under the Agreement, in addition to any and all remedies available at law or in equity, Grantor may seek specific performance of the Grant and may require Grantee to convey a conservation easement over the Property in favor of Grantor (or, at the election of Grantor, another

entity or organization authorized by California law to acquire and hold conservation easements and that is willing and financially able to assume all of the obligations and responsibilities of Grantee), and to pay a sum to Grantor which, when combined with the fair market value of the conservation easement, equals the sum granted to Grantee pursuant to the Agreement, together with interest thereon as provided in the Agreement.

5. Pursuant to Section 8 of the Agreement, if Grantee is a nonprofit organization and the existence of Grantee is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the State of California. However, prior to that termination, upon approval of Grantor, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property by recording its acceptance of title in writing. Any deed or other instrument of conveyance whereby real property is being acquired by a nonprofit organization pursuant to this section shall be recorded and shall set forth the executory interest and right of entry on the part of the State of California.

6. Pursuant to Section 9 of the Agreement, the Grant shall remain in full force and effect from and after the close of escrow for the acquisition of the Property.

7. Pursuant to Section 10 of the Agreement, the Grant shall be binding upon Grantee and all designees, successors and assigns of Grantee.

8. Pursuant to Section 11 of the Agreement, if all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, Grantor and Grantee shall act jointly to recover from the condemning authority the full value of the Property so taken or purchased, and all direct or incidental damages resulting therefrom. Grantor shall be entitled to the share of the Award which equals the ratio of the Grant Funds provided by Grantor to the purchase price Grantee paid to acquire the Property.

9. This Notice is solely for the purpose of recording and in no way modifies the provisions of the Agreement. Grantee and WCB each has rights, duties and obligations under the Agreement which are not set forth in this Notice. To the extent the terms of this Notice conflict with the Agreement, the terms of the Agreement shall govern and control.

10. For additional terms and conditions of the Agreement, reference should be made to the California Wildlife Conservation Board Grant Agreement for Acquisition of Fee Interest by and between WCB and Grantee that commenced May 24, 2024, and is on file with the Wildlife Conservation Board, 715 P Street, 17<sup>th</sup> Floor, Sacramento, California 95811; *mailing address*: Wildlife Conservation Board, c/o Department of Fish and Wildlife, P. O. Box 944209, Sacramento, CA 94244-2090.

**GRANTEE:**

The Nature Conservancy

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

Print Name: Mike Sweeney

Title: Executive Director, California Chapter



[Notary Acknowledgment]

## **Exhibit E – Conservation Easement Minimum Requirements**

### **WILDLIFE CONSERVATION BOARD CONSERVATION EASEMENT MINIMUM REQUIREMENTS**

(Updated January 2019)

#### **SCOPE, PURPOSE and RECITALS OF CONSERVATION EASEMENT**

1. **PURPOSES OF CONSERVATION EASEMENT:** The conservation easement and grant agreement shall contain a definition of the purpose(s) of the conservation easement that is consistent with the fiscal, legislative and programmatic requirements of the funding source(s) used to pay for the conservation easement. The defined purpose(s) of the grant and conservation easement must be consistent and identify the resources and conservation values to be protected.
2. **PUBLIC POLICY:** The conservation easement should provide a statement(s) of state and local public policies the conservation easement supports, for example:

*Section 1362 of the California Fish and Game Code, in which the California Legislature has declared an intention to (1) support and encourage voluntary, long-term private stewardship and conservation of California's oak woodlands, and (2) provide incentives to protect and encourage farming and ranching operations that are operated in a manner that protects and promotes healthy oak woodlands and for the protection of oak trees providing superior wildlife values on private lands.*

3. **CONSERVATION VALUES:** The conservation easement shall contain a definition and description of the resources and conservation values protected by the easement. The description and definition shall be consistent with the Baseline Conditions Report. The defined conservation values must be consistent with the intent of the fund source used to pay for the conservation easement and the program goals and objectives of the program from which the project is funded. For example, the following WCB programs have defined goals, objectives and specified legislative intent: The Oak Woodland Program, the Rangeland Program, the Inland Wetland Conservation Program, the California Riparian Program, the Tax Credit Program and /or the statutes authorizing the expenditure of funds.

**The definition of the conservation values shall include sufficient detail that explains habitat types, particular species or resources identified for protection, i.e., wildlife, nature of the working landscape, agricultural, historical, cultural, archaeological or recreational values.**

4. STANDARD RECITALS, WITNESSETH: Describe the owner in fee simple; provide a brief and general description of property; landowner's willingness to grant a conservation easement with restrictions; statement describing landowner's willingness to use property consistent with stated purpose, and adherence to terms, covenants and conditions of conservation easement.
5. GRANTEE AUTHORITY: Statement describing the easement holder's authority to hold the conservation easement as defined by Section 170(h) (3) of the Internal Revenue Code, Section 815.3 of the California Civil Code and as certified by governing body of easement holder. Statement should express responsibility to monitor and enforce the terms and conditions of the conservation easement.
6. LANDOWNER CONVEYANCE: Statement of what the landowner desires to convey for valuable consideration to assure the protection of the defined conservation values and purpose of the conservation easement.
7. BASELINE CONDITIONS REPORT: The conservation easement shall contain reference to the Baseline Conditions Report (Report). The Report must be signed and certified by the landowner and Grantee, as representing a current and accurate description and representation of the protected property, its resources and conservation values. The Report shall be delivered to WCB prior to the close of escrow and become part of the internal acquisition file.
8. COMPLIANCE MONITORING: The conservation easement shall contain language that requires the easement area to be monitored by the easement holder at least annually to assess the condition of the property, including without limitation the conservation values and compliance with the conservation easement and purposes of the grant. The easement must also contain language that allows WCB access to the property no less than once in any period of three calendar years, to assess compliance with the terms, covenants, and conditions of the Grant Agreement between WCB and the easement holder.
9. MONITORING PROTOCOLS: Prior to the close of escrow, the easement holder shall develop monitoring protocols. At a minimum, the protocols shall address the terms and conditions of the conservation easement, the purpose of the easement and the conservation values. The protocols shall include a definition of impairment that, in-part, includes a statement addressing a scenario where the conservation values are reduced to such level they are no longer sustainable and render the purpose of the conservation easement void. The monitoring protocols shall be reviewed and approved by WCB. **NOTE: Monitoring protocols do not have to be identified in the conservation easement; however, they must be consistent with the defined purpose of the conservation easement and the defined conservation values.**
10. MONITORING REPORT: Commencing one year after the close of escrow and every year thereafter, the easement holder shall provide a written report to WCB describing and assessing the condition of the easement area and condition of the

conservation values. The monitoring report shall address each of the approved monitoring protocols, including an assessment of the conservation values. **NOTE: The monitoring report is not part of the conservation easement; however, the report must capture the information outlined in the monitoring protocols and shall include sufficient detail to explain the condition of the conservation easement and the defined conservation values.**

## **TERMS, CONDITIONS AND RESTRICTIONS**

11. GRANTOR RIGHTS: Statements describing the rights of the landowner to engage in land use practices that are consistent with and complimentary to the purpose(s) of the easement and the conservation values. Such statements shall prohibit activities that significantly impair, interfere or otherwise burden the sustainability of the conservation values.
12. GRANTEE RIGHTS: Statements of what the Grantor (landowner) grants and conveys to the Grantee (either NGO, state and/or third party) to accomplish the purposes of the conservation easement. Specific rights should be detailed, enforceable, and consistent with the purpose of the easement and applicable provisions of the WCB Grant Agreement.
13. PERMITTED USES: Statements of allowable or permitted uses of the property that are consistent with and complimentary to the defined purpose of the easement and the defined conservation values.
14. PROHIBITED USES: Statement of prohibited uses that would result in damage to or loss of value to the conservation values and purpose of the conservation easement. Statements shall include a general provision that specifies that prohibited uses are not an inclusive and exhaustive list and any activity or use that deters from or impairs the conservation values of easement is prohibited.
15. PRIOR APPROVED ACTIVITIES: Some land uses may or may not impair the conservation values. Prior approval from the easement holder must be obtained on questionable or unstated land uses. The easement should describe the process for obtaining prior approval from the easement holder and/or state.
16. APPLICABLE LAWS: The conservation easement shall contain a statement the landowner is responsible for complying with applicable laws.

17. PUBLIC ACCESS: If public access is allowed, the conservation easement should contain language stating that public access rights are created with the easement and specifically define those rights. If public access is not allowed, the easement should contain language stating that public access has not been created.
18. INDEMNIFICATION AND HOLD HARMLESS: The conservation easement shall contain language of indemnification and hold harmless on the part of the landowner.
19. OPERATION AND MAINTENANCE: The conservation easement shall contain language identifying the landowner as the responsible entity for all maintenance and operations of the property including the payment of applicable state, local and federal taxes.
20. TRANSFER OF EASEMENT RIGHTS: The conservation easement shall contain language prohibiting the sale, transfer, or exchange of easement interest (or portions thereof) without the prior approval of the WCB or its successor.
21. SUBORDINATE LIENS ON PROPERTY: The conservation easement shall contain language that all liens must be subordinate to the conservation easement and any rights or interests of the state.
22. SECURITY FOR DEBT: The conservation easement shall contain language stating the easement may not be used as security for any debt without the written approval of the State of California, acting through the WCB or its successor.
23. NOTICES: The conservation easement shall contain all applicable information for notifying the easement holder and the state. Notices must be in writing.
24. BREACH OF ESSENTIAL CONDITIONS: The conservation easement shall contain a description of the notification process in the event any terms, conditions, or covenants of the conservation easement are violated. The language shall describe conditions that constitute a default, i.e., cure within 90 days, if possible.
25. REMEDIES: The conservation easement shall describe in the event of a default, all remedies available to cure default. One such remedy must include the option that WCB may require the easement holder to convey its interests in the conservation easement to WCB or, at the election of WCB, to another entity or organization authorized by California law to acquire and hold conservation easements and which is willing and financially able to assume all the obligations and responsibilities of the former easement holder.
26. TERMINATION OF EASEMENT HOLDER: If the easement holder is a nonprofit organization and the existence of the easement holder is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the State of California. However, prior to that termination, upon approval of WCB, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property by recording its acceptance of title in writing. Any deed or other instrument of conveyance whereby the real property is being acquired by a

**nonprofit organization shall be recorded and shall set forth the executory interest or right of entry on the part of the State of California.**

27. COST OF ENFORCEMENT: The conservation easement shall contain a statement that any costs incurred by the conservation easement holder for correcting a default on the part of the landowner shall be borne by the landowner.
28. EXTINGUISHMENT: The conservation easement shall contain language stating the easement shall not be terminated or extinguished, in whole or in part, except through appropriate legal proceedings in a court of competent jurisdiction.
29. TERMINATION AND EXTINGUISHMENT: The conservation easement shall contain language that specifies how the distribution of funds will be made if any part of the property is taken by the exercise of eminent domain, or acquired by purchase in lieu of condemnation, to terminate the conservation easement in whole or in part. The language shall further specify that WCB and the easement holder may act jointly to recover from the condemning authority the full value of the easement holder's interest in the property. WCB shall be entitled to the share of the award, which equals the ratio of the WCB Grant Funds to the purchase price the easement holder paid to acquire the conservation easement.
30. SIGNAGE: The conservation easement must contain language that recognizes WCB participation in funding the easement and permits the posting of one or more sign(s) on the Property displaying the WCB logo.
31. AMENDING CONSERVATION EASEMENT: The conservation easement must contain language that specifies any amendment is subject to the approval of the WCB, and that any amendment made without this approval is void. If the easement is modified (and approved by WCB), the easement shall be re-recorded with the county and a copy of the modified recorded easement provided to the state.
32. SALE OF CARBON CREDITS: The conservation easement shall include language that ensures that the terms and conditions of the conservation easement are 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 landowner, conservation easement holder, or any party proposes to authorize, create, sell, exchange or transfer with respect to the property. The conservation easement shall also require that the conservation easement holder and WCB be notified at least 45 days prior to any such proposed establishment.

**Consistent with the provisions of the WCB Grant Agreement, the Grantee agrees to include in the required annual monitoring report, a summary of any activity by the landowner or Grantee to establish carbon credits or other emissions offsets with respect to the Property, and to provide WCB with such further information as WCB may request regarding such activity.**

33. MITIGATION CREDITS: The conservation easement shall contain language identifying that it may not be used to satisfy any requirement or condition imposed by any permit, agreement, authorization, or entitlement for use ("Mitigation"), including but not limited to any requirement to compensate for or otherwise offset impacts of an activity, without the written approval of the state acting through the Executive Director of WCB or its successor.

34. FOREST LANDS: For conservation easements on property that consists completely of forest lands, or includes some forest lands, Grantee shall ensure that the terms of the conservation easement require an associated easement management plan (or similar document) whereby the landowner agrees to: (1) maintain and improve forest health through promotion of a more natural tree density, species composition, structure, and habitat function, (2) make improvements that increase the land's ability to provide resilient, long-term carbon sequestration and net carbons stores as well as watershed functions, and (3) provide for retention of larger trees and a natural range of age classes, and ensure the growth and retention of these larger trees over time.

**“Forest lands” are lands primarily suited to growing timber and forest products such as sawlogs, pilings, poles, split products, pulpwood, bolts, bark, and other products.**

35. EXHIBITS: If the conservation easement allows specific activities to occur over the easement area, i.e., intensified agricultural uses, buildings, gravel quarries, etc., these land uses should be described, and their general location identified on a map that is included as an exhibit to the conservation easement. For example:

**Residential Envelope  
Intensified Agriculture  
Envelope Agricultural Building  
Envelope Location of Existing  
Buildings Gravel Quarries**

## **Exhibit F**

### (Baseline Conditions Report Minimum Standards)

The Baseline Conditions Report (Baseline Report) must satisfy the requirements set forth in the Grant Agreement of which this Exhibit F is a part and contain at least the following information:

1. Date. Date Baseline Report was prepared.
2. Preparer Information. Identity and qualifications of preparer(s) that demonstrates their experience, education and expertise relevant to the resources, features and characteristics being documented, the Conservation Values and purposes of the Conservation Easement and the tasks necessary to prepare the Baseline Report.
3. Ownership Information. Name(s) and contact information of current Landowner.
4. Description of Property. General location and setting, natural features, current and historic land uses, presence and description of all improvements and other man-made features on the Property relevant to the purposes and terms of the Conservation Easement.
5. Resources and Conservation Values. Detailed description of the resources and Conservation Values of the Property, including all relevant features and conditions of the Conservation Values necessary to establish a baseline from which to monitor and enforce the Conservation Easement. The description may include ecological, scenic, historic, and landscape components, such as wildlife habitat, ecological, agricultural, historical, forested and/or open-space features and uses, and is to be provided using information sources and methodologies appropriate to the resources, features and conditions being addressed. Descriptions should be sufficiently detailed to allow for meaningful future comparisons.
6. Maps. Appropriate survey maps, such as from the United States Geological Survey, which identify the property lines. One or more maps that describe the boundary of each conservation easement area and the location of the conservation easement area(s) within the entire Property. The baseline maps should also depict the features of the Property that are relevant to the administration, monitoring and enforcement of the Conservation Easement. Relevant features may include improvements and other man-made attributes (e.g., roads, fences, gravel pits), topography, vegetative cover, soil types, etc., as well as the site(s) of specific resources and Conservation Values protected by the Conservation Easement (e.g., protected vegetation, wildlife habitats, natural or scenic features). Mapping should be produced to a technical standard suitable for electronic reproduction and transmission, as appropriate, and at a scale adequate to accurately depict the elements to be included. All mapping should be dated and identify the party responsible for preparing the mapping information.
7. Photographs. Photographs taken at appropriate points on the Property to document the baseline condition of the Property, the Conservation Values and resources protected by the Conservation Easement, and other features of the Property that are



relevant to the administration, monitoring and enforcement of the Conservation Easement, including aerial photographs as appropriate. With each photograph, text should be provided identifying the date of the photograph, the photographer, and what the photograph depicts. The geographic location from which each photograph was taken should be accurately recorded on a scaled map, with a directional arrow indicating the orientation of each photograph. An appropriate number of baseline photographs representing the purposes and Conservation Values of the project should be selected to serve as photo monitoring points designed to document significant changes over time or changes from the Baseline Report.

8. Certifications. Signed acknowledgment from Landowner and Grantee that the Baseline Conditions Report is a complete and accurate representation of the condition of the Property at the time the Conservation Easement is granted.
9. Conservation Easement. Copy of the recorded Conservation Easement.

## **Exhibit G**

### **(Monitoring Protocols Minimum Standards)**

#### **Minimum Standards for Monitoring Protocol**

The Monitoring Protocol must contain all information necessary for the Grantee to monitor and assess compliance with the Conservation Easement, including pre-monitoring preparation, monitoring activities, records and reports. The Monitoring Protocol must contain at least the following specific information:

1. **Pre-Monitoring Activities.** How frequently will the Conservation Easement be monitored? Under what circumstances will additional monitoring be required? How will the Landowner be contacted in the usual course of business? What information needs to be gathered or prepared in advance of the monitoring visit?
2. **Monitors.** Identify the required number, qualifications and training of monitors.
3. **Purpose of Monitoring.** The identified purpose must specifically relate to the Conservation Easement purposes, terms and conditions, the Baseline Report, and the Purposes of Grant.
4. **Frequency and Timing.** Specify frequency and timing (e.g., months or times of year appropriate to accurately assess the condition or track changes in the Conservation Values) of regular and special monitoring (e.g., in connection with changes of ownership or management of Property; possible violations observed during regular monitoring; enforcement of Conservation Easement).
5. **Procedures and Methods of Monitoring.** Include on-site inspection of entire Property as well as aerial and on-ground photographs, plus other methods as appropriate in light of particular Conservation Easement purposes, terms and conditions and Purposes of Grant. Encompass selected photo points contained in the Baseline Report with a plan for when and how the selected photo points will be re-shot, plus criteria for additional photo points if appropriate. The photo monitoring points will be used to document significant changes over time and /or changes from the Baseline Report.
6. **Monitoring Checklist and Plan.** Provide monitoring checklist (with narrative as appropriate) and plan tailored to Conservation Easement purposes, terms and conditions, Baseline Report and Purposes of Grant. Identify items (including issues and observations) to be discussed in a narrative report, if appropriate. If the Property is large, address how regular monitoring visits will cover the large expanse.
7. **Documentation.** Discuss how monitoring activities and results will be described and documented. Each Monitoring Report must include at least the following information:
  - a. Date(s) and time(s) of monitoring; conditions (weather, visibility, etc.)
  - b. Identities and number of participants (Grantee staff, consultants or representatives, Landowner, third parties)
  - c. Qualifications and affiliations of monitors
  - d. Purpose of monitoring (e.g., annual monitoring, special inspection due to suspected violation or request for consent to exercise of reserved right, change of ownership, etc.)
  - e. Method(s) of monitoring (e.g., aerial inspection, drive-by, site visit, etc.) including route(s) of travel
  - f. Documentation of monitoring procedures and activities, including any information brought to the monitoring visit (e.g., Baseline Report, previous Monitoring Report(s),

management plan, aerial photographs, maps, etc.)

g. Description and summary of observations documented with photo monitoring points annotated with date, location, description and orientation as identified in the Baseline Report. Photographs should be cross-referenced to the Baseline Report.

h. Description of site conditions relative to the terms, conditions and purposes of the Conservation Easement and the Purposes of Grant, including any observable changes from the Baseline Report or the last completed Monitoring Report.

i. Any additional comments on observations, including facts relating to any possible violation(s) observed and any follow-up recommendations.

8. Post-Monitoring Activities. Describe plan for how, when and by whom the Monitoring Report will be prepared. How will checklists, notes, photographs and other items be retained, stored and managed? Describe storage, protection, back-up, retention and management of the Monitoring Report.

9. Response to Possible Problems or Violations. What will be the procedures in the event that a potential problem is identified in the field? When and how will notice be given to the Landowner and Grantor?

10. Changes. Describe circumstances in which changes to the Monitoring Protocol may be appropriate. When and how will any proposed changes be presented for consideration of approval by Grantor?

**Exhibit H**  
(Minimum Requirement Checklist for Conservation Easements)

***WCB CONSERVATION EASEMENTS MINIMUM REQUIREMENTS***

**SCOPE, PURPOSE and RECITALS OF CONSERVATION EASEMENT**

	<p>1. <u>PURPOSES OF CONSERVATION EASEMENT</u>: The conservation easement and grant agreement shall contain a definition of purpose(s) that is consistent with the fiscal, legislative and programmatic requirements of the funding source(s) used to pay for the conservation easement. The defined purpose(s) of the grant and conservation easement must be consistent and identify the resources and conservation values to be protected.</p> <p><i>(see Policy Requirement &amp; CE GA #2)</i></p>
	<p>2. <u>PUBLIC POLICY</u>: The conservation easement should provide a statement(s) of state and local public policies the conservation easement supports, for example:</p> <p><i>Section 1362 of the California Fish and Game Code, in which the California Legislature has declared an intention to (1) support and encourage voluntary, long-term private stewardship and conservation of California's oak woodlands, and (2) provide incentives to protect and encourage farming and ranching operations that are operated in a manner that protects and promotes healthy oak woodlands and for the protection of oak trees providing superior wildlife values on private lands.</i></p>
	<p>3. <u>CONSERVATION VALUES</u>: The conservation easement shall contain a definition and description of the resources and conservation values protected by the easement. The description and definition shall be consistent with the Baseline Conditions Report. The defined conservation values must be consistent with the intent of the fund source used to pay for the conservation easement, the program goals and objectives of the program from which the project is funded. For example, the following WCB programs have defined goals, objectives and specified legislative intent: The Oak Woodland Program, the Rangeland Program, the Inland Wetland Conservation Program, the California Riparian Program, the Tax Credit Program and /or the statutes authorizing the expenditure of funds.</p> <p>The definition of the conservation values shall include sufficient detail that explains habitat types, particular species or resources identified for protection, i.e., wildlife, nature of the working landscape, agricultural, historical, cultural, archaeological or recreational values.</p>
	<p>4. <u>STANDARD RECITALS, WITNESSETH</u>: Describe the owner in fee simple; provide a brief and general description of property; landowner's willingness to grant a conservation easement with restrictions; statement describing landowner's willingness to use property consistent with stated purpose, and adherence to terms, covenants and conditions of conservation easement.</p>

**WCB CE Minimum Requirements**

	5. <u>GRANTEE AUTHORITY</u> : Statement describing the easement holders' authority to hold the conservation easement as defined by Section 170(h) (3) of the Internal Revenue Code, Section 815.3 of the California Civil Code and as certified by governing body of easement holder. Statement should express responsibility to monitoring and enforce the terms and conditions of the conservation easement.
	6. <u>LANDOWNER CONVEYANCE</u> : Statement of what the landowner desires to convey for valuable consideration to assure the protection of the defined conservation values and purpose of the conservation easement.
	7. <u>BASELINE CONDITIONS REPORT</u> : The conservation easement shall contain reference to the Baseline Conditions Report (Report). The Report must be signed and certified by the landowner and Grantee, as representing a current and accurate description and representation of the protected property, its resources and conservation values. The Report shall be delivered to WCB prior to the close of escrow and become part of the internal acquisition file. <i>(see Policy Requirement &amp; CE GA #3.3 &amp; Exh. C)</i>
	8. <u>COMPLIANCE MONITORING</u> : The conservation easement shall contain language that requires the easement area to be monitored by the easement holder at least annually to assess the condition of the property, including without limitation the conservation values and compliance with the conservation easement and purposes of the grant. The easement must also contain language that allows WCB access to the property no less than once in any period of three calendar years, to assess compliance with the terms, covenants, and conditions of the Grant Agreement between WCB and the easement holder. <i>(see Policy Requirement &amp; CE GA #5.3 &amp; 5.5)</i>
	9. <u>MONITORING PROTOCOLS</u> : Prior to the close of escrow, the easement holder shall develop monitoring protocols. At a minimum, the protocols shall address the terms and conditions of the conservation easement, the purpose of the easement and the conservation values. The protocols shall include a definition of impairment that, in-part, includes a statement addressing a scenario where the conservation values are reduced to such level they are no longer sustainable and render the purpose of the conservation easement void. The monitoring protocols shall be reviewed and approved by WCB. <b>NOTE: Monitoring protocols do not have to be identified in the conservation easement; however, they must be consistent with the defined purpose of the conservation easement and the defined conservation values.</b> <i>(see Policy Requirement &amp; CE GA #3.4 &amp; Exh. D)</i>

**WCB CE Minimum Requirements**

	<p>10. <b><u>MONITORING REPORT:</u></b> Commencing one year after the close of escrow and every year thereafter, the easement holder shall provide a written report to WCB describing and assessing the condition of the easement area and condition of the conservation values. The monitoring report shall address each of the approved monitoring protocols, including an assessment of the conservation values. <b>Adequate language in the conservation easement may include: “The monitoring report shall address each of the monitoring protocols as required in the WCB Grant Agreement”.</b></p> <p><i>(see Policy Requirement &amp; CE GA #5.4)</i></p>
--	---

**TERMS, CONDITIONS AND RESTRICTIONS**

	<p>11. <b><u>GRANTOR RIGHTS:</u></b> Statements describing the rights of the landowner to engage in land use practices that are consistent with and complimentary to the purpose(s) of the easement and the conservation values. Such statements shall prohibit activities that significantly impair, interfere or otherwise burden the sustainability of the conservation values.</p>
	<p>12. <b><u>GRANTEE RIGHTS:</u></b> Statements of what the Grantor (landowner) grants and conveys to the Grantee (either NGO, state and/or third party) to accomplish the purposes of the conservation easement. Specific rights should be detailed, specific, enforceable and consistent with the purpose of the easement and applicable provisions of the WCB Grant Agreement.</p>
	<p>13. <b><u>PERMITTED USES:</u></b> Statements of allowable or permitted uses of the property that are consistent with and complimentary to the defined purpose of the easement and the defined conservation values.</p>
	<p>14. <b><u>PROHIBITED USES:</u></b> Statement of prohibited uses that would result in damage to or loss of value to the conservation values and purpose of the conservation easement. Statements shall include a general provision that specifies that prohibited uses are not an inclusive and exhaustive list and any activity or use that deters from or impairs the conservation values of easement is prohibited.</p>
	<p>15. <b><u>PRIOR APPROVED ACTIVITIES:</u></b> Some land uses may or may not impair the conservation values. Prior approval from the easement holder must be obtained on questionable or unstated land uses. The easement should describe the process for obtaining prior approval from the easement holder and/or state.</p>
	<p>16. <b><u>APPLICABLE LAWS:</u></b> The conservation easement shall contain a statement the landowner is responsible for complying with applicable laws.</p>
	<p>17. <b><u>PUBLIC ACCESS:</u></b> If public access is allowed, the conservation easement should contain language stating that public access rights are created with the easement and specifically define those rights. If public access is not allowed, the easement should state that public access has not been created.</p>

**WCB CE Minimum Requirements**

	18. <u>INDEMNIFICATION AND HOLD HARMLESS</u> : The conservation easement shall contain language of indemnification and hold harmless on the part of the landowner.
	19. <u>OPERATION AND MAINTENANCE</u> : The conservation easement shall contain language identifying the landowner as the responsible entity for all maintenance and operations of the property including the payment of applicable state, local and federal taxes.
	20. <u>TRANSFER OF EASEMENT RIGHTS</u> : The conservation easement shall contain language prohibiting the sale, transfer, or exchange of easement interest (or portions thereof) without the prior approval of the WCB or its successor. (see Policy Requirement & CE GA #5.8)
	21. <u>SUBORDINATE LIENS ON PROPERTY</u> : The conservation easement shall contain language that all liens must be subordinate to the conservation easement and any rights or interests of the state.
	22. <u>SECURITY FOR DEBT</u> : The conservation easement shall contain language stating the easement may not be used as security for any debt without the written approval of the State of California, acting through the WCB or its successor.
	23. <u>NOTICES</u> : The conservation easement shall contain all applicable information for notifying the easement holder and the state. Notices must be in writing.
	24. <u>BREACH OF ESSENTIAL CONDITIONS</u> : The conservation easement shall contain a description of the notification process in the event any terms, conditions, or covenants of easement are violated. The language shall describe conditions that constitute a default, i.e., cure within 90 days, if possible.
	25. <u>REMEDIES</u> : The conservation easement shall describe in the event of a default, all remedies available to cure default. One such remedy must include the option that WCB may require the easement holder to convey its interests in the conservation easement to WCB or, at the election of WCB, to another entity or organization authorized by California law to acquire and hold conservation easements and which is willing and financially able to assume all the obligations and responsibilities of the former easement holder. (see Policy Requirement & CE GA #7.1 & 7.2)
	26. <u>TERMINATION OF EASEMENT HOLDER</u> : If the easement holder is a nonprofit organization and the existence of the easement holder is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the State of California. However, prior to that termination, upon approval of WCB, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property by recording its acceptance of title in writing. Any deed or other instrument of conveyance whereby the real property is being acquired by a nonprofit organization shall be recorded and shall set forth the executory interest or right of entry on the part of the State of California.

***WCB CE Minimum Requirements***

	27. <u><b>COST OF ENFORCEMENT</b></u> : The conservation easement shall contain a statement that any costs incurred by the conservation easement holder for correcting a default on the part of the landowner shall be borne by the landowner.
	28. <u><b>EXTINGUISHMENT</b></u> : The conservation easement shall contain language stating the easement shall not be terminated or extinguished, in whole or in part, except through appropriate legal proceedings in a court of competent jurisdiction. (see Policy Requirement & CE GA #5.12)
	29. <u><b>TERMINATION AND EXTINGUISHMENT</b></u> : The conservation easement shall contain language that specifies how the distribution of funds will be made if any part of the property is taken by the exercise of eminent domain, or acquired by purchase in lieu of condemnation, to terminate the conservation easement in whole or in part. The language shall further specify that WCB and the easement holder may act jointly to recover from the condemning authority the full value of the easement holder's interest in the property. WCB shall be entitled to the share of the award, which equals the ratio of the WCB Grant Funds to the purchase price the easement holder paid to acquire the conservation easement.
	30. <u><b>SIGNAGE</b></u> : The conservation easement must contain language that recognizes WCB participation in funding the easement and permits the posting of one or more sign(s) on the property displaying the WCB logo.
	31. <u><b>AMENDING CONSERVATION EASEMENT</b></u> : The conservation easement must contain language that specifies any amendment is subject to the approval of WCB, and that any amendment made without this approval is void. If the easement is modified (and approved by WCB), the easement shall be re-recorded with the county and a copy of the modified recorded easement provided to the state.
	<p>32. <u><b>SALE OF CARBON CREDITS</b></u>: The conservation easement shall include language that ensures that the terms and conditions of the conservation easement are 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 landowner, conservation easement holder, or any party proposes to authorize, create, sell, exchange, or transfer with respect to the property. The conservation easement shall also require the conservation easement holder and WC be notified at least 45 days prior to any such proposed establishment.</p> <p>Consistent with the provisions of the WCB Grant Agreement, the Grantee agrees to include in the required annual monitoring report, a summary of any activity by the landowner, Grantee, or any party to establish carbon credits or other emissions offsets with respect to the property, and to provide WCB with such further information as WCB may request regarding such activity.</p>



	<p>33. <u>MITIGATION CREDITS</u>: The conservation easement shall contain language identifying that it may not be used to satisfy any requirement or condition imposed by any permit, agreement, authorization, or entitlement for use ("Mitigation"), including but not limited to any requirement to compensate for or otherwise offset impacts of an activity, without the written approval of the state acting through the Executive Director of WCB or its successor.</p>
	<p>34. <u>FOREST LANDS</u>: For conservation easements on property that consists completely of forest lands, or includes some forest lands, Grantee shall ensure that the terms of the conservation easement require an associated easement management plan (or similar document) whereby the landowner agrees to: (1) maintain and improve forest health through promotion of a more natural tree density, species composition, structure, and habitat function, (2) make improvements that increase the land's ability to provide resilient, long-term carbon sequestration and net carbons stores as well as watershed functions, and (3) provide for retention of larger trees and a natural range of age classes, and ensure the growth and retention of these larger trees over time.</p> <p>"Forest lands" are lands primarily suited to growing timber and forest products such as sawlogs, pilings, poles, split products, pulpwood, bolts, bark, and other products.</p>
	<p>36. <u>EXHIBITS</u>: If the conservation easement allows specific activities to occur over the easement area, i.e., intensified agricultural uses, buildings, gravel quarries, etc., these land uses should be described, and their general location identified on a map that is included as an exhibit to the conservation easement.</p> <p>For example:</p>
	Residential Envelope (HEADQUARTERS AREA)
	Agricultural Building Envelope (HEADQUARTERS AREA)
	Location of Existing Buildings (HEADQUARTERS AREA)
	Intensified Agricultural Envelope
	Gravel Quarries

(Corres: Minimum Requirements WCB CE: REV 01-30-19)