

Recording requested by
and when recorded mail to:

The Conservation Fund
1655 North Fort Myer Drive, Suite 1130
Arlington, VA 22209-3199

[Reference APNs here]

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Grant Deed of Conservation Easement
(Usal Tract, Mendocino County)

This Grant Deed of Conservation Easement (referred to herein as this “**Easement**”), dated for reference purposes as of September 30, 2011, is entered into by and between the **Usal Redwood Forest Company LLC**, a Delaware limited liability company (“**Grantor**”), and **The Conservation Fund**, a Maryland non-profit corporation (“**Grantee**”), on the basis of the following facts and circumstances:

Recitals

A. The Usal Redwood Forest Company LLC is a wholly owned entity of the Redwood Forest Foundation, Inc. (“RFFI”). RFFI is a public benefit corporation incorporated under the laws of California and a tax-exempt public charity described in Section 815.3 of the California Civil Code and Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code (“IRC”). RFFI's purpose is to acquire, protect, restore and manage forestlands for the long-term public benefit of the region's citizens.

B. Grantor owns, in fee simple, that certain working forest real property, and the timber and water rights appurtenant thereto, consisting of approximately 50,526 acres of land in Mendocino County, California. In addition, Grantor holds timber rights over an additional approximately 64 acres of land in Mendocino County, California. Grantor's property is referred to as the “USAL Tract,” and is shown on **Schedule 1** which is attached hereto and made a part hereof (the “**USAL Tract Map**”).

C. Grantee desires to acquire a conservation easement over most of the USAL Tract, approximately 49,576 acres of the USAL Tract, which easement-encumbered area is more particularly described in **Schedule 2** which is attached hereto and made a part hereof (the “**Property**”), and which is also depicted on **Schedule 1**. Grantee desires to acquire the conservation easement as a means to grow and maintain a high inventory forest dominated by conifers and represented by all age and size classes that provide functional habitats as well as ecological and community benefits.

D. The Property possesses significant conservation values which are of importance to Grantor and Grantee, to the people of Mendocino County, and to the people of the State of

California, and which conservation values include, but are not necessarily limited to, forestry, natural and ecological, open space, community, cultural, and recreational and educational values as more specifically set forth in Paragraphs E through K, below and as may be further identified in the Conservation Easement Baseline Report described in Section 2 below (collectively, the “Conservation Values”). The Property is also a natural area which qualifies as a “relatively natural habitat of fish, wildlife, or plants, or similar ecosystem”, as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code of 1986 (as amended) (the “**IRC**”).

E. The Property’s *forest Conservation Values* include its ability, through sustainable forest management practices permitted in this Easement, to provide a combination of raw material for wood, timber and other forest products. The Property is principally forested, and while it was once an ancient redwood and Douglas-fir forest, it is now comprised by second- and third-growth forest stands dominated by Tan oak in many areas. The protection of the Property and the employment of forest management practices permitted hereunder and that emphasize the health of the forest, its watersheds and related ecosystems present on the Property will facilitate the conservation and restoration of an important coastal redwood/douglas fir ecosystem. Maintaining the capacity of the Property for productive and sustainable forest management will contribute to the long-term economic vitality of the region and the state by, among other things, enabling the development and retention of direct, indirect and induced family-wage jobs and regional mills associated with forest management, and the harvesting and manufacturing of forestry products.

F. The Property’s *forest Conservation Values* also include the capacity of its forests to sequester atmospheric carbon dioxide and store carbon as a means to mitigate climate change, which is recognized as being of public benefit by the 1993 United Nations Framework Convention on Climate Change, the Federal Energy Policy Act of 1992, Sections 1605(a) and (b), the United States Climate Challenge Program, the 2007 reports of the International Panel on Climate Change and California legislation such as that embodied in Fish and Game Code Section 1356.

G. The Property’s *natural and ecological Conservation Values* include redwood/Douglas fir forest, grassland, oak (*Quercus*) woodland, mixed hardwood, springs, seeps, wetlands and riparian habitats including more than 18 creeks and tributaries, including Usal Creek and South Fork Eel River tributaries such as Indian and Standley Creeks, which provide habitat for myriad sensitive species, including but not limited to rare or sensitive species such as northern spotted owl, south torrent salamander, tailed frog, Vaux swift and coho salmon and steelhead trout some of which are listed under state and/or federal endangered species and other wildlife protection regulations. The Property’s natural and ecological Conservation Values also include its large and contiguous habitats, which are essential to maintaining various natural communities of sensitive, rare, and/or endangered plant and animal species. The protection of the Property will help to support many listed and non-listed plant and animal species which are dependent on the water sources, nesting habitat, and food sources found on the Property; will enhance connectivity between other nearby protected areas, parks, and/or watershed areas for wildlife; and will help to ensure that this area and its existing features will continue to be available for its natural habitat values.

H. The Property's *open space Conservation Values* include the significant public benefit of protecting the Property from development and providing protection for scenic qualities unique to the area. Portions of the Property are visible from Highways 1 and 101, providing scenic values to the people of California and many others who use these public roads.

I. The Property's *community Conservation Values* provide an opportunity to develop and implement a community forest ownership model whereby citizens have input on certain issues such as forest management, forest restoration and the distribution of any sustainable economic returns to benefit the region's citizens, communities and forests.

J. The Property's *cultural Conservation Values* are preserved by allowing local California Indians to continue to use the Property, which is located in an area that is the pre-historic home of local California Indians, for hunting, gathering and ceremonial purposes.

K. The property's *educational and recreational Conservation Values* can further public understanding of the Property's unique forest, natural and ecological, open space and community and cultural attributes and provide for personal experiences that facilitate intellectual and spiritual development.

L. Grantor, as the owner of the Property, owns the right to identify, preserve, protect, and enhance the Conservation Values of the Property, and wishes to grant to Grantee a conservation easement on the Property in order to ensure that the Conservation Values of the Property are preserved, protected, and maintained in perpetuity, all as provided in this Easement. Grantor and Grantee have designed this Easement to provide for significant conservation benefits, in the form of permanent development and forest management restrictions, while allowing Grantor operational flexibility within the forest management restriction parameters to manage a forest of this size and scope for sustainable forestry purposes.

M. Grantor and Grantee recognize that use for economically productive forest management, restoration and maintenance of the Property's ecological integrity and environmental health, and recreational, educational and cultural uses as permitted herein are substantially compatible multiple uses of the Property.

N. Acquisition of this Easement, through Proposition 84 grant funding and other public and private funding sources, furthers the policies and goals embodied in state legislation and initiatives providing for the long term conservation of productive forest lands. The State of California supports the use of conservation easements which provide for the long term conservation of productive forest lands. The Safe Water Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), for example, established a grant program for "forest conservation and protection projects." The goal of this grant program is to "promote the ecological integrity and economic stability of California's diverse native forests for all their public benefits through forest conservation, preservation and restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats

for native fish, wildlife and plants found on these lands.” Public Resources Code Sections 75055 *et seq.*

O. The State of California recognizes the public importance and validity of conservation easements by enactment of Sections 815 *et seq.* of the California Civil Code.

P. Grantee is a non-profit corporation incorporated under the laws of Maryland and qualified to do business in the State of California. As certified by its governing body, Grantee is a tax-exempt public charity described in Section 815.3 of the California Civil Code and IRC Sections 501(c)(3) and 509(a)(1); and is a “qualified organization” within the meaning of that term in IRC Section 170(h), qualified to acquire and hold conservation easements. Grantee acknowledges its responsibility to monitor and enforce the terms and conditions of this Easement.

Q. The State of California, through the California Wildlife Conservation Board (“WCB”), has provided a grant for the acquisition of this Easement, as described in the grant agreement between Grantee and WCB dated July 26, 2011 (“WCB Grant Agreement”). WCB is a separate and independent board of the State of California with authority and funding to carry out an acquisition and development program for wildlife conservation. California Fish and Game Code Sections 1300 *et seq.* The State of California, through WCB or its successor, is a third-party beneficiary of certain rights under this Easement.

Agreement

Now, therefore, in consideration of the foregoing recitals, the respective agreements of the parties which are hereinafter set forth, and other good and valuable consideration, including a purchase price of Twenty Million Dollars (\$20,000,000), the receipt of which is hereby acknowledged, and pursuant to Sections 815 *et seq.* of the California Civil Code, Grantor hereby grants in perpetuity, and Grantee hereby accepts, a conservation easement in, on, over, and across the Property (the “**Easement**”) in favor of Grantee, granting to Grantee (as used herein, the term “**Grantee**” includes all successors and assigns of Grantee which may receive an assignment or transfer of Grantee’s interests in this Easement, during their respective periods of holding this Easement) the rights which are set out below and restricting in perpetuity the uses which may be made of the Property in order to assure the protection of the Conservation Values, as described above, and Easement Purposes, as described below, all on the following terms and conditions:

1. **Easement Purposes.** Grantor and Grantee intend that the Property be managed and maintained by Grantor, and by Grantor’s successors and assigns, to:

(a) Conserve, manage and protect an economically productive and ecologically important coastal California forest ecosystem as an economically-productive working forest;

(b) Conserve, manage and protect a productive and relatively natural coastal California forest ecosystem, including the fish and wildlife habitat associated with this ecosystem, in particular the redwood/Douglas-fir forest, oak (*Quercus*) woodland, grassland, mixed hardwood, springs, seeps, wetlands and riparian habitats and spawning habitat for coho salmon, Chinook salmon and steelhead trout;

(c) Maintain the capacity of the Property for productive forest management, including the long-term sustainable harvest of high quality forest products, contributing to the economic vitality of the state and region, in a manner that does not materially impair, degrade or damage the Conservation Values;

(d) Support, to the extent practicable, a regional workforce and mill capacity that will provide for sustainable jobs, fiber supply and rural economic development;

(e) Prevent habitat fragmentation;

(f) Provide opportunity for improvements and activities that support uses otherwise permitted hereunder as specifically set forth in Paragraph 7 of **Schedule 5**;

(g) Protect water and water quality thereof, including but not limited to wetlands, springs, seeps, and other watershed resources such as Usal Creek and South Fork Eel River tributaries such as Indian and Standley Creeks; and

(h) Prohibit any use of the Property that will materially impair, degrade or damage the Conservation Values of the Property.

Collectively, these are referred to herein as the “**Easement Purposes**”. Grantor intends that this Easement will restrict the use of the Property to such activities as are consistent with the Easement Purposes and with the terms and conditions of this Easement including without limitation those embodied in Sections 4 and 5 and **Schedules 4, 5 and 6** below, all in a manner that does not materially impair, interfere with or otherwise burden the sustainability of the Conservation Values.

2. **Conservation Easement Baseline Report.** The parties acknowledge that certain biological and other physical attributes of the Property particularly relevant to the Easement terms are further documented in an inventory of such attributes, dated September, 2011, on file in the offices of Grantor, Grantee and WCB, and incorporated into this Easement by this reference (referred to hereinafter as the “**Conservation Easement Baseline Report**”). The Conservation Easement Baseline Report has been prepared by competent resource professionals familiar with the Property and environs who were selected by mutual agreement of Grantor and Grantee, and acknowledged by WCB, before recordation of this Easement. The Conservation Easement Baseline Report, which has been reviewed and accepted by Grantor, Grantee and WCB, as acknowledged in a signed and certified statement in the form attached hereto as **Schedule 3** and made a part hereof, contains a current and accurate description and representation of the Property, its resources and Conservation Values, as existed around the time

that this Deed of Conservation Easement was recorded, and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of the Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the physical or biological condition of the Property, the parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

3. **Rights Conveyed to Grantee.** To accomplish the Easement Purposes, the following rights are conveyed to Grantee and all subsequent Grantees by and pursuant to this Easement:

(a) Grantee shall have the right to preserve and protect the Conservation Values of the Property.

(b) Upon seventy-two (72) hours prior notice to Grantor, Grantee shall have the right to access and enter upon the Property, at all reasonable times and for a reasonable duration, using any and all easements and rights of way appurtenant to the Property (if any), and in a fashion that is consistent with generally acceptable industry practices and that is in compliance with all federal and state laws and regulations, and that does not unreasonably interfere with uses permitted hereunder, in order to:

- (i) Identify the current uses and practices thereon and the baseline condition thereof; and
- (ii) Inspect the Property, monitor compliance with the terms and conditions of this Easement and otherwise enforce the Easement.

Grantee shall monitor at least annually to assess the condition of the Property, including without limitation the Conservation Values, the Easement Purposes and compliance with the terms and conditions of the Easement. Commencing one year after the date of recording of this Easement and every year thereafter, Grantee shall provide a written report to Grantor and to WCB describing and assessing the condition of the Property and condition of the Conservation Values. The monitoring report shall address each of the monitoring protocols that have been approved by WCB, including an assessment of the Conservation Values.

(c) Subject to compliance with all Applicable Laws (as hereinafter defined), Grantee shall have the right to erect, maintain, and/or remove, at the expense of Grantee, one or more signs or other appropriate markers in prominent locations on the Property, visible from public roads or other adjoining property, bearing information indicating: (i) that the Property is protected by the Easement; and/or (ii) the participation of The Conservation Fund; and/or (iii) the participation of any public agency, such as WCB, which funded the acquisition of the Easement and/or the conservation of the Property (each a “**Funding Agency**”); the wording of which shall be decided upon by Grantee and/or the Funding Agencies (as applicable), exercising their reasonable discretion, but which may in any case include such logos as the Funding Agencies

may desire. Grantee shall be responsible for obtaining any permits necessary to erect such signage.

(d) Grantee shall have the right of immediate entry upon the Property where such entry is necessary or desirable to prevent, terminate, or mitigate damage to or the destruction of, any of the Conservation Values, or to prevent, terminate, or mitigate a violation of the terms of this Easement. Grantee shall provide Grantor notice of its entry within twenty-four (24) hours of exercising its rights under this Section. Such entry shall be conducted consistent with generally acceptable industry practices and in compliance with all federal and state laws and regulations.

(e) Grantee shall have the right to enjoin any activity on the Property or other use of the Property which is either: (i) prohibited under the terms and conditions of this Easement; or (ii) inconsistent with the Easement Purposes and not otherwise explicitly permitted under the terms and conditions of this Easement; and Grantee shall have the right to enforce the restoration by the responsible party or parties of such areas or features of the Property as may be damaged by any such prohibited or inconsistent activity or use.

4. **Consistent or Otherwise Permitted Uses of the Property.** Grantor reserves the right to carry out any and all activities at and uses of the Property which are permitted in **Schedule 4** and **Schedule 5** which are attached hereto and made a part hereof, including the right to perform Forest Management as set forth in **Schedule 4**, subject to applicable notices, consultations, consents, approvals or restrictions, if any, set out in that schedule or elsewhere in this Easement.

5. **Prohibited Uses of the Property.** The uses of the Property described in **Schedule 6** attached hereto are agreed by Grantor and Grantee to be prohibited, *except* to the limited extent (if any) that they are permitted pursuant to the terms of **Schedule 4** or **Schedule 5**. The list of prohibited uses in **Schedule 6** is also designed to provide Grantor and Grantee with guidance in determining whether other activities are inconsistent with the Easement Purposes.

6. **Habitat Enhancement.** Grantor and Grantee may collaborate on activities to enhance important natural habitats by working cooperatively to develop and agree to specific habitat enhancement plans, including agreeing on financial and in-kind contributions.

7. **Easement Enforcement.** The following provisions shall be applicable to enforcement of the Easement:

(a) **Notice of Violation.** If Grantor or Grantee becomes aware that a violation of the terms of this Easement (a “**Violation**”) by the other party, or its agents, contractors or tenants, has occurred or is threatened to occur, it (the “**Notifying Party**”) may give a written notice of the Violation (a “**Violation Notice**”) to the other party (the “**Notified Party**”).

(b) **Corrective Action.** Upon the giving of a Violation Notice, the Notified Party shall promptly commence, and thereafter diligently pursue to completion, corrective action

sufficient to cure the Violation (if there is a Violation) and, where the Violation involves injury to the Property resulting from any use or activity by the Notified Party, or by anyone acting for the Notified Party, in violation of the terms of this Easement, to restore the portion of the Property so injured.

(c) Default. A Notified Party shall be in default under this Easement (a “**Default**”) if it fails to so cure the Violation within ninety (90) days after the Violation Notice is given; *provided* that, if more than ninety (90) days is reasonably required for the corrective action (such as due to the event triggering the Violation occurring in the winter months), then, if the Notified Party promptly begins the corrective action within such ninety (90) day period (such as by scheduling the corrective action within the 90 day period to begin as soon as seasonal conditions allow), no Default shall exist on its part as to the Violation for so long thereafter as the Notified Party is diligently pursuing such cure to completion. The fact that a “Default” does not exist under the foregoing provisions shall in no event, however, absolve any party from any liability under this Easement with respect to a Violation.

(d) Remedies. In the event of a Violation, the party or parties who did not commit the Violation shall have all remedies available at law or in equity to enforce the terms of this Easement, including (but not limited to) the right to: (i) seek a temporary or permanent injunction with respect to any activity causing a Violation; (ii) require the restoration of that portion of the Property affected by the Violation to a condition similar or equivalent to the condition that existed prior to the Violation, by restoring soils, replanting suitable native vegetation, or taking such other action as is reasonably necessary to achieve such restoration; and (iii) recover any additional damages arising from the Violation; *provided, however*, that no party shall enforce its rights under clauses (i) or (ii) above after the giving of a Violation Notice until such time as a Default by the Notified Party exists under the foregoing provisions. The foregoing remedies shall be cumulative and shall be in addition to all other remedies existing at law or in equity with respect to a Violation.

(e) Costs of Enforcement. In any action, suit or other proceeding undertaken to enforce any right or obligation under this Easement, or to interpret any of the provisions of this Easement, the prevailing party shall be entitled to recover from the non-prevailing party the costs and expenses of such proceeding, including (but not limited to) the court costs and attorneys’ and consultants’ fees and expenses incurred by the prevailing party (whether incurred at the trial, appellate, or administrative level), in such amount as the court or administrative body may judge reasonable, all of which may be incorporated into and be a part of any judgment or decision rendered in such action, suit or other proceeding.

(f) Emergency Enforcement. The foregoing provisions notwithstanding, if either Grantor or Grantee reasonably determines that a Violation has occurred and circumstances require immediate action to prevent, terminate, or mitigate significant damage to, or the destruction of any of the Conservation Values, or to prevent, terminate, or mitigate a significant violation of a material term of this Easement, taking into account seasonal conditions, such party may give a Violation Notice (which may be given orally in such cases, and then followed by written notice, if the emergency circumstances are significant enough to warrant doing so) and,

following the giving of such Violation Notice, the Notifying Party may then pursue its remedies under this Easement without waiting for the period to cure the Violation which is provided for above.

(g) Discretion. Enforcement of the terms and provisions of this Easement against another party shall be at the discretion of each party, and the failure of a party to discover a Violation or to take action under this Easement with respect to a given Violation shall not be deemed or construed to be a waiver of the rights of such party under this Easement in the event of any subsequent occurrence of that or any other Violation.

8. Approval Process. Whenever the agreement or consent of Grantor, Grantee and/or WCB to a proposed action or activity (a “**Proposed Activity**”) is to be obtained by the other party pursuant to this Easement (an “**Approval**”), the party seeking the Approval (the “**Requesting Party**”) shall give the other party (the “**Notified Party**”) a written notice requesting the Approval and informing the Notified Party in detail of all material aspects of the Proposed Activity (collectively, a “**Request Notice**”), and the following provisions shall then be applicable:

(a) The information concerning the Proposed Activity which was supplied by the Requesting Party shall be deemed complete for all purposes unless the Notified Party has given the Requesting Party a written notice requesting additional specific information concerning the Proposed Activity within thirty (30) days after the Request Notice was first given (the “**Information Deadline**”). If supplemental information is requested and is provided by the Requesting Party, it shall automatically become a part of the Request Notice, provided that the Notified Party shall not have more than one opportunity to request supplemental information.

(b) The Notified Party shall, if it has any objections to the Proposed Activity, give the Requesting Party written notice thereof within sixty (60) days after the Request Notice was first given or, if supplemented, within forty-five (45) days after the Request Notice was supplemented (an “**Objection Notice**”). Any objections by a party shall be based upon its opinion that the Proposed Activity is in violation of the terms of this Easement or the Easement Purposes (as applicable), in a manner which shall be specified in the Objection Notice. An Objection Notice may also be based on the failure to provide adequate information in the Request Notice, *provided* that a request for additional information was made by the Notified Party prior to the Information Deadline. If the Notified Party gives an Objection Notice, it shall also make a good faith effort to advise the Requesting Party how the Proposed Activity could be modified to be consistent with the Easement Purposes, or what additional information is needed (as applicable).

(c) The Requesting Party shall not, and shall not have the right to, commence or conduct the Proposed Activity until and unless it receives the written approval of the Notified Party, and only in the manner approved, *except* to the extent that the approval of the Notified Party is deemed given as indicated below.

(d) The Proposed Activity shall be deemed to have been agreed upon, consented to, or acquiesced in (as applicable) by the Notified Party if no Objection Notice has been given within sixty (60) days after the Request Notice was first given or, if supplemented, within forty-five (45) days after the Request Notice was supplemented, and the Notified Party shall then have no further right to object to the Proposed Activity as described in the Request Notice, *except* in the case of: (i) an activity which actually violates the terms of this Easement; (ii) a subsequent material change in circumstances having a bearing on the compatibility of the Proposed Activity with the Easement Purposes; or (iii) information which has a material bearing on the compatibility of the Proposed Activity with the Easement Purposes later first becoming known to the Notified Party; in any of which cases the Notified Party shall have the right to give the Requesting Party an Objection Notice as to the Proposed Activity, despite the passage of the deadline stated above.

(e) No actual or deemed agreement or consent to, or acquiescence in or failure to object to, any given Proposed Activity shall constitute: (i) agreement or consent to, or approval of, any aspect of the Proposed Activity which was not disclosed in the Request Notice (including any supplemental information, as noted above), or any subsequent action or activity of the same or any different nature; or (ii) agreement or consent to, or approval of, any activity or use which is prohibited by the terms of this Easement, or any other alteration of the terms of this Easement.

9. **Notices.** *Except* as otherwise provided in this Easement, any notice, demand, request, consent, or approval of any kind that any party to this Easement desires or is required to give to or make on another party under or in connection with this Easement (in each case, a “**Notice**”) shall be subject to the following provisions:

(a) Each Notice shall be in writing and shall be served upon the party being addressed at the most recent address(es) which the addressed party has provided for such purposes under this Easement, by any of the following means: (i) by delivery in person; (ii) by certified U.S. mail, return receipt requested, postage prepaid; or (iii) by Federal Express or other reputable “overnight” delivery service. If delivered in person, a Notice will be deemed given immediately upon delivery (or refusal of delivery or receipt).

(b) If sent by certified mail, a Notice will be deemed given on the earlier to occur of: (i) the date of first attempted delivery; or (ii) the third day after being deposited in the mail. If sent by Federal Express or other reputable “overnight” delivery service, a Notice will be deemed given on the next-business-day after being deposited with the delivery service.

(c) As an additional alternative form of delivering a Notice pursuant to this Easement, any party may deliver a Notice to another party by telecopier or facsimile transmission (by “fax”); *provided, however*, that any Notice given by fax must (*except* to the extent, if any, otherwise explicitly stated below) also be given in one of the other methods set forth above, and each Notice delivered by fax shall be deemed given on the date of successful transmission, unless the transmission is completed on a non-business day, or after 5:00 p.m. on a

business day, in the recipient's time zone, in either of which cases it shall be effective on the next following business day.

(d) By a written Notice to all other parties which is given in the aforesaid manner, any party may from time to time designate a replacement for any address or fax number which is specified below for the party giving the Notice, and the replacement address or fax number (as applicable) shall then be substituted for the one previously in effect, *provided* that in no case shall any such replacement increase the total number of addresses or fax numbers for Notices to such party.

(e) Subject to such right to change their addresses or fax numbers for Notices, the parties initially designate the following addresses and fax numbers to be used for Notices sent to them:

<p><u>Grantee:</u></p> <p>The Conservation Fund Attention: General Counsel 1655 N. Fort Myer Drive, Suite 1300 Arlington, VA 22209 Telephone: [(703) 525-6300] Fax: (703) 525-4610</p> <p>Cc : California Program Director The Conservation Fund PO Box 5326 Larkspur, CA 94977 Telephone : (415) 927-2123 Fax : (415) 924-7354</p> <p>Cc : North Coast Program Manager The Conservation Fund 14951 "A" Caspar Road, Box 50 Caspar, CA 95420 Phone: (707) 962-0712 Fax: (866) 426-4496</p> <p><u>WCB:</u></p> <p>Attention: Executive Director Wildlife Conservation Board 1807 13th Street, Suite 103 Sacramento, CA 95811 Phone: (916) 445-8448</p>	<p><u>Grantor:</u></p> <p>Usal Redwood Forest Company LLC P.O. Box 12 Mendocino, CA 95460</p> <p>Cc: Campbell Timberland Management, LLC Attn: Stephen Levesque PO Box 1228 Fort Bragg, CA 95437</p>
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(f) Where notice to Grantor of entry upon the Property by Grantee is required under this Easement, Grantee may notify any of the persons constituting Grantor, or any appropriate agent of Grantor, by telephone, by mail, or in person prior to such entry.

10. **Public Access.** Nothing contained in this Easement shall give or grant to the public a right to enter upon or use the Property, or any portion thereof, *except* to the extent (if any) explicitly provided for herein. Nothing herein shall preclude Grantor from enabling or allowing public access consistent with the Easement Purposes for certain outdoor recreational uses as permitted in **Schedule 5**, Paragraphs 7 and 12 thereof.

11. **Compliance with Applicable Laws.** Grantor hereby covenants and agrees with Grantee as follows in connection with Grantor's use and operation of the Property:

(a) Grantor shall comply with all statutes, laws, ordinances, rules, regulations, codes, orders, guidelines, or other restrictions, or requirements applicable to the Property which have been enacted or otherwise promulgated by any federal, state, county, municipal, or other governmental or quasi-governmental agency, board, bureau, commission, court, department, panel, or other official body (whether legislative, administrative, or judicial), or by any competent official of any of the foregoing (in each case, an "**Applicable Law**"), including (but not limited to) those relating to pollution or the protection of human health or the environment.

(b) Without placing any limitation on Grantor's general obligation to comply with all Applicable Laws and *except* as allowed under the terms of this Easement, which exemptions include but are not limited to the use and storage of Hazardous Materials associated with Grantor's Forest Management activities, Grantor shall keep the Property free of contamination by any of the following (in each case, a "**Hazardous Material**"): materials, chemicals, or other substances (whether in the form of liquids, solids, or gases, and whether or not airborne) which are ignitable, reactive, corrosive, toxic, or radioactive, or which are deemed to be pollutants, contaminants, or hazardous or toxic substances under or pursuant to, or which are to any extent regulated by, form the basis of liability under, or are otherwise under the authority of any Applicable Law concerning such materials, chemicals, or other substances (in each case, a "**Hazardous Materials Law**"), including (but not limited to) petroleum-based products and any material containing or producing any polychlorinated biphenyl, dioxin, or asbestos; any effluent spray or biosolids; as well as any biocide, herbicide, insecticide, or other agrichemical, at any level that may: (i) constitute a present or potential threat to the environment or to human health, safety, or welfare; (ii) exceed any applicable or relevant and appropriate clean-up standard; (iii) cause any person to incur any investigative, removal, remediation, maintenance, abatement, or other clean-up obligation or expense; it being understood that such Hazardous Materials Laws include (but are not limited to) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 US Code Sections 9601 *et seq.* and, hereinafter, "**CERCLA**"); the Hazardous Materials Transportation Act (49 US Code Sections 6901 *et seq.*); the Hazardous Waste Control Law (California Health & Safety Code Sections 25100 *et seq.*); the Hazardous Substance Account Act (California Health & Safety Code Sections 25300 *et seq.*); and any rule, regulation, or other promulgation adopted under any of the foregoing laws.

12. **Responsibility for Operations.** Grantor shall have and retain all responsibility for, and shall bear all costs and liabilities of, the ownership, operation, upkeep, and maintenance of the Property relative to operations and activities under the control of Grantor. Without placing any limitation on the foregoing sentence, the parties agree as follows:

(a) Grantee shall have no duty or responsibility for the operation or maintenance of the Property, the monitoring of any hazardous conditions thereon, or the protection of Grantor, the public, or any other person or entity from any risks relating to conditions on the Property.

(b) Grantor shall be solely responsible for any and all real property taxes and assessments levied by competent authority on the Property, and shall pay the same prior to delinquency.

(c) Grantor shall prevent the perfection of any liens against the Property that are not subordinate to this Easement, including those arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

(d) Grantor shall be solely responsible for any costs related to the maintenance of general liability insurance covering Grantor's acts on the Property.

(e) Grantor shall be solely responsible for obtaining any and all applicable governmental permits and approvals for any activity or use by Grantor which is permitted by this Easement, and any such activity or use shall be undertaken in accordance with all Applicable Laws.

(f) Nothing in this Easement shall be construed to create in or give to Grantee: (i) the obligations or liabilities of an "owner" or "operator" as those words are defined and used in CERCLA or any other Hazardous Materials Law; (ii) the obligations or liabilities of a person described in 42 USC §9607(a)(3); (iii) the obligations of a responsible person under any applicable Hazardous Materials Law; (iv) any obligation to investigate, remove, remediate, abate, or otherwise clean up any Hazardous Materials located at or associated with the Property; or (v) control over Grantor's ability to investigate, remove, remediate, abate, or otherwise clean up any Hazardous Materials located at or associated with the Property in compliance with any Hazardous Materials Law; and Grantor hereby waives any and all rights or remedies which it may have against Grantee under any Hazardous Materials Law, *except* to the extent due to any actual use or placement of Hazardous Materials at the Property by Grantee.

13. **Indemnification.**

(a) Grantor agrees to indemnify and defend the State of California, acting through WCB or its successor, WCB, each of the officers, directors, employees, agents, invitees, and contractors of WCB, and Grantee, each of the officers, directors, employees, agents, invitees, and contractors of Grantee, and each of the heirs, successors, and assigns of such parties, against,

and to hold such indemnified parties harmless of and from, any and all claims, costs, liabilities, penalties, damages, or expenses of any kind or nature whatsoever, whether based on negligence or strict liability (including, but not limited to, court costs and reasonable attorneys' fees and expenses, whether incurred at the trial, appellate, or administrative level, or in connection with any required arbitration) which any of such indemnified parties may suffer or incur, or to which any of such indemnified parties may be subjected, as a result of or arising out of any Violation under this Easement by Grantor, or by anyone acting for or under the authority of Grantor, or any other activities of Grantor on, at, or with respect to the Property, including (but not limited to) the following: (i) any real property taxes, insurance, utilities, assessments, or other charges that are levied against or with respect to the Property, including those for which exemption cannot be obtained; (ii) the operation, upkeep, and maintenance of the Property, including all costs thereof; and (iii) any Hazardous Materials present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Easement, *except* those (if any) used at the Property by Grantee or Grantee's employees or agents.

(b) Grantee agrees to indemnify and defend the State of California, acting through WCB or its successor, WCB, each of the officers, directors, employees, agents, invitees, and contractors of WCB, and Grantor, each of the officers, directors, employees, agents, invitees, and contractors of Grantor, and each of the heirs, successors, and assigns of such parties against, and to hold such indemnified parties harmless of and from, any and all claims, costs, liabilities, penalties, damages, or expenses of any kind or nature whatsoever, (including, but not limited to, court costs and reasonable attorneys' fees and expenses, whether incurred at the trial, appellate, or administrative level, or in connection with any required arbitration) which any of such indemnified parties may suffer or incur, or to which any of such indemnified parties may be subjected, as a result of or arising out of any activities of Grantee on, at, or with respect to the Property.

14. **Liens on Property.** No provision of this Easement is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, *provided* that any lien created thereby shall be subordinate to the terms of this Easement and receive the prior Approval of Grantee and the State of California, acting through WCB or its successor, which Approval shall not be unreasonably withheld, conditioned or delayed. Grantee acknowledges that, as of the recording date of this Easement, the Property is subject to two Deeds of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Senior Credit Agreement) dated as of June 13, 2007 by Grantor, to PRLAP, Inc., as trustee, for the benefit of Banc of America E-Commerce Holdings, Inc., a Delaware corporation, and Bank of America, N.A., as beneficiaries (Recorded on June 13, 2007 as Doc. #2007-10986 and Doc. #2007-10987, respectively (the "**BOA Deeds of Trust**"). The BOA Deeds of Trust have been subordinated to the terms of this Easement by a subordination agreement that has met the prior Approval of Grantee and the State of California, acting through the WCB, to be recorded contemporaneously with this Easement.

15. **Effect of Easement.** The parties acknowledge that the Easement is an easement in gross, and that, pursuant to the terms of Sections 815 *et seq.* of the California Civil Code: (a) the Property is declared to be open and natural land, and may not be converted or directed to

any uses other than those permitted under this Easement; (b) the Easement shall run with and burden the title to the Property in perpetuity, and shall bind Grantor and all of the agents, heirs, devisees, administrators, employees, personal representatives, lessees, and assigns of Grantor, including all future owners, tenants, and occupants of the Property, for the benefit of Grantee and the successors and assigns of Grantee; and (c) the Easement shall confine the use of the Property to such activities as are: (i) explicitly permitted under the terms of this Easement; or (ii) consistent with the Easement Purposes and not prohibited under the terms of this Easement.

16. **Subsequent Transfers by Grantor.** Grantor covenants and agrees that the terms, conditions, restrictions, and purposes of this Easement, or a clear reference thereto, will be inserted in any subsequent deed, lease, or other legal instrument by which Grantor conveys or otherwise transfers fee simple title to the Property, or any leasehold, possessory, or other interest in the Property; and Grantor further covenants and agrees that Grantor shall: (i) notify Grantee of any such transfer at least thirty (30) days in advance of its occurrence; and (ii) provide a true and complete copy of this Deed of Conservation Easement, as recorded, to each transferee of any interest in the Property. No failure by Grantor to include such language, make such references, give such notice, and/or provide such copies shall, however, affect to any extent the enforceability of the Easement or any of the terms of this Easement. In addition, Grantor shall give notice of the transfer to WCB by the same deadline, at the address for such purposes which is supplied by Grantee.

17. **Additional Instruments.** Grantee is authorized to record or file from time to time any and all notices or instruments which may be appropriate to ensuring the perpetual enforceability of this Easement, including (but not limited to) re-recording this Deed of Conservation Easement, or a copy thereof, for such purpose, and Grantor agrees to execute, acknowledge, and/or deliver (as applicable) any and all such notices or instruments upon reasonable request from Grantee to do so.

18. **Interpretation.** It is the intent of this Easement to further the Easement Purposes, and Grantor and Grantee therefore acknowledge and agree as follows concerning the interpretation of this Easement.

(a) The provisions of this Easement shall be construed liberally, in order to effectuate the Easement Purposes, while allowing Grantor to use and enjoy the Property subject to the terms of this Easement. Liberal construction is expressly required for purposes of effectuating the Easement in perpetuity, notwithstanding economic or other hardship or any change in circumstances of any kind. If any provision in this Easement is found to be ambiguous, an interpretation consistent with the Easement Purposes that would render the provision valid shall be favored over any interpretation that would render it invalid.

(b) If any provision of this Easement, or the application thereof to any person(s) or circumstance(s), shall to any extent be held to be invalid, illegal, or unenforceable in any respect by any court of competent jurisdiction: (i) neither the remainder of this Easement, nor the application of such provision to any person(s) or circumstance(s), other than those as to whom or which it is held to be invalid or unenforceable, shall be affected thereby; (ii) this

Easement shall be construed as though such invalid, illegal or unenforceable provision had never been contained in this Easement; and (iii) every provision of this Easement shall be valid and enforceable to the fullest extent permitted by the Applicable Laws. If any provision is so stricken from this Easement, the parties agree to negotiate in good faith any modifications that may be required to effectuate the intent of this Easement.

(c) The parties acknowledge that each party and its counsel have reviewed, revised (where it was deemed appropriate), and approved this Easement, and that no rule of construction that ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Easement.

(d) In the event of any conflict between the provisions of this Easement and the provisions of any use or zoning restrictions of the State of California, the county in which the Property is located, or any other governmental entity with jurisdiction over the Property, the most restrictive provision shall apply.

(e) The terms of this Easement are intended by the parties hereto as a final expression of their agreement with respect to the subject matter hereof, and may not be contradicted by evidence of any prior or contemporaneous agreement.

(f) Wherever in this Easement the term “and/or” is used, it shall mean: “one or the other, both, any one or more, or all” of the things, events, persons or parties in connection with which the term is used. The headings of the various paragraphs of this Easement are intended solely for reference purposes, and are not intended for any purpose whatsoever to modify, explain, or place any construction on any of the provisions of this Easement. This Easement shall be governed by, construed in accordance with, and interpreted under, the internal law of the State of California.

(g) Any and all recitals in this Easement are agreed by the parties to be accurate and shall constitute an integral part of this Easement, and this Easement shall be construed in light of those recitals. Any and all exhibits, schedules, and addenda attached to and referred to in this Easement are hereby incorporated into this Easement as fully as if set out in their entirety herein.

(h) No remedy or election given by any provision in this Easement shall be deemed exclusive unless so indicated, and each such remedy or election shall, wherever possible, be cumulative with all other remedies at law or in equity. Grantor hereby waives with respect to this Easement any defense of laches, estoppel, prescription, or changed circumstances. Without placing any limitation on the foregoing provisions, Grantor agrees that no statute of limitations shall start to run and no estoppel or similar defense shall arise against any action brought by Grantee to enforce or interpret this Easement, unless and until Grantee is actually aware of a violation or is aware of a dispute regarding the interpretation of the provisions of the Easement, and Grantor hereby waives any right to assert any defense contrary to the provisions of this paragraph.

(i) The terms “Grantor” and “Grantee,” wherever used in this Easement, and any pronouns used in place thereof, shall mean and include, respectively: (i) the named Grantor and the personal representatives, heirs, devisees, successors, and assigns of such named Grantor as the owner of the Property (or the applicable portion thereof, should ownership become divided in the future), as their interests may appear, jointly and severally, but only so long as each shall own the Property; and (ii) the named Grantee and the personal representatives, heirs, devisees, successors, and assigns of such named Grantee as the holder of the Easement, as their interests may appear, jointly and severally, but only so long as each shall own the Easement.

(j) The parties may execute this Deed of Conservation Easement in two or more counterparts, all of the signature and acknowledgment pages of which shall then be combined with one of the executed counterparts by the party or escrow holder who will be recording the Deed of Conservation Easement, and the combined document shall then be recorded as the one original.

(k) If circumstances arise under which an amendment to this Deed of Conservation Easement would be appropriate, Grantor and Grantee may jointly amend this Deed of Conservation Easement; *provided* that no amendment shall be allowed that will affect the qualification of the Easement or the status of Grantee under any Applicable Law, including Sections 815 *et seq.* of the California Civil Code, or IRC Section 170(h), that any amendment shall be consistent with the Easement Purposes, and that any amendment receive the prior Approval of WCB. Failure to obtain the prior Approval of WCB shall render such amendment void. If the Easement is amended (after prior Approval by WCB), the Easement shall be re-recorded in the Official Records of the county or counties where the Property is located and a copy of the amended recorded Easement provided to WCB.

(l) Nothing in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to, or change in the Property, or failure to meet Forest Management restrictions required under any certification received on the Property or provided for in **Schedule 6**, resulting from events beyond Grantor’s control (such as, by way of example only, trespassers, climate change, fire, flood, storm, or earth movement), resulting from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such events, or resulting from Grantor’s prudent exercise of Grantor’s rights under this Easement; *except* that Grantor may be held responsible with respect to any such event, and/or its adverse effects, if: (i) the event and/or its adverse effects is caused to any extent by the violation by Grantor or any of Grantor’s employees, agents, or invitees of any term or condition of this Easement; or (ii) the event and/or the adverse effects from the event result from a failure by Grantor to manage or supervise the Property prudently.

19. **Estoppel Certificates.** Upon request by Grantor from time to time, which shall not be made more often than twice per calendar year, Grantee shall, in each case no later than thirty (30) days after being given notice of Grantor’s request therefore, execute and deliver to Grantor an estoppel certificate or similar document which: (i) certifies that, to the best knowledge of Grantee at the time of the execution of such certificate, Grantor is in compliance

with the obligations of Grantor contained in this Easement, and (ii) otherwise evidences the status of the Easement, as reasonably requested by Grantor.

20. **Valuation.** Grantor and Grantee agree that the Easement gives rise to a property right, immediately vested in Grantee upon recordation of this Deed of Conservation Easement, which the parties stipulate for purposes of this Easement to be calculated as follows:

(a) The fair market value of the Easement on the date of recordation of this Deed of Conservation Easement (the “**Original Easement Value**”) is equal to: (1) the fair market value of the Property, unencumbered by the Easement (the “**Original Property Value**”), less (2) the fair market value of the Property as encumbered by the Easement.

(b) The fair market value of the Easement on any future date shall be determined by: (1) taking the fair market value of the Property on that future date, as if it were not encumbered by the Easement; (2) deducting from that amount any increase over the Original Property Value which is attributable to improvements to the Property made by Grantor, and then (3) multiplying the result by a fraction: (i) the numerator of which is the Original Easement Value, and (ii) the denominator of which is the Original Property Value. For purposes of this Easement, such fraction shall remain constant.

21. **Condemnation.** If all or part of the Property is taken by the exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, by public, corporate, or other authority so as to abrogate the restrictions imposed by this Easement in whole or in part, Grantor, Grantee and WCB may act jointly in appropriate action(s) at the time of such taking to recover from the condemning authority the full value of the taking and all incidental or direct damages resulting from the taking, it being expressly agreed that the Easement constitutes a compensable property right. The reasonable expenses of each party incurred in connection with such action(s) shall first be deducted from the total proceeds, and the remaining proceeds shall be divided between Grantor and Grantee consistent with the provisions of this Easement, based on the respective values of the interests of Grantor and Grantee, calculated in accordance with the valuation provisions set out above in Section 20 of this Easement. WCB shall be entitled to its share of the proceeds awarded to Grantee, which shall equal the ratio of the WCB grant funds, as provided for in the Grant Agreement, to the purchase price Grantee paid to acquire the Easement.

22. **Assignment.** Grantee shall have the right to transfer or assign its rights under the Easement to any governmental or non-governmental entity which is qualified under the IRC and the State of California to hold conservation easements, is determined by Grantee and WCB to be willing and financially able to assume all of the obligations and responsibilities of the former Grantee under this Easement, and which agrees to enforce the terms of this Easement (a “**Qualified Transferee**”), subject to the Approval of Grantor and WCB, which shall not be unreasonably delayed, conditioned or withheld so long as the Easement shall continue to be held, administered, maintained, enforced and defended in a manner consistent with this Agreement, including the Easement Purposes and each successor-in-interest assumes and agrees in writing to be bound by the terms, covenants and conditions contained in the agreement pursuant to which WCB provided funds for the acquisition of the Easement by Grantee. Alternatively, Grantor

and/or WCB may propose, within 30 days of notice from Grantee of its intent to transfer the Easement, a different Qualified Transferee willing to take title to the Easement on the same terms and conditions as proposed by Grantee. In such case, Grantee's acceptance of Grantor's and/or WCB's proposed Qualified Transferee shall not be unreasonably delayed, conditioned or withheld. In the event that Grantee has established and funded an endowment for the monitoring and enforcement of this Easement, Grantee shall transfer such endowment to any such successor Grantee. Grantee may, incident to any assignment, reserve rights to monitor the performance of any successor Grantee and may include conditions for the reversion or transfer back to Grantee of the Easement and the Endowment on terms and conditions set forth in such assignment to such successor Grantee.

23. **Judicial Extinguishment.** The Easement may not be extinguished, in whole or in part, unless a later unexpected change in the conditions surrounding the Property makes impossible or impractical its continued use for any of the Easement Purposes, and in any event such extinguishment may only be accomplished by appropriate legal proceedings in a court of competent jurisdiction. No such extinguishment shall affect, however, the value of Grantee's interest in the Property, and if the Property, or any interest therein, is sold, exchanged, or taken by the power of eminent domain after such extinguishment, Grantee will be entitled to receive its pro-rata share (calculated in accordance with the valuation provisions set out in Section 20 of this Easement) of the proceeds of such sale, exchange, or taking, but shall apply such proceeds in a manner consistent with the Easement Purposes, or for the protection of a "relatively natural habitat of fish, wildlife, or plants or similar ecosystems," as that phrase is used in IRC Section 170(h)(4)(A)(ii). WCB shall be entitled to its share of the proceeds awarded to Grantee, which shall equal the ratio of the WCB grant funds, as provided for in the Grant Agreement, to the purchase price Grantee paid to acquire the Easement.

24. **Termination of 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 WCB, another Qualified Transferee 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 third party rights of the State of California as provided in Section 25 below.

25. **Third Party Rights of the State of California.** The State of California, through WCB or its successor, is an intended thirty party beneficiary of this Easement. As a condition of the Grant Agreement, the State of California, through WCB or its successor, is hereby granted the following rights under this Easement:

(a) **Compliance Monitoring.** Upon seventy-two (72) hours prior notice to Grantor and no less than once in any period of three calendar years, WCB shall have the right to access and enter upon the Property, using any and all easements and rights of way appurtenant to the Property (if any), and in a fashion that is consistent with generally acceptable industry

practices and that is in compliance with all federal and state laws and regulations, and that does not unreasonably interfere with uses permitted hereunder, in order to:

- (i) Identify the current uses and practices thereon and the baseline condition thereof; and
- (ii) Inspect the Property, and monitor compliance with the terms and conditions of the Grant Agreement.

(b) Enforcement. In the event of a Default under this Easement, WCB has the option of requiring Grantee to convey its interest in the Easement to WCB or, at the election of WCB, to any Qualified Transferee.

In witness whereof, Grantor and Grantee have executed this Deed of Conservation Easement, effective as of the date first above written.

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Grantor:

Usal Redwood Forest Company, LLC,
a Delaware limited liability company

By: _____
(signature)

Print Name: _____

Title: _____

Date: _____

State of _____)
) ss.
County of _____)

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

WITNESS my hand and official seal. _____
Notary Public

Grantee:

The Conservation Fund,
a Maryland non-profit corporation

By: _____
(signature)

Print Name: _____

Title: _____

Date: _____

Commonwealth of Virginia)
)
County of Arlington) Ss:

On this day of _____, 2011, before me, the undersigned, a Notary Public in and for the jurisdiction aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was his/her act and deed for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public
Name: _____
Notary Registration Number: _____

Schedule 1

USAL Tract Map

(attached)

Schedule 2

Legal Description of Property

Real property in the unincorporated area of the County of Mendocino, State of California, described as follows:

TRACT ONE-A:

TOWNSHIP 23 NORTH, RANGE 16 WEST, M.D.M.

SECTION 19

THOSE PORTIONS OF LOTS 5, 6, AND 11 LYING WESTERLY OF THE CENTERLINE OF THE SOUTH FORK OF THE EEL RIVER.

TOWNSHIP 23 NORTH, RANGE 17 WEST, M.D.M.

SECTION 5

ALL.

EXCEPTING THAT PORTION DESCRIBED IN THE DEED TO REX TIMBER INC. RECORDED IN 1644 O.R. 84.

SECTION 6

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, AND 32; SE $\frac{1}{4}$;

EXCEPTING FROM LOTS 13, 14, 15, 18, 19, 20, 24, 27 AND 28, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ROBERT H. HASKELL, ET AL, BY DEED RECORDED MAY 26, 1955 IN BOOK 399, PAGE 597 OF OFFICIAL RECORDS.

SECTION 7

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, AND 16; E $\frac{1}{2}$;

EXCEPTING FROM THE S 1/2 SE 1/4 ONE HALF INTEREST IN MINERALS AND MINERAL RIGHTS INCLUDING, OIL, GAS AND OTHER HYDROCARBONS.

SECTION 8

ALL.

EXCEPTING THAT PORTION DESCRIBED IN THE DEED TO REX TIMBER INC. RECORDED IN 1644 O.R. 84.

SECTION 9

ALL.

EXCEPTING THAT PORTION DESCRIBED IN THE DEED TO REX TIMBER INC. RECORDED IN 1644 O.R. 84.

SECTION 10

S 1/2 SW 1/4; NW 1/4 SW 1/4; SW 1/4 NW 1/4;

ALSO ALL THOSE PORTIONS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED FROM GORDON E. HUNT, ET UX, TO DON F. GATES AND HENRY M. PAGE, RECORDED DECEMBER 16, 1948, IN BOOK 238 OF OFFICIAL RECORDS, PAGE 454, MENDOCINO COUNTY RECORDS, DISTANT THEREON SOUTH 74° 45 1/2' EAST 42.54 FEET FROM THE MOST NORTHERLY CORNER THEREOF, SAID POINT OF BEGINNING BEING 25 FEET DISTANT AT RIGHT ANGLES NORTHEASTERLY FROM THE SOUTHWESTERLY LINE OF SAID LAND; THENCE FROM SAID POINT OF BEGINNING FOLLOWING ALONG THE NORTHERLY LINE OF SAID LAND SOUTH 74° 45 1/2' EAST 437.1 FEET TO THE CENTER OF A ROAD; THENCE FOLLOWING THE CENTERLINE OF SAID ROAD AND THE MEANDERS THEREOF SOUTH 23° 37' WEST 290.0 FEET TO A POINT 25 FEET DISTANT AT RIGHT ANGLES NORTHEASTERLY FROM THE SOUTHWESTERLY LINE OF SAID LAND; THENCE PARALLEL WITH AND 25 FEET DISTANT AT RIGHT ANGLES NORTHEASTERLY FROM SAID SOUTHWESTERLY LINE NORTH 38° 46' WEST 488.0 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF SECTION 10, TOWNSHIP 23 NORTH, RANGE 17 WEST, MOUNT DIABLO BASE AND MERIDIAN.

PARCEL TWO:

BEGINNING AT THE QUARTER CORNER BETWEEN SECTIONS 3 AND 10 IN TOWNSHIP 23 NORTH, RANGE 17 WEST, MOUNT DIABLO MERIDIAN; THENCE ALONG THE NORTHERLY LINE OF SECTION 10, NORTH 89° 38'-½' EAST 1706.5 FEET TO THE CENTER OF A ROAD CALLED THE "PAGE & GATES ROAD"; THENCE FOLLOWING THE CENTER LINE OF SAID ROAD SOUTH 19° 43' WEST A DISTANCE OF 29.6 FEET; SOUTH 35° 57' WEST A DISTANCE OF 290.2 FEET; SOUTH 45° 53' WEST A DISTANCE OF 257.2 FEET; SOUTH 29° 56' WEST A DISTANCE OF 95 FEET TO THE INTERSECTION WITH THE CENTER LINE OF A ROAD CALLED THE "CARVER ROAD", BEING A POINT IN THE SOUTHERLY EXTENSION OF THE EASTERLY LINE OF THAT TRACT OF LAND CONVEYED TO ADOLPH GRASS, ET UX, BY DEED RECORDED APRIL 12, 1949, IN VOLUME 242 OF OFFICIAL RECORDS, PAGE 192, MENDOCINO COUNTY RECORDS; THENCE FOLLOWING THE CENTER LINE OF SAID CARVER ROAD NORTH 13° 48' EAST A DISTANCE OF 221.24 FEET TO THE NORTHEAST CORNER OF SAID GRASS LAND; THENCE NORTH 69° 43' WEST A DISTANCE OF 65.50 FEET; SOUTH 72° 36' WEST A DISTANCE OF 80.36 FEET; SOUTH 61° 50' WEST A DISTANCE OF 138.59 FEET; SOUTH 64° 15' WEST A DISTANCE OF 16 FEET; SOUTH 79° 0' WEST A DISTANCE OF 92.5 FEET; NORTH 83° 15' WEST A DISTANCE OF 120.4 FEET; NORTH 58° 30' WEST A DISTANCE OF 98.3 FEET; SOUTH 74° 30' WEST A DISTANCE OF 94.0 FEET; THENCE LEAVING THE CENTER LINE OF SAID CARVER ROAD SOUTH 32° 20' WEST A DISTANCE OF 728 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED FROM GORDON E. HUNT, ET UX, TO DON F. GATES AND HENRY M. PAGE, RECORDED DECEMBER 16, 1948, IN BOOK 238 OF OFFICIAL RECORDS, PAGE 454, MENDOCINO COUNTY RECORDS; THENCE SOUTH 81° 35' WEST A DISTANCE OF 10.9 FEET TO THE CENTER OF A CREEK CALLED MILLBANK CREEK, ALSO KNOWN AS HUNT CREEK; THENCE ALONG THE CENTER LINE OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES: NORTH 70° 45' WEST A DISTANCE OF 75.9 FEET; THENCE NORTH 58° WEST A DISTANCE OF 110 FEET; THENCE NORTH 72° 15' WEST A DISTANCE OF 44.6 FEET; THENCE NORTH 72° WEST A DISTANCE OF 91 FEET, MORE OR LESS, TO A POINT UPON THE QUARTER CORNER SECTION LINE OF SECTION 10 WHICH RUNS NORTH AND SOUTH; THENCE CONTINUING ALONG THE CENTER LINE OF SAID CREEK NORTH 73° WEST A DISTANCE OF 59.3 FEET; NORTH 58-½° WEST A DISTANCE OF 92.9 FEET; NORTH 74-¼° WEST A DISTANCE OF 67.2 FEET; SOUTH 86° WEST A DISTANCE OF 65.4 FEET; NORTH 73-½° WEST A DISTANCE OF 72.4 FEET; NORTH 65-½° WEST A DISTANCE OF 61.1 FEET; NORTH 52-½° WEST A DISTANCE OF 68.9 FEET; NORTH 82° WEST A DISTANCE OF 61.9 FEET; SOUTH 71° WEST A DISTANCE OF 47.5 FEET; NORTH 78° WEST A DISTANCE OF 41.4 FEET; NORTH 69° WEST A DISTANCE OF 51.6 FEET; NORTH 87-¼° WEST A DISTANCE OF 50.8 FEET; NORTH 59° WEST A DISTANCE OF

102.7 FEET; SOUTH 56- $\frac{1}{2}$ ° WEST A DISTANCE OF 155.1 FEET; SOUTH 53- $\frac{1}{2}$ ° WEST A DISTANCE OF 73.4 FEET; SOUTH 47- $\frac{1}{2}$ ° WEST A DISTANCE OF 94.1 FEET; SOUTH 38- $\frac{1}{4}$ ° WEST A DISTANCE OF 85.6 FEET; SOUTH 71° WEST A DISTANCE OF 133.0 FEET; SOUTH 62° WEST A DISTANCE OF 69.3 FEET; SOUTH 40° WEST A DISTANCE OF 96.7 FEET, MORE OR LESS, TO THE WEST LINE OF THE NE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 10; THENCE NORTH 00° 39' EAST 950.4 FEET, MORE OR LESS, ALONG SAID WEST LINE TO THE WEST $\frac{1}{16}$ CORNER ON THE NORTH LINE OF SAID SECTION 10, AS ESTABLISHED BY F.A. MCKEE, LICENSED SURVEYOR; THENCE NORTH 89° 38- $\frac{1}{2}$ ' EAST ALONG THE NORTHERLY BOUNDARY OF SECTION 10, A DISTANCE OF 1318.4 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONVEYED TO EARL SAMPLES, ET UX, AND TO C.D. VAUGHN, ET UX, BY DEEDS RECORDED IN BOOK 454 OF OFFICIAL RECORDS, PAGES 454 AND 455, MENDOCINO COUNTY RECORDS.

PARCEL THREE:

BEING A PORTION OF THE NE $\frac{1}{4}$ OF SECTION 10, TOWNSHIP 23 NORTH, RANGE 17 WEST, MOUNT DIABLO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON SPIKE IN THE CENTER LINE OF A ROAD KNOWN AS THE PAGE AND GATES ROAD, FROM WHICH BEARS A 26" MADRONE TREE SOUTH 35° 40' EAST 29 FEET, WHICH TREE IS SCRIBED "HK RP BT". THE ABOVE-MENTIONED POINT OF BEGINNING IS FURTHER DESCRIBED AS BEING SOUTH 447.5 FEET AND WEST 1281.3 FEET FROM THE NORTHEAST CORNER OF SECTION 10; THENCE ALONG THE CENTER LINE OF SAID PAGE AND GATES ROAD AS FOLLOWS: SOUTH 29° 56' WEST 146.25 FEET; THENCE SOUTH 38° 43' WEST 151.3 FEET; THENCE SOUTH 13° 53' WEST 227.2 FEET; THENCE NORTH 81° 12' WEST 136.7 FEET; THENCE SOUTH 41° 45' WEST 93.1 FEET; THENCE SOUTH 63° 26' WEST 119.95 FEET; THENCE SOUTH 21° 29' WEST TO THE EAST BOUNDARY OF THAT PARCEL OF LAND FORMERLY DEEDED BY HUNT TO PAGE AND GATES, RECORDED IN BOOK 238 OF DEEDS, PAGE 44, MENDOCINO COUNTY RECORDS; THENCE LEAVING THE CENTER OF SAID PAGE AND GATES ROAD AND FOLLOWING SAID EAST BOUNDARY OF SAID DEEDED PARCEL, WHICH AT THIS POINT BEARS SOUTH 74° 45' 30" EAST TO THE NORTHERLY RIGHT OF WAY OF THE LEGGETT-ROCKPORT HIGHWAY AS CONVEYED TO THE STATE OF CALIFORNIA BY GRANT DEED DATED APRIL 2, 1963, RECORDED JUNE 18, 1963, IN BOOK 629, PAGE 575, OFFICIAL RECORDS, AND BY GRANT DEED DATED JUNE 4, 1963, RECORDED OCTOBER 15, 1963, IN BOOK 640, PAGE 149, OFFICIAL RECORDS, MENDOCINO

COUNTY; THENCE ALONG THE NORTHERLY RIGHT OF WAY OF SAID HIGHWAY TO THE CENTER OF THE SOUTH FORK OF THE EEL RIVER; THENCE DOWNSTREAM ALONG THE SOUTH FORK OF EEL RIVER IN A NORTHEASTERLY DIRECTION TO THE INTERSECTION OF A LINE BEARING SOUTH 45° EAST FROM THE POINT OF BEGINNING; THENCE NORTH 45° WEST TO THE POINT OF BEGINNING.

SECTION 15

S ½ NE ¼; N ½ SE ¼; SE ¼ SE ¼; W ½ SW¼; NW ¼; SW ¼ SE ¼,

EXCEPTING FROM SW 1/4 SE 1/4, THE WEST 15 ACRES.

ALSO EXCEPTING S ½ NW ¼; NW ¼ NW ¼; NW ¼ SW ¼.

S ½ SW ¼ NW ¼; NW ¼ SW ¼; SE ¼ NW ¼ EXCEPTING THEREFROM W ½ NW ¼ SE ¼ NW ¼

SECTION 16

S ½ NE ¼; S ½; NW ¼; N ½ NW ¼, EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES WITHIN A TRACT DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 9; THENCE, NORTH 83° 10' 24" WEST (=NORTH 84° 16' 03" WEST TRUE MERIDIAN), 1682.81 FEET TO ENGINEERS STATION 10+00.00 P.O.T. OF THE DEPARTMENT OF PUBLIC WORKS' SURVEY ABOUT 3.0 MILES WEST OF LEGGETT (STATE HIGHWAY 01-MEN-01, 208) AND BEING THE TRUE POINT OF BEGINNING;

1. THENCE NORTH 10° 25' 33" WEST, 50.00 FEET;
2. THENCE NORTH 72° 06' 14" EAST, 352.89 FEET;
3. THENCE SOUTH 31° 08' 49" EAST, 425.36 FEET;
4. THENCE SOUTH 05° 11' 46" WEST, 458.45 FEET;
5. THENCE SOUTH 20° 39' 49" WEST, 127.23 FEET;
6. THENCE NORTH 69° 20' 11" WEST, 50.00 FEET TO ENGINEERS STATION 20+00.00 P.O.T. OF SAID DEPARTMENT OF PUBLIC WORKS' SURVEY; SAID ENGINEERS STATION BEARS SOUTH 65° 49' 30" WEST (=SOUTH 64° 43' 51" WEST TRUE MERIDIAN), 1378.16 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 16;
7. THENCE NORTH 69° 20' 11" WEST, 50.00 FEET;

8. THENCE NORTH 21° 53' 08" WEST, 766.07 FEET;
9. THENCE SOUTH 79° 34' 27" WEST, 73.41 FEET;
10. THENCE NORTH 10° 25' 33" WEST, 50.00 FEET TO THE TRUE POINT OF BEGINNING.

SECTION 17

ALL.

SECTION 18

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 AND 16; E ½;

EXCEPTING FROM LOT 15 ALL MINERALS AND MINERAL RIGHTS INCLUDING OIL, GAS AND OTHER HYDROCARBONS.

SECTION 19

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 AND 16; N ½ NE ¼; SW ¼ NE ¼; NW ¼ SE ¼; S ½ SE ¼;

SE ¼ NE ¼ AND THE NE ¼ SE ¼ EXCEPTING THEREFROM THAT PORTION THEREOF WHICH LIES WITHIN A TRACT DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 19; THENCE SOUTH 88° 41' 27" WEST, 705.69 FEET TO A POINT THAT BEARS NORTH 76° 03' 09" EAST, 120.00 FEET FROM ENGINEERS STATION "0" 103+50.00 P.O.C. OF THE DEPARTMENT OF PUBLIC WORKS' SURVEY BETWEEN 7.9 MILES AND 7.7 MILES WEST OF LEGGETT (STATE HIGHWAY 01-MEN-208-PM 6.8/7.0), SAID POINT BEING THE TRUE POINT OF BEGINNING;

1. THENCE NORTH 42° 23' 29" WEST, 206.96 FEET;
2. THENCE SOUTH 65° 10' 17" WEST, 100.00 FEET;
3. THENCE SOUTH 15° 12' 37" EAST, 119.71 FEET;
4. THENCE SOUTH 06° 00' 10" EAST, 170.90 FEET;
5. THENCE SOUTH 31° 38' 13" WEST, 132.74 FEET;
6. THENCE SOUTH 32° 02' 59" EAST, 100.00 FEET;
7. THENCE NORTH 47° 37' 16" EAST, 279.30 FEET;

8. THENCE NORTH 02° 43' 23" WEST, 184.33 FEET TO THE TRUE POINT OF BEGINNING.

SECTION 20

N ½; N ½ SE ¼; NE ¼ SW ¼.

SECTION 21

N ½.

SECTION 22

N ½; N ½ S ½; S ½ SE ¼; SE ¼ SW ¼.

SECTION 23

ALL.

SECTION 24

N ½ SE ¼; SW ¼ SE ¼; SW ¼; S ½ NW ¼; NW ¼ NW ¼;

THAT PORTION OF THE S ½ NE ¼ LYING SOUTHERLY OF THE CENTER LINE OF THE EEL RIVER.

ALSO THE SE ¼ SE ¼, EXCEPTING THAT PORTION THEREOF LYING SOUTHEASTERLY OF THE CENTER LINE OF THE SOUTH FORK OF THE EEL.

EXCEPTING FROM THE W ½ W ½ ALL OIL, GAS AND MINERAL RIGHTS, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, UPON THE TERMS AND CONDITIONS SET FORTH IN DEED FROM THE ALEXANDER MCPHERSON ESTATE, INC., RECORDED DECEMBER 20, 1950, IN BOOK 262 OF OFFICIAL RECORDS, PAGE 49, MENDOCINO COUNTY RECORDS, AND IN BOOK 282 OF OFFICIAL RECORDS, PAGE 280, MENDOCINO COUNTY RECORDS.

SECTION 25

NW ¼ NE ¼; S ½ NE ¼; S ½; NW ¼; NE ¼ NE ¼, EXCEPTING THEREFROM THAT PORTION THEREOF LYING NORTHEASTERLY OF THE SOUTH FORK OF THE EEL RIVER.

ALSO EXCEPTING FROM THE NE ¼ SE ¼ ALL OIL, GAS AND MINERALS RIGHTS OF EVERY KIND AND NATURE WITH THE RIGHT TO ENTER UPON , EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, UPON THE TERMS AND CONDITIONS SET FORTH IN DEED FROM THE ALEXANDER MCPHERSON ESTATE, INC., RECORDED DECEMBER 20, 1950, IN

BOOK 282 OF OFFICIAL RECORDS, PAGE 280 MENDOCINO COUNTY RECORDS.

SECTION 26

E $\frac{1}{2}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$.

EXCEPTING FROM THE SW $\frac{1}{4}$ SE $\frac{1}{4}$ ALL OIL, GAS AND MINERAL RIGHTS, TOGETHER WITH THE RIGHT TO EXPLORE AND EXPLOIT ALL OIL, GAS AND MINERAL RIGHTS AS RESERVED BY THE ALEXANDER MCPHERSON ESTATE, INC., IN DEED RECORDED IN BOOK 503 OF OFFICIAL RECORDS, PAGE 333, MENDOCINO COUNTY RECORDS.

SECTION 30

LOTS 3, 4, 5 AND 6

SECTION 34

S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$.

EXCEPTING THEREFROM ALL OIL, GAS AND MINERAL RIGHTS, TOGETHER WITH THE RIGHT TO EXPLORE AND EXPLOIT ALL OIL, GAS AND MINERAL RIGHTS AS RESERVED BY THE ALEXANDER MCPHERSON ESTATE, INC., IN DEED RECORDED IN BOOK 503 OF OFFICIAL RECORDS, PAGE 333, MENDOCINO COUNTY RECORDS.

SECTION 35

N $\frac{1}{2}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$.

EXCEPTING THEREFROM ALL OIL, GAS AND MINERAL RIGHTS, TOGETHER WITH THE RIGHT TO EXPLORE AND EXPLOIT ALL OIL, GAS AND MINERAL RIGHTS AS RESERVED BY THE ALEXANDER MCPHERSON ESTATE, INC., IN DEED RECORDED IN BOOK 503 OF OFFICIAL RECORDS, PAGE 333, MENDOCINO COUNTY RECORDS.

SECTION 36

NW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$; N $\frac{1}{2}$ NW $\frac{1}{4}$.

TOWNSHIP 23, NORTH, RANGE 18 WEST, M.D.M.

SECTION 1

LOTS 1, 2, 3, AND 4; S $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$.

EXCEPTING FROM THE S $\frac{1}{2}$ NE $\frac{1}{4}$ AND LOTS 1 AND 2 ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE,

TOGETHER WITH THE RIGHT TO CENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS UPON THE TERMS AND CONDITIONS SET FORTH IN DEED FROM ALEXANDER MCPHERSON ESTATE, INC., RECORDED DECEMBER 23, 1952, IN BOOK 334 OF OFFICIAL RECORDS, PAGE 240, MENDOCINO COUNTY RECORDS.

SECTION 2

LOTS 1, 2, 3, AND 4; S $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$.

SECTION 3

LOTS 1, 2, 3, AND 4; S $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$.

SECTION 4

LOTS 1, 2, 3, AND 4; S $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$.

SECTION 5

LOTS 1 AND 2; S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$.

EXCEPTING ANY PORTION LYING WEST OF THE CENTERLINE OF USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 8

ALL.

EXCEPTING S $\frac{1}{2}$ SE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; W $\frac{1}{2}$; AND THOSE PORTIONS OF NE $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ LYING SOUTHERLY AND WESTERLY OF THE USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 9

ALL.

EXCEPTING THOSE PORTIONS OF THE S $\frac{1}{2}$ AND THE S $\frac{1}{2}$ NW $\frac{1}{4}$ LYING SOUTHERLY AND WESTERLY OF THE USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 10

ALL.

SECTION 11

ALL.

SECTION 12

ALL.

SECTION 13

ALL.

SECTION 14

ALL.

EXCEPTING THOSE PORTIONS OF THE NW ¼ SW ¼ AND THE SW ¼ NW ¼ LYING WESTERLY OF THE USAL-FOUR CORNERS OF COUNTY ROAD #421.

SECTION 15

ALL.

EXCEPTING THAT PORTION LYING SOUTHERLY AND WESTERLY OF THE CENTERLINE OF USAL-FOUR CORNERS ROAD #421.

SECTION 16

NE ¼ EXCEPTING THAT PORTION LYING SOUTHWESTERLY OF THE USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 22

LOTS 1, 2, 3, 4, 5, AND 6, NE ¼; NE ¼ SE ¼ EXCEPTING ANY PORTIONS THEREOF NORTHERLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE EASTERLY INTERSECTION OF THE CENTERLINE OF USAL COUNTY ROAD WITH THE NORTH LINE OF SAID SECTION 22, THENCE ALONG SAID CENTERLINE 1,800 FEET MORE OR LESS TO THE INTERSECTION WITH A HAUL ROAD WESTERLY; SAID INTERSECTION LYING SOUTHWESTERLY 920 FEET, MORE OR LESS, FROM THE NORTHEAST CORNER OF SAID SECTION 22, THENCE S 48° 47' 28" E, 309.66 FEET; THENCE S 44° 48' 06" E, 268.97 FEET, THENCE S 47° 54' 39" E, 329.88 FEET, THENCE S 25° 41' 37" E, 154.82 FEET, THENCE S 00° 49' 06" W, 92.14 FEET, THENCE S 70° 42' 39" W, 27.89 FEET, THENCE S 58° 07' 13" W, 127.10 FEET, THENCE S 72° 59' 50" W, 166.54 FEET, THENCE S 57° 09' 18" W, 123.76 FEET, THENCE S 51° 57' 59" W, 375.98 FEET, THENCE S 23° 8' 38" W, 730.00 FEET, THENCE S 33° 53' 52" E, 604.14 FEET; THENCE S 24° 11' 44" W, 327.56 FEET, THENCE N 86° 03' 12" W, 344.35 FEET, THENCE S 45° 25' 25" W, 376.94 FEET, THENCE S 84° 58' 19" W, 330.31 FEET, THENCE S 47° 51' 45" W, 74.55 FEET, THENCE S 88° 17' 06" W, 659.70 FEET, MORE OR LESS, TO THE PACIFIC OCEAN.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THAT CERTAIN PARCEL OF LAND DESCRIBED IN THAT NOTICE OF COMPLIANCE RECORDED MARCH 02, 2011, AS DOCUMENT NOS. 2011-02950 AND 2011-02951, OFFICIAL RECORDS OF MENDOCINO COUNTY.

SECTION 23

ALL.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THAT CERTAIN PARCEL OF LAND DESCRIBED IN THAT NOTICE OF COMPLIANCE RECORDED MARCH 02, 2011, AS DOCUMENT NOS. 2011-02950 AND 2011-02951, OFFICIAL RECORDS OF MENDOCINO COUNTY.

SECTION 24

ALL.

SECTION 25

N $\frac{1}{2}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WITHIN THAT CERTAIN PARCEL OF LAND DESCRIBED IN THAT NOTICE OF COMPLIANCE RECORDED MARCH 02, 2011, AS DOCUMENT NOS. 2011-02952, OFFICIAL RECORDS OF MENDOCINO COUNTY.

TOWNSHIP 24 NORTH, RANGE 17 WEST, M.D.M.

SECTION 5

W $\frac{1}{2}$ SW $\frac{1}{4}$.

SECTION 6

LOTS 9, 10, 11, 12, 13, 22, 23 AND 24; LOT 25,

EXCEPTING THEREFROM THAT PORTION AS DESCRIBED IN DEED TO GEORGE P. FREUND, ET UX, RECORDED AUGUST 29, 1945, IN BOOK 184 OF OFFICIAL RECORDS, PAGE 429, MENDOCINO COUNTY RECORDS.

ALSO THAT PORTION OF THE SW $\frac{1}{4}$ SE $\frac{1}{4}$ LYING WESTERLY OF THE WESTERLY LINE OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED JUNE 9, 1971 IN BOOK 851 OF OFFICIAL RECORDS, PAGE 500, MENDOCINO COUNTY RECORDS. SAID LAND CONVEYED TO STATE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POST IN A STONE MOUND SET FOR THE CENTER OF SAID SECTION 6 AS SHOWN ON THE RECORD OF SURVEY RECORDED IN MAP CASE 2, DRAWER 1, PAGE 5, MENDOCINO COUNTY RECORDS; THENCE, SOUTH 18° 39' 27" EAST (=SOUTH 19° 46' 50" EAST TRUE MERIDIAN), 1823.13 FEET TO A POINT THAT BEARS SOUTH 70° 35' 37" EAST, 120.00 FEET FROM ENGINEERS STATION'S 920+48.01 E.C. OF THE DEPARTMENT OF PUBLIC WORKS' CONTROL LINE SURVEY BETWEEN 0.2 MILES SOUTH OF REYNOLDS INTERCHANGE AND 1.1 MILES SOUTH OF PIERCY (STATE HIGHWAY 01-MEN-101-PM R99.48/R100.36) AS SHOWN ON THE MAP THEREOF RECORDED JANUARY 8, 1970 IN MAP CASE 2, DRAWER 14, PAGE 53, SAID COUNTY RECORDS, SAID POINT BEING THE TRUE POINT OF BEGINNING;

1. THENCE, FROM A TANGENT THAT BEARS THAT BEARS SOUTH 19° 24' 23" WEST, ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2280 FEET, THROUGH AN ANGLE OF 09° 00' 50", DISTANCE OF 358.69 FEET TO THE WESTERLY LINE OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED SEPTEMBER 16, 1942 IN BOOK 156 OF OFFICIAL RECORDS, PAGE 273 ET SEQ., SAID COUNTY RECORDS;

2. THENCE, ALONG SAID WESTERLY LINE IN A GENERAL SOUTHERLY DIRECTION, 629.42 FEET TO THE SOUTH LINE OF SAID SW $\frac{1}{4}$ SE $\frac{1}{4}$;

3. THENCE, ALONG SAID SOUTH LINE, NORTH 89° 06' 26" WEST, 388.17 FEET TO A POINT THAT BEARS SOUTH 23° 12' 55" EAST FROM A POINT THAT BEARS SOUTH 86° 46' 28" WEST, 375.00 FEET FROM ENGINEERS STATION 911+00.00 P.O.C. OF SAID CONTROL LINE SURVEY;

4. THENCE, NORTH 23° 12' 55" WEST, 23.22 FEET TO SAID POINT THAT BEARS SOUTH 86° 46' 28" WEST, 375.00 FEET FROM SAID ENGINEERS STATION;

5. THENCE, NORTH 22° 07' 40" EAST, 939.81 FEET;

6. THENCE, NORTH 19° 03' 48" EAST, 453.97 FEET TO THE NORTH LINE OF SAID SW $\frac{1}{4}$ SE $\frac{1}{4}$;

7. THENCE, ALONG SAID NORTH LINE, SOUTH 88° 47' 56" EAST, 252.02 FEET TO A POINT THAT BEARS NORTH 19° 24' 23" EAST FROM THE TRUE POINT OF BEGINNING;

8. THENCE, SOUTH 19° 24' 23" WEST, 403.60 FEET TO THE TRUE POINT OF BEGINNING.

ALSO THAT PORTION OF THE SW $\frac{1}{4}$ SE $\frac{1}{4}$ LYING NORTHERLY AND WESTERLY OF THE NORTHWESTERLY LINE OF THE LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED

RECORDED SEPTEMBER 16, 1942, IN BOOK 156 OF OFFICIAL RECORDS, PAGE 273, AND LYING EASTERLY OF THE EASTERLY LINE OF THE HERETOFORE DESCRIBED LAND AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED JUNE 9, 1971, IN BOOK 851 OF OFFICIAL RECORDS, PAGE 500, MENDOCINO COUNTY RECORDS

ALSO THOSE PORTIONS OF THE E ½ SE ½ AND THE SW ¼ SE ¼ LYING SOUTH AND EAST OF CALIFORNIA HIGHWAY #101 AND SOUTH OF THE CENTERLINE OF MCCOY CREEK, AS SAID CENTERLINE WAS DESCRIBED IN DEED RECORDED JUNE 27, 1960, IN BOOK 543 OF OFFICIAL RECORDS, PAGE 357, MENDOCINO COUNTY RECORDS.

EXCEPTING FROM LOT 10, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED MAY 10, 1950 IN BOOK 262, PAGE 421 OF OFFICIAL RECORDS.

EXCEPTING FROM LOTS 12 AND THE N ½ OF LOT 23, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED FEBRUARY 05, 1951 IN BOOK 286, PAGE 49 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOT 11, 13 AND 22, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED IN A DEED FROM ALEXANDER MCPHERSON ESTATE, INCORPORATED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 7

LOTS 1, 2, 3, 4, 6, AND 7; NE $\frac{1}{4}$ NE $\frac{1}{4}$; AND THAT PORTION OF THE REYNOLDS WAYSIDE CAMPGROUND, FURTHER DESCRIBED AS LOTS 5, 8 AND 9, AND THAT PORTION OF THE SOUTH HALF OF LOT 10, THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, AND THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 7, LYING WESTERLY OF THE CENTER OF THE SOUTH FORK EEL RIVER, TOWNSHIP 24 NORTH, RANGE 17 WEST, MOUNT DIABLO BASE AN MERIDIAN, COUNTY OF MENDOCINO, STATE OF CALIFORNIA.

EXCEPTING A RESERVATION TO THE STATE OF CALIFORNIA THE WATER PIPELINE THAT NOW CROSSES OVER THE SOUTH FORK OF THE EEL RIVER, SUCH PIPELINE BEING THE SOURCE OF WATER FOR THE REYNOLDS WAYSIDE CAMPGROUND, TOGETHER WITH THE RIGHT TO USE, MAINTAIN, REPAIR, MODIFY OR REPLACE THE PIPELINE AND TO ENTER UPON THE ABOVE-DESCRIBED PROPERTY FOR SUCH PURPOSES. SAID LANDS DESCRIBED IN 1485 O.R. 265.

THAT PORTION OF THE N $\frac{1}{2}$ OF LOT 10 LYING WEST OF THE CENTERLINE OF THE SOUTH FORK OF THE EEL RIVER AS THE SAME EXISTED ON OCTOBER 31, 1927.

ALSO THAT PORTION OF THE NW $\frac{1}{4}$ NE $\frac{1}{4}$ LYING EASTERLY OF THE EXISTING STATE HIGHWAY EASTERLY RIGHT OF WAY.

EXCEPTING FROM LOTS 1, 2 AND N $\frac{1}{2}$ LOT 6, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED FEBRUARY 05, 1951 IN BOOK 286, PAGE 49 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOT 4 AND THE N $\frac{1}{2}$ OF LOT 10, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE,

INCORPORATED BY DEED RECORDED OCTOBER 25, 1951 IN BOOK 301, PAGE 239 OF OFFICIAL RECORDS.

SECTION 17

NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; THAT PORTION OF THE SW $\frac{1}{4}$ SW $\frac{1}{4}$ LYING WESTERLY OF THE SOUTH FORK OF THE EEL RIVER.

ALSO THAT PORTION OF LOT 4 LYING WESTERLY OF THE SOUTH FORK OF THE EEL RIVER.

ALSO THE SE $\frac{1}{4}$ NW $\frac{1}{4}$, EXCEPTING THEREFROM THOSE PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEEDS RECORDED IN BOOK 100 OF OFFICIAL RECORDS, PAGE 301, MENDOCINO COUNTY RECORDS, AND BOOK 180 OF OFFICIAL RECORDS, PAGE 134, MENDOCINO COUNTY RECORDS, AND ALSO EXCEPT THE PORTION RESERVED BY ELIZABETH GRAY BUSKE IN DEED RECORDED IN BOOK 436 OF OFFICIAL RECORDS, PAGE 324, MENDOCINO COUNTY RECORDS.

SECTION 18

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18; SE $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ SE $\frac{1}{4}$.

EXCEPTING FROM LOT 2, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED BY DEED RECORDED OCTOBER 25, 1951 IN BOOK 301, PAGE 239 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 1, 3, 4 AND 5, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED IN A DEED FROM ALEXANDER MCPHERSON ESTATE, INCORPORATED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 19

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 AND 16; E 1/2.

SECTION 20

SW 1/4 NW 1/4; SW 1/4 LYING WESTERLY OF THE SOUTH FORK OF THE EEL RIVER.

THAT PORTION OF THE NW 1/4 NW 1/4 LYING WESTERLY OF THE SOUTH FORK OF THE EEL RIVER.

ALSO THAT PORTION OF THE SE 1/4 NW 1/4 LYING SOUTHERLY AND WESTERLY OF THE SOUTH FORK OF THE EEL RIVER.

ALSO THAT PORTION OF THE SW 1/4 NE 1/4 LYING SOUTHERLY AND WESTERLY OF THE CENTER LINE OF THE CALIFORNIA STATE HIGHWAY AS IT EXISTED ON JUNE 9, 1955

ALSO THE SE 1/4, EXCEPTING THEREFROM ALL THOSE PORTIONS THEREOF CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN VOLUME 160 OF DEEDS, PAGE 367, MENDOCINO COUNTY RECORDS AND BY DEED RECORDED IN VOLUME 51, OFFICIAL RECORDS, PAGE 5, MENDOCINO COUNTY RECORDS.

ALSO EXCEPTING FROM THE SE 1/4 SE 1/4 ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT THE 1" IRON BOLT BEING THE WITNESS CORNER TO THE SECTION CORNER COMMON TO SECTIONS 20, 21, 28 AND 29 AS SHOWN ON THE RECORD OF SURVEY RECORDED JULY 30, 1948 IN MAP CASE 1, DRAWER 8, PAGE 37, MENDOCINO COUNTY RECORDS; THENCE; NORTH 26° 17' 04" WEST (= NORTH 27° 23' 24" WEST TRUE MERIDIAN), 803.22 FEET TO A POINT THAT BEARS NORTH 29° 11' 17" WEST, 350.00 FEET FROM ENGINEERS STATION "ML2" 13+50.00 P.O.T. OF THE DEPARTMENT OF TRANSPORTATION SURVEY AT SIDEHILL VIADUCT BRIDGE #10-34, ABOUT 6 MILES NORTH OF LEGGETT (STATE HIGHWAY 01-MEN-101-97.6/98.2, SAID POINT BEING THE TRUE POINT OF BEGINNING:

1. THENCE, SOUTH 60° 48' 43" WEST, 450.00 FEET;
2. THENCE, SOUTH 83° 51' 12" WEST, 260.44 FEET;
3. THENCE, NORTH 00° 24' 45" EAST, 344.08 FEET TO THE EASTERLY LINE OF THE PARCEL OF LAND DESCRIBED AS PARCEL "C" IN EASEMENT DEED TO THE STATE OF CALIFORNIA RECORDED MARCH 4, 1930, IN BOOK 51 OF OFFICIAL RECORDS, PAGE 5, MENDOCINO COUNTY RECORDS.

4. THENCE, IN A GENERAL SOUTHERLY DIRECTION ALONG SAID EASTERLY LINE 923 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID SECTION 20;
5. THENCE, LEAVING SAID EASTERLY LINE, SOUTH 88° 46' 10" EAST ALONG SAID SOUTH LINE, 769.19 FEET TO THE NORTHWESTERLY LINE OF PARCEL "B" IN SAID DEED ABOVE REFERRED TO;
6. THENCE, IN A GENERAL NORTHEASTERLY DIRECTION ALONG SAID NORTHWESTERLY LINE, 622 FEET, MORE OR LESS, TO THE EAST LINE OF SAID SECTION 20;
7. THENCE, NORTH 01° 52' 32" EAST ALONG SAID EAST LINE, 188.45 FEET TO A POINT THAT BEARS SOUTH 73° 07' 30" EAST FROM THE TRUE POINT OF BEGINNING;
8. THENCE, NORTH 73° 07' 30" WEST, 153.32 FEET TO THE TRUE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE ON THE CALIFORNIA CO-ORDINATE SYSTEM, ZONE 2. MULTIPLY DISTANCES SHOWN BY 1.0000117 TO OBTAIN GROUND DISTANCES.

ALSO EXCEPTING THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 24 NORTH, RANGE 17 WEST, MOUNT DIABLO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINUS OF THE COURSE DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 18, 1981 IN BOOK 1310 OF OFFICIAL RECORDS, PAGE 231, MENDOCINO COUNTY RECORDS, AS HAVING A BEARING AND LENGTH OF S 83° 51' 12" W, 260.44 FEET;

- (1) THENCE, N 61° 01' 02" E, 539.66 FEET;
- (2) THENCE, S 29° 11' 17" E. 100.00 FEET TO THE NORTHERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE STATE OF CALIFORNIA;
- (3) THENCE, S 60° 48' 43" W, ALONG SAID LINE, 300 FEET, TO THE SOUTHWESTERLY TERMINUS THEREOF;
- (4) THENCE, S 83° 51' 12" W, 260.44 FEET TO THE POINT OF BEGINNING.

SECTION 29

SW ¼ NE ¼; SE ¼; W ½;

THAT PART OF THE NW ¼ NE ¼ LYING WESTERLY OF THE

WESTERLY R/W OF STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEEDS RECORDED IN VOLUME 51, OFFICIAL RECORDS, PAGE 5, MENDOCINO COUNTY RECORDS, IN BOOK 118 OF DEEDS, PAGE 454, MENDOCINO COUNTY RECORDS, AND IN BOOK 160 OF DEEDS, PAGE 442, RECORDS OF MENDOCINO COUNTY CALIFORNIA.

ALSO THAT PART OF THE SE $\frac{1}{4}$ NE $\frac{1}{4}$ LYING SOUTHWESTERLY OF THE SOUTHWESTERLY R/W OF STATE HIGHWAY AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 160 OF DEEDS, PAGE 454, MENDOCINO COUNTY RECORDS, AND BY DEED RECORDED IN VOLUME 64, OFFICIAL RECORDS, PAGE 134, MENDOCINO COUNTY RECORDS.

SECTION 30

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18; NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$.

SECTION 31

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 AND 11; NE $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 32

ALL.

TOWNSHIP 24 NORTH, RANGE 18 WEST, M.D.M.

SECTION 1

LOTS 3 AND 4; S $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$.

EXCEPTING FROM LOTS 3 AND 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$ AND THE NW $\frac{1}{4}$ SW $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED BY DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 2

ALL.

EXCEPTING FROM THE SW $\frac{1}{4}$ SE $\frac{1}{4}$ AND THE NE $\frac{1}{4}$ SE $\frac{1}{4}$, ONE

HALF OF THE OIL AND MINERALS IN OR ON SAID LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AT ANY TIME AS RESERVED IN DEED FROM NETTA C. MCINTOSH, A WIDOW, RECORDED MAY 2, 1951, IN BOOK 286 OF OFFICIAL RECORDS, PAGE 372, MENDOCINO COUNTY RECORDS.

ALSO EXCEPTING FROM LOT 1, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED IN A DEED FROM ALEXANDER MCPHERSON ESTATE, INCORPORATED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 3

LOTS 1, 2 AND 3; S $\frac{1}{2}$ N $\frac{1}{2}$; SE $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$;

SECTION 4

LOTS 2, 3 AND 4; SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; SW $\frac{1}{4}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$;

SECTION 5

ALL. EXCEPT THAT PORTION OF THE SW $\frac{1}{4}$ LYING WESTERLY OF INDIAN CREEK.

SECTION 6

THAT PORTION OF THE SE $\frac{1}{4}$ LYING EASTERLY OF INDIAN CREEK AND COLBORN CREEK.

SECTION 7

THAT PORTION LYING SOUTHEASTERLY OF INDIAN CREEK.

SECTION 8

ALL.

EXCEPTING FROM THE SW $\frac{1}{4}$ NW $\frac{1}{4}$, ALL OIL, GAS, MINERAL, RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS, AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL

THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES AS RESERVED BY CLAIR MCNEE HOLMES, ALSO KNOWN AS CLAIRE MCNEE HOLMES AND BERTHA MCNEE BY DEED RECORDED FEBRUARY 15, 1952 IN BOOK 309, PAGE 35 OF OFFICIAL RECORDS.

SECTION 9

NE ¼; S ½; W ½ NW ¼; SE ¼ NW ¼; NE ¼ NW ¼

SECTION 10

ALL.

EXCEPTING FROM E ½ SE ¼, ALL OIL, GAS, MINERAL, RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS, AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES AS RESERVED BY CLAIR MCNEE HOLMES, ALSO KNOWN AS CLAIRE MCNEE HOLMES AND BERTHA MCNEE BY DEED RECORDED FEBRUARY 15, 1952 IN BOOK 309, PAGE 35 OF OFFICIAL RECORDS.

SECTION 11

ALL.

EXCEPTING FROM THE S ½ OF NW ¼, ONE HALF OF THE OIL AND MINERALS IN OR ON SAID LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AT ANY TIME AS RESERVED BY NETTA C. MCINTOSH, A WIDOW, BY DEED RECORDED MAY 2, 1951, IN BOOK 286 OF OFFICIAL RECORDS, PAGE 372, MENDOCINO COUNTY RECORDS.

ALSO EXCEPTING FROM THE SE ¼ NE ¼, ALL OIL, GAS, MINERAL, RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS, AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES AS RESERVED BY CLAIR MCNEE HOLMES, ALSO KNOWN AS CLAIRE MCNEE HOLMES AND BERTHA MCNEE BY DEED RECORDED FEBRUARY 15, 1952 IN BOOK 309, PAGE 35 OF OFFICIAL RECORDS.

SECTION 12

ALL.

EXCEPTING FROM THE NE 1/4 NE 1/4, SW 1/4 NE 1/4, W 1/2 AND THE SE 1/4, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED MAY 10, 1950 IN BOOK 262, PAGE 421 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE NW 1/4 NE 1/4 AND THE SW 1/4, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH ALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED, IN A DEED RECORDED MAY 10, 1950 IN BOOK 262, PAGE 422 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE SE 1/4 NE 1/4, ONE HALF OF THE OIL AND MINERALS IN OR ON SAID LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AT ANY TIME AS RESERVED IN DEED FROM NETTA C. MCINTOSH, A WIDOW, RECORDED MAY 2, 1951, IN BOOK 286 OF OFFICIAL RECORDS, PAGE 372, MENDOCINO COUNTY RECORDS.

ALSO EXCEPTING FROM THE NW 1/4, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED AUGUST 20, 1951 IN BOOK 297, PAGE 126 OF OFFICIAL RECORDS.

SECTION 13

ALL.

EXCEPTING FROM NE 1/4, ALL OIL, GAS AND MINERAL RIGHTS

OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED FEBRUARY 05, 1951 IN BOOK 286, PAGE 49 OF OFFICIAL RECORDS.

SECTION 14

ALL.

EXCEPTING FROM THE NE $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED OCTOBER 25, 1951 IN BOOK 301, PAGE 239 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, AND THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSE, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED MAY 19, 1952 IN BOOK 316, PAGE 391 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, AND THE SE $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE,

INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952
IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 15

ALL.

EXCEPTING FROM THE E ½ NE ¼ AND THE E ½ SW ¼, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 16

ALL.

EXCEPTING FROM THE NE ¼ NE ¼ ONE HALF OF THE OIL AND MINERALS IN OR ON SAID LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AS RESERVED BY NETTA C. MCINTOSH, A WIDOW, IN A DEED RECORDED MAY 2, 1951, IN BOOK 286 OF OFFICIAL RECORDS, PAGE 372, MENDOCINO COUNTY RECORDS.

SECTION 17

ALL.

EXCEPTING FROM SE ¼ NW ¼, ALL OIL, GAS, MINERAL, RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS, AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES AS RESERVED BY CLAIR MCNEE HOLMES, ALSO KNOWN AS CLAIRE MCNEE HOLMES AND BERTHA MCNEE IN A DEED RECORDED FEBRUARY 15, 1952 IN BOOK 309, PAGE 35 OF OFFICIAL RECORDS.

SECTION 18

ALL.

EXCEPT LOT 1 AND THAT PORTION OF LOT 2 AND THE

SOUTHEAST ¼ OF THE NORTHWEST ¼, ALL IN SECTION 18,
TOWNSHIP 24 NORTH RANGE 18 WEST, MDB & M, WITHIN THE
FOLLOWING PERIMETER DESCRIPTION:

BEGINNING AT THE NORTHWEST CORNER OF LOT 2 AS PER
RECORD OF SURVEY BY DONALD E. BUSHNELL, FILED IN MAP
CASE 1, DRAWER 10, PAGE 142, MENDOCINO COUNTY
RECORDS;
THENCE SOUTH 00° 40' 00" WEST 32.71 FEET ALONG THE
WEST SECTION LINE OF SAID SECTION 18;
THENCE ALONG THE FOLLOWING BEARINGS AND DISTANCES:
SOUTH 54° 15' 18" EAST, 213.36 FEET; NORTH 69° 18' 14'
EAST, 360.86 FEET TO THE NORTH LINE OF SAID LOT 2;
THENCE SOUTH 86° 39' 24" EAST, 179.05 FEET ALONG THE
NORTH LINE OF SAID LOT 2;
THENCE SOUTH 39° 26' 10" EAST, 197.37 FEET TO A ¾" REBAR
TAGGED L.S. 4455;
THENCE SOUTH 35° 33' 10" EAST, 204.52 FEET TO A ¾" REBAR
TAGGED 4455;
THENCE SOUTH 55° 46' 22" EAST, 354.90 FEET; NORTH 89° 58'
01" EAST, 223.20 FEET; NORTH 49° 21' 06" EAST, 358.26 FEET;
NORTH 28° 50' 09" EAST, 81.15 FEET TO A ¾" REBAR TAGGED
L.S. 4455;
THENCE NORTH 10° 43' 00" WEST, 155.65 FEET TO THE
NORTHEAST CORNER OF LOT 2 AS PER SAID RECORD OF
SURVEY;
THENCE NORTH 86° 39' 24" WEST, 1735.01 FEET ALONG THE
NORTH LINE OF SAID LOT 2 TO THE POINT OF BEGINNING.

SECTION 19

ALL.

EXCEPTING ANY PORTION LYING SOUTHERLY AND WESTERLY
OF THE USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 20

ALL.

SECTION 21

ALL.

SECTION 22

ALL.

EXCEPTING FROM THE NW ¼, ALL OIL, GAS AND MINERAL
RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID
PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON,
EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND

MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 23

ALL.

EXCEPTING FROM THE S $\frac{1}{2}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 24

ALL.

EXCEPTING FROM THE NE $\frac{1}{4}$ NE $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED AUGUST 20, 1951 IN BOOK 297, PAGE 126 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ AND THE NE $\frac{1}{4}$ SE $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR

USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 25

ALL.

EXCEPTING FROM THE NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ AND THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, ALL OIL, GAS AND MINERAL RIGHTS OF EVERY KIND AND NATURE, IN OR ABOUT SAID PREMISES, TOGETHER WITH THE RIGHT TO ENTER UPON, EXPLORE AND PROSPECT FOR ALL SUCH OIL, GAS AND MINERALS, AND IN CASE ANY SUCH SHALL BE FOUND, TO SECURE AND REMOVE THE SAME, AND TO DO ANY AND ALL THINGS WHICH MAY PROVE CONVENIENT OR USEFUL TO BE DONE FOR SUCH PURPOSES, ALL WITHOUT UNNECESSARY DAMAGE TO THE ABOVE DESCRIBED PROPERTY AS RESERVED BY ALEXANDER MCPHERSON ESTATE, INCORPORATED IN A DEED RECORDED SEPTEMBER 29, 1952 IN BOOK 327, PAGE 416 OF OFFICIAL RECORDS.

SECTION 26

ALL.

EXCEPTING FROM THE NE $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, ONE HALF OF THE OIL AND MINERALS IN OR ON SAID LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AT ANY TIME AS RESERVED BY NETTA C. MCINTOSH, A WIDOW, IN A DEED RECORDED MAY 2, 1951, IN BOOK 286 OF OFFICIAL RECORDS, PAGE 372, MENDOCINO COUNTY RECORDS.

SECTION 27

ALL.

SECTION 28

ALL.

SECTION 29

ALL.

EXCEPTING THAT PORTION OF W $\frac{1}{2}$ LYING SOUTHERLY AND WESTERLY OF THE USUAL-FOUR CORNERS COUNTY ROAD #421.

SECTION 30

E ½; EXCEPTING THAT PORTION LYING SOUTHERLY AND WESTERLY OF USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 32

ALL.

EXCEPTING ANY PORTION LYING WESTERLY OF THE USAL-FOUR CORNERS COUNTY ROAD #431.

SECTION 33

ALL.

SECTION 34

ALL.

SECTION 35

ALL.

SECTION 36

ALL.

TOWNSHIP 24 NORTH, RANGE 19 WEST, M.D.M.

SECTION 12

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 12 AS PER RECORD OF SURVEY BY DONALD E. BUSHNELL IN MAP CASE 2, DRAWER 4, PAGE 10, MENDOCINO COUNTY RECORDS;

THENCE NORTH 4° 18' 00" EAST, 161.60 FEET ALONG THE WEST SECTION LINE OF SAID SECTION 12;

THENCE NORTH 65° 49' 59" EAST, 379.06 FEET TO A ¾" REBAR TAGGED L.S. 4455;

THENCE SOUTH 68° 05' 38" EAST, 178.22 FEET TO A ¾" REBAR TAGGED L.S. 4455;

THENCE SOUTH 51° 12' 25" EAST, 120.09 FEET;

THENCE SOUTH 27° 04' 01" EAST, 154.35 FEET TO THE SOUTH SECTION LINE OF SAID SECTION 12;

THENCE SOUTH 86° 54' 15" WEST, 688.15 FEET ALONG SAID SECTION LINE TO THE POINT OF BEGINNING.

SECTION 13

ALL.

EXCEPT THAT PORTION OF THE NORTH ½ OF SECTION 13,

TOWNSHIP 24 NORTH, RANGE 19 WEST, MDB&M, WITHIN THE FOLLOWING DESCRIBED PERIMETER:

BEGINNING AT A POINT ON THE NORTH SECTION LINE, SAID SECTION 13, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 13, AS PER RECORD OF SURVEY BY DONALD E. BUSHNELL IN MAP CASE, 2 DRAWER 4, PAGE 10, MENDOCINO COUNTY RECORDS, BEARS SOUTH 86° 54' 15" WEST, 688.15 FEET;
THENCE ALONG THE FOLLOWING BEARINGS AND DISTANCES:
SOUTH 27° 04' 01" EAST, 158.26 FEET; SOUTH 77° 36' 29" EAST, 163.54 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 17° 21' 35" EAST, 245.32 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 56° 36' 31" EAST, 510.86 FEET; SOUTH 79° 00' 36" EAST, 398.32 FEET; NORTH 55° 42' 18" EAST, 216.66 FEET; SOUTH 31° 26' 10" EAST, 724.84 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 57° 05' 54" EAST, 211.58 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE NORTH 47° 36' 18" EAST, 232.73 FEET; SOUTH 74° 19' 30" EAST, 171.16 FEET; SOUTH 85° 27' 43" EAST, 178.15 FEET; NORTH 33° 07' 52" EAST, 269.66 FEET; NORTH 84° 00' 35" EAST, 250.16 FEET; NORTH 69° 15' 42" EAST, 171.64 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 46° 05' 34" EAST, 433.78 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 73° 29' 23" EAST, 243.50 FEET; SOUTH 56° 13' 54" EAST, 255.04 FEET; NORTH 51° 00' 58" EAST, 335.65 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE NORTH 42° 20' 01" EAST, 378.58 FEET TO A ¾" REBAR TAGGED L.S. 4455;
THENCE SOUTH 49° 42' 04" EAST, 312.79 FEET; SOUTH 54° 15' 18" EAST, 32.65 FEET TO THE EAST SECTION LINE OF SAID SECTION 13;
THENCE ALONG SAID LINE NORTH 00° 40' 00" EAST, 32.71 FEET TO A BRASS CAPPED IRON PIPE MARKING THE SOUTHWEST CORNER OF LOT 1 AS PER RECORD OF SURVEY BY DONALD E. BUSHNELL FILED IN MAP CASE 1, DRAWER 10, PAGE 142, MENDOCINO COUNTY RECORDS;
THENCE CONTINUING ALONG SAID SECTION LINE NORTH 00° 40' 00" EAST, 1360.00 FEET TO THE NORTHEAST CORNER OF SECTION 13 AS PER RECORD OF SURVEY BY DONALD E. BUSHNELL FILED IN MAP CASE 2, DRAWER 1, PAGE 70, MENDOCINO COUNTY RECORDS;
THENCE SOUTH 88° 16' 00" WEST, 2578.03 FEET ALONG THE NORTH SECTION LINE OF SAID SECTION 13 TO THE NORTH ¼ CORNER OF SAID SECTION AS PER SAID RECORD OF SURVEY;
THENCE SOUTH 86° 54' 15" WEST, 1909.18 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM W ½ NE ¼, ONE-HALF OF THE OIL AND

MINERALS IN OR ON THE ABOVE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO REMOVE THE SAME AT ANY TIME HEREAFTER AS RESERVED BY NETTA C. MCINTOSH, A WIDOW BY DEED RECORDED MAY 2, 1051 IN BOOK 286, PAGE 372 OF OFFICIAL RECORDS.

SECTION 24

THAT PORTION LYING NORTHERLY OF THE USAL-FOUR CORNER COUNTY ROAD #431.

TOWNSHIP 5 SOUTH, RANGE 3 EAST, HUMBOLT BASE AND MERIDIAN

SECTION 27

SW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$; NW $\frac{1}{4}$.

SECTION 28

S $\frac{1}{2}$; NW $\frac{1}{4}$.

SECTION 29

ALL.

SECTION 30

SE $\frac{1}{4}$.

SECTION 31

LOTS 3 AND 4; E $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$.

EXCEPTING ONE HALF INTEREST IN ALL OIL AND MINERAL RIGHTS AS RESERVED IN THE DEED EXECUTED BY ANDERUS J. ANDERSON, ET UX, RECORDED APRIL 19, 1956 IN VOLUME 427 OF OFFICIAL RECORDS, PAGE 548, MENDOCINO COUNTY RECORDS, FROM THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ AND THAT PORTION OF THE SE $\frac{1}{4}$ SE $\frac{1}{4}$ WHICH LIES WITHIN SECTION 31 IN THE TRACT DESCRIBED AS FOLLOWS:

COMMENCING AT THE COMMON CORNER OF SECTIONS 31 AND 32, ON THE SOUTH LINE OF TOWNSHIP 5 SOUTH RANGE 3 EAST, HUMBOLDT BASE AND MERIDIAN ACCORDING TO THE PUBLIC SURVEYS OF THE GOVERNMENT OF THE UNITED STATES, RUNNING THENCE EAST ON SAID TOWNSHIP LINE 192 LINKS; THENCE SOUTH 30° WEST 445 LINKS; THENCE SOUTH 55° WEST 364 LINKS; THENCE NORTH 48° WEST 330 LINKS; THENCE NORTH 52° EAST 228 LINKS; THENCE NORTH 15° EAST 690 LINKS; THENCE NORTH 06° WEST 446 LINKS;

THENCE SOUTH 75° 15' EAST 270 LINKS TO THE EAST LINE OF SECTION 31; THENCE SOUTH 810 LINKS TO THE POINT OF BEGINNING.

SECTION 32

SE $\frac{1}{4}$; W $\frac{1}{2}$; NE $\frac{1}{4}$

EXCEPTING FROM THE SE $\frac{1}{4}$ ALL MINERALS AND MINERAL RIGHTS, INCLUDING OIL, GAS AND OTHER HYDROCARBONS AS RESERVED BY ROSALIND ROSEN, ET AL., IN DEED RECORDED AUGUST 9, 1955, IN BOOK 406 OF OFFICIAL RECORDS, PAGE 33, MENDOCINO COUNTY RECORDS.

ALSO EXCEPTING ON HALF INTEREST IN ALL OIL AND MINERAL RIGHTS AS RESERVED IN THE DEED EXECUTED BY ANDERUS J. ANDERSON, ET UX RECORDED APRIL 19, 1956 IN VOLUME 427 OF OFFICIAL RECORDS, PAGE 548, MENDOCINO COUNTY RECORDS, FROM THAT PORTION OF THE W $\frac{1}{2}$ SW $\frac{1}{4}$ DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 32, TOWNSHIP 5 SOUTH, RANGE 3 EAST, HUMBOLDT BASE AND MERIDIAN; THENCE EAST ALONG THE TOWNSHIP LINE 225 FEET; THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID SECTION 32, A DISTANCE OF 1320 FEET; THENCE EAST 400 FEET; THENCE NORTH 300 FEET; THENCE WEST 625 FEET TO THE WEST LINE OF SAID SECTION LINE BETWEEN SECTIONS 31 AND 32, SAID TOWNSHIP AND RANGE; THENCE SOUTH ALONG SAID SECTION LINE 1620 FEET TO THE POINT OF BEGINNING.

SECTION 33

ALL.

EXCEPTING FROM THE SW $\frac{1}{4}$ ALL MINERALS AND MINERAL RIGHTS, INCLUDING OIL, GAS AND OTHER HYDROCARBONS RESERVED BY ROMILDA WALLENBERG, ET AL., IN DEED RECORDED AUGUST 9, 1955, IN BOOK 406 OF OFFICIAL RECORDS, PAGE 35, MENDOCINO COUNTY RECORDS.

SECTION 34

NW $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; S $\frac{1}{2}$; NW $\frac{1}{4}$.

TRACT ONE-B:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF MENDOCINO, STATE OF CALIFORNIA, BEING A PORTION OF SECTIONS 22 AND 23, TOWNSHIP 23 NORTH, RANGE 18 WEST, MOUNT DIABLO BASE AND MERIDIAN, MORE

PARTICULARLY DESCRIBED AS FOLLOWS:

THE EAST ONE-HALF (E/2) OF THE NORTHWEST ONE-QUARTER (NW/4); THE SOUTHWEST ONE-QUARTER (SW/4) OF THE NORTHWEST ONE-QUARTER (NW/4); AND ANY PORTION OF THE NORTHWEST ONE-QUARTER (NW/4) OF THE NORTHWEST ONE-QUARTER (NW/4) LYING EASTERLY OF THE SINKYONE WILDEMESS STATE PARK; THE SOUTH ONE-HALF (S/2) OF THE NORTHEAST ONE-QUARTER (NE/4); THE NORTH-HALF (N/2) OF THE SOUTHEAST ONE-QUARTER (SE/4) OF SAID SECTION 23; AND ANY PORTION OF THE NORTHEAST ONE-QUARTER (NE/4) OF THE NORTHEAST ONE-QUARTER (NE/4) OF SECTION 22 LYING NORTH AND EAST OF THE SINKYONE WILDERNESS STATE PARK AND BEING DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MARCH 02, 2011, AS DOCUMENT NO. 2011-02950, OFFICIAL RECORDS OF MENDOCINO COUNTY.

TRACT ONE-C:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF MENDOCINO, STATE OF CALIFORNIA, BEING A PORTION OF SECTIONS 22, 23, 26, AND 27 TOWNSHIP 23 NORTH, RANGE 18 WEST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF SAID SECTION 22 LYING SOUTHERLY AND EASTERLY OF THE SINKYONE WILDEMESS STATE PARK AND EASTERLY OF THE MEAN HIGH WATER LINE OF THE PACIFIC OCEAN; THE SOUTHWEST ONE-QUARTER (SW/4); AND THE SOUTH-HALF (S/2) OF THE SOUTHEAST ONE-QUARTER (SE/4) OF SAID SECTION 23; THE NORTH-HALF (N/2) OF SAID SECTION 26; AND THAT PORTION OF THE NORTH-HALF (N/2) OF SAID SECTION 27 LYING EASTERLY OF THE MEAN HIGH WATER LINE OF THE PACIFIC OCEAN AND BEING DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MARCH 02, 2011, AS DOCUMENT NO. 2011-02951, OFFICIAL RECORDS OF MENDOCINO COUNTY.

TRACT ONE-D:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF MENDOCINO, STATE OF CALIFORNIA, BEING A PORTION OF SECTION 25, TOWNSHIP 23 NORTH, RANGE 18 WEST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHWEST ONE-QUARTER (NW/4); THE WEST ONE-HALF (W/2) OF THE NORTHEAST ONE-QUARTER (NE/4); THE NORTHEAST ONE-QUARTER (NE/4) OF THE SOUTHWEST ONE-QUARTER (SW/4); AND THE NORTHWEST ONE-QUARTER (NW/4) OF THE SOUTHEAST ONE-QUARTER (SE/4) AND BEING

DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MARCH 2, 2011, AS DOCUMENT NO. 2011-02952, OFFICIAL RECORDS OF MENDOCINO COUNTY.

EXCEPTING FROM SAID TRACTS OF LAND ABOVE DESCRIBED THE FOLLOWING DESCRIBED LAND;

All that portion of the following Sections 27, 26, 25, 22, and 23 in Township 23 North, Range 18 West, Mount Diablo Base and Meridian in Mendocino County, California, being any and all lands and any and all interest thereto lying within the following described real property more particularly described as follows:

Beginning at the 1/4 Corner common to Sections 27 & 26 in said Township and Range as established by Michael J. Moore L.S. #5160 per Record of Survey filed in Maps, Drawer 80, Page 59, Mendocino County Records; said Corner has California Coordinate System 1983 Zone II Coordinates of 2,428,416.144 North and 6,044,913.025 East; thence S86°55'01"E, 5,523.18' along the East-West centerline of said Section 26 to the 1/4 Corner common to Sections 26 and 25 of said Township and Range marked by a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 with Coordinates of 2,428,119.088 North and 6,050,428.210 East per Record of Survey filed in Maps, Drawer 80, Page 98, Mendocino County Records; thence N85°00'39"E, 1253.68' along the East-West centerline of said Section 25 to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N53°45'07"W, 554.82' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N29°07'39"E, 329.22' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N39°05'31"E, 357.51' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey this meander corner bears N88°50'06"E, 83.89' from USC&GS Station "Hill" and is also 100' distant Northeasterly from the dividing ridge between Dunn Gulch and the Usal Creek drainage; thence continuing Northwesterly and 100' distant more or less Northeasterly from the said dividing ridge, N19°41'21"W, 247.27' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N9°01'45"E, 328.33' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N21°37'07"W, 819.24' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S83°48'50"W, 201.86' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N50°40'33"W, 256.08' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N77°28'54"W, 219.67' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N52°37'45"W, 170.38' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. #

25681 per said Record of Survey marking the Section Corner common to Sections 23/24/26/25 in said Township and Range; thence continuing 100' distant Northeasterly more or less from said dividing ridge between Dunn Gulch and the Usal Creek drainage N52°37'45"W, 128.48' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N35°04'36"W, 233.54' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N67°32'55"W, 404.90' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N10°27'10"W, 476.99' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N41°53'34"W, 243.79' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N21°58'57"W, 459.81' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N41°32'35"W, 239.05' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S83°54'09"W, 229.46' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N36°32'53"W, 478.49' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey ; thence N68°28'36"W, 175.76' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence maintaining the 100' distance more or less from the ridge top, but now the ridge divides Shady Dell Creek drainage and the Usal Creek drainage; thence proceeding N19°11'06"W, 254.77' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N53°41'38"W, 512.05' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N60°04'23"W, 682.90' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S57°22'55"W, 399.89' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S71°46'06"W, 331.42' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S51°16'38"W, 280.10' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S89°25'43"W, 358.98' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N46°19'34"W, 409.29' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N66°11'48"W, 485.62' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N55°55'49"W, 269.36' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S81°01'18"W, 233.50' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N68°51'05"W, 426.93' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence turning more Easterly

from said dividing Ridge N41°07'25"W, 431.07' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence maintaining at least a 100' distance, from the switchback on the Hales Grove Truck Road, proceeding N44°11'33"E, 306.64' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence S54°57'06"E, 238.94' to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N7°26'50"W, 499.27' ((N7°26'14"W,499.77')) per Record of Survey by Mallory mentioned here-in-below to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence N34°32'46"W, 556.52' ((N34°34'26"W,556.29')) per Record of Survey by Mallory mentioned here-in-below to a 5/8" rebar with 1-1/2" dia. Aluminum cap stamped R.C.E. # 25681 per said Record of Survey; thence continuing on this last course of N34°32'46"W, 2.35' to the Southerly Boundary of the Sinkyone Wilderness State Park as surveyed by Douglas C. Mallory LS # 5940 for Usal Redwood Forest Company, LLC in June – August 2011 as shown and delineated on a ((Record of Survey filed in Maps, Drawer 81, Page23, Mendocino County Records)); thence following said Sinkyone Wilderness Boundary Southwesterly through said Section 22 the following bearings and distances as per (Corporation Grant Deed Recorded December 31, 1986 as Document No. 22269 at Book 1599 Page 479 of Mendocino County Records) (S58°07'13"W, 31.50') S58°08'18"W, 31.50' to a 3/4" rebar with aluminum Cap stamped LS 5940 per said Mallory survey; thence (S72°59'50"W, 166.54') S73°00'55"W, 166.55' to a 3/4" rebar with Aluminum Cap stamped LS 5940; thence (S57°09'18"W, 123.76') S57°10'23"W, 123.77' to a 3/4" rebar with Aluminum Cap stamped LS 5940; thence (S51°57'59"W, 375.98') S51°59'04"W,376.00'; thence (S23°08'38"W, 730.00') S23°09'43"W, 730.04'; thence (S33°53'52"E, 604.14') S33°52'47"E, 604.17'; thence (S24°11'44"W, 327.56') S24°12'49"W, 327.58'; thence (N86°03'12"W, 344.35') N86° 02'07"W, 344.37'; thence (S45°25'25"W, 376.94') S45°26'30"W, 376.96'; thence (S84°58'19"W, 330.31') S84°59'24"W, 330.33' to a 3/4" rebar with Aluminum Cap stamped LS 5940; thence (S47°51'45"W, 74.55') S47°52'50"W, 74.55' to a 3/4" rebar with Aluminum Cap stamped LS 5940; thence (S88°17'06"W, 659.70') S88°18'11"W, 659.73' more or less, to the mean high water line of the Pacific Ocean; thence Southerly along said mean high water line to the East-West centerline of said Section 27; thence continuing S88°50'48" E along the East-West centerline of Section 27 to the Point of Beginning.

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012-080-29
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012-480-07, 10, 11, 13, 14, 16 TO 20
012-490-20
012-500-15
012-510-02, 12, 13, 16, 17
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052-190-01, 02, 03
052-200-01 TO 06
052-210-02 TO 07
052-220-01, 03, 04, 06, 07, 08
052-230-14
052-250-03
052-260-01, 03, 04
052-270-02, 03, 04, 06 TO 10
052-280-03 TO 07
052-290-01, 02
052-300-03
053-130-03, 04
053-140-01
053-150-07, 09
053-160-01, 02, 03, 09, 10
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053-180-01, 02, 03
053-190-01, 02, 05, 12, 13
053-200-01, 12
053-230-01, 02, 03
053-240-01, 03, 04
053-250-01

053-260-01, 02
053-270-03, 12
053-280-01, 02, 03, 06
053-310-02 TO 08
053-320-01, 02
053-330-01, 02
053-420-01, 02, 05
053-430-02

Schedule 3

Acknowledgement of Conservation Easement Baseline Report

Grantor, Grantee and WCB acknowledge that each has read the attached "Usal Redwood Forest Conservation Easement Baseline Report," dated September, 2011, and certify that the report represents a current and accurate description and representation of the Property subject to the Conservation Easement, its resources and Conservation Values, as of the date of conveyance of the Deed of Conservation Easement.

Usal Redwood Forest Company, LLC
a Delaware limited liability company
(Grantor)

By: _____
Its _____

Date: _____

The Conservation Fund
a Maryland non-profit corporation
(Grantee)

By: _____
Its _____

Date: _____

Wildlife Conservation Board

By: _____
Its _____

Date: _____

Schedule 4

Permitted Forest Management

Forest Management shall be permitted which meets the Easement Purposes, terms and conditions of this Easement, including the specific restrictions of this **Schedule 4**:

1. Definition. “**Forest Management**” as used herein shall be broadly defined to consist of all commercial and non-commercial forest management activities allowable under law, including the harvesting and removal of any and all forest products by any and all current and future harvesting and removal methods and techniques allowable under current and future law, and shall also include, among other things without limitation, the following activities: site preparation and cultivation, reforestation, planting, fertilization, growing, cutting, and harvesting trees, forest products, and other vegetation; construction, reconstruction, use, maintenance, closure, abandonment or decommissioning of tractor roads, log yards, landing and staging areas, logging roads or other paths, roads, or other trails used to provide pedestrian, domestic animal and vehicular access to and from and within the Property (including associated drainage facilities or structures); clearing for reforestation; harvesting, pruning, girdling, or trimming trees and other vegetation; harvesting forest products with domestic animals or mechanical equipment; conducting timber cruising, forest management planning, forest crop selection, forest education, forest research and other forest resource evaluation activities; cutting and removing forest products, including but not limited to trees, logs, poles, posts, pulpwood, firewood, chips, seeds, foliage, stumps, boughs, seed cones, bark, shrubs, lesser vegetation and biomass; conducting fire control and other pre-fire activities to prevent or control losses or damage to forest crops or forest products; identifying and marking boundaries; salvaging forest crops or forest products; marking timber and performing other preparatory activities to identify trees or areas for harvest; performing commercial and pre-commercial silvicultural treatments; disposing of harvesting debris and conducting post-harvest or site recovery activities; applying in accordance with applicable statutes and regulations herbicides, pesticides, fungicides, rodenticides, insecticides and fertilizers; removing, loading and transporting timber and other forest crops and products; processing forest products with portable or temporary equipment designed for in-woods processing; trimming, cutting, removing, burning, or otherwise disposing of any trees or vegetation that are diseased, rotten, damaged, or fallen; trimming, cutting, removing, or otherwise disposing of any trees or vegetation as is necessary to construct or maintain fire lines, fuel breaks, footpaths and roads.

2. Forest Certification. Grantor shall use best efforts to seek and maintain certification as a “well-managed forest,” or equivalent designation, through a third party, forest management certification program, such as that of the Forest Stewardship Council (“FSC”) or equivalent entity, within three (3) years of initiating harvest activities on the Property. Grantor is responsible for all costs associated with receiving this certification. A representative of the Grantee shall be fully included in and have open access to the certification audit throughout the process and shall receive copies of all associated documents. Upon receiving this certification, Grantor shall conduct Forest Management on the Property in a manner consistent with the

certification unless agreed to by both Grantor and Grantee, which agreement shall not be unreasonably delayed, conditioned or withheld. Prior to receiving certification, Grantor may conduct Forest Management on the Property in a manner consistent with the Easement Purposes and the terms and conditions of this Easement.

3. Use of Professional Foresters and Other Resource Professionals: Grantor reserves the right to conduct Forest Management activities consistent with the terms, conditions and Conservation Purposes of this Easement utilizing California Registered Professional Foresters (“RPFs”) or other natural resource consultants or advisers of its choice. Grantee shall utilize a RPF and/or other qualified resource management professional of its choice to do all of the following: (i) evaluate compliance with the forest management provisions herein, (ii) review Management Plans, updates and amendments, and (iii) review any proposed amendments to this Easement pertaining to Forest Management otherwise permitted under Section 18(k) of this Easement; *provided, however*, that nothing herein shall be construed as obligating Grantee to consent to any amendment of this Easement.

4. Salvage Logging. Grantor reserves the right to conduct salvage logging activities as permitted under applicable law.

5. Fire Management. Fire is recognized to be an infrequent but natural part of the California coastal redwood forest ecosystem. Therefore, fire management activities, including suppression or prescribed burning and hazard reduction, may be permitted under this Easement by Grantor.

6. Herbicides. Herbicides may be used for control of non-native, noxious or invasive species. Herbicides also may be used to establish or maintain conifer regeneration or to release existing conifers through reducing (but not excluding) hardwood or brush competition on suitable forest regeneration sites. Herbicides may only be used in oak (*Quercus*) woodlands to protect or maintain the oak woodland characteristics.

Schedule 5

Other Permitted Activities and Uses

The following are set forth both to list other specific uses at the Property which are consistent with the Easement Purposes and/or otherwise permitted under this Easement (subject to such restrictions as may be set forth below with respect to a given use), and in order to provide guidance in determining the consistency of other activities with the Easement Purposes, it being understood and agreed by Grantor and Grantee that Grantor reserves for itself and its successors and assigns, the right to carry out any and all activities at and uses of the Property which are: (a) consistent with the Easement Purposes; (b) conducted in a manner and to an extent which does not diminish or impair the Conservation Values to a material degree; and (c) not otherwise specifically prohibited under the terms and conditions of this Easement:

1. Existing Structures. It shall be permissible for Grantor to maintain and repair existing structures documented in the Conservation Easement Baseline Report as present and existing on the Property at the time that this Deed of Conservation Easement is recorded and, in the event of the destruction of any such existing improvements, to replace such improvements with others of similar design, size, function, location, and materials; *provided, however*, that all of the foregoing is done in a manner consistent with the Easement Purposes. Grantor shall also have the right to remove structures from the Property so long as it is done in a manner consistent with the Easement Purposes.

2. Roads. It shall be permissible for Grantor to construct and use new roads, reconstruct, expand, maintain, use and close existing roads for uses and activities permitted herein; *provided, however*, that road construction, expansion or reconstruction shall be otherwise consistent with the Easement Purposes and the terms and conditions of this Easement. Roads shall be constructed, maintained and used so as to minimize erosion and sedimentation and provide adequate drainage, utilizing best management practices as may be found in the CTM Road Maintenance and Construction Handbook, Weaver and Hagans "Farm and Ranch Roads" manual, or other equivalent handbook or manual that may be used by landowners actively managing timberlands on the north coast of California now or in the future. Roads that are abandoned, permanently closed and/or decommissioned in the future shall be appropriately re-vegetated, and stabilized, if necessary, to provide adequate drainage.

3. Rock, Sand and Gravel Pits. In addition to the uses permitted under Paragraph 7 of this **Schedule 5**, it shall be permissible for Grantor to explore and extract rock, sand and gravel materials as reasonably needed for otherwise permitted uses on the Property (such as roads) from established gravel pits identified in the Conservation Easement Baseline Report and, if those are no longer sufficient, from new pits which shall be located, operated and managed in a manner consistent with the Easement Purposes and the extent of which does not diminish or impair the Conservation Values.

4. Signs. It shall be permissible for Grantor to place non-illuminated signs or other appropriate markers in prominent locations on the Property, for the purposes of providing educational, directional or location information, stating that no trespassing or no hunting is allowed on the Property, and the like. It shall be permitted for Grantor to place non-illuminated or illuminated signs or other markers as required by federal, state or county regulations. Outdoor advertising structures such as signs and billboards are restricted on the Property to those that are desirable or necessary to accomplish the permitted uses herein; *provided, however*, that such advertising structures are constructed, placed or utilized in a manner that is otherwise consistent with the Easement Purposes, terms and conditions of this Easement.

5. Easements and Leases. It shall be permissible for Grantor to provide easements on the Property or to lease the Property, or portions thereof, to third parties for uses and activities permitted under the terms and conditions of this Easement.

6. Control of Trespass. It shall be permissible for Grantor to control access to the Property (subject to the terms and conditions of this Easement) and to prevent trespass on the Property. In so doing, Grantor may make use of fences, road grating, gates, boulders, slash or other generally accepted management forms, barriers, structures or treatments to control access to the Property.

7. Designated Improvement Areas. It shall be permissible for Grantor to designate, by written notice to Grantee, and subject to the Approval by Grantee as to location and determination that the proposed use is consistent with the Easement Purposes (including but not limited to its determination that the proposed use does not materially impair, degrade or damage the Conservation Values of the Property) which approval shall not be unreasonably delayed, conditioned or withheld, up to five (5) separate “**Designated Improvement Areas**” on the Property, whose acreage shall not exceed more than ten (10) acres as to individual location and whose location shall be permanently fixed once approved. These Designated Improvement Areas may be devoted to one or more of the following industrial, commercial, residential, recreational and educational uses and activities: (a) the construction, maintenance, repair, and development of rock, sand and/or gravel pits for commercial uses; (b) fixed manufacturing sawmills; (c) work camps in support of allowable uses and activities under the Easement; (d) recreational visitor serving facilities in support of allowable uses and activities under the Easement, including an appropriately scaled, sited and designed lodge with related outbuildings and other ancillary structures; (e) appropriately scaled education and/or research centers in support of allowable uses and activities under the Easement; (f) a residence in association with and in support of the uses allowed in subparagraphs (b) through (e) above; and (g) renewable energy sources (geothermal, wave, wind and the like) consistent with the Easement Purposes (collectively, the “**Improvements**”). Such Designated Improvement Areas may include customary improvements associated with the Improvements permitted above, such as landscaping within the Designated Improvement Area; fences; telephone, electric, gas and other utility conduits, connections, and meters; a septic system and/or sewer connections; driveways to the nearest roadway; and water conduits, connections, and facilities. Once a Designated Improvement Area is identified and approved by Grantee, Grantor shall prepare a survey thereof and record an amendment to this Deed of Conservation Easement, executed by Grantor and

Grantee, providing the survey and a reasonably detailed description of the approved use of the Approved Designated Improvement Area.

8. Provisional Work Areas. It shall be permissible for Grantor to designate, by written notice to Grantee, certain previously disturbed areas on the Property (such as existing roads and landings) where Grantor may establish temporary work areas, such as self-contained work camps or portable milling and chipping operations, for use in connection with and for the purpose of accomplishing Forest Management activities on the Property (“**Provisional Work Areas**”); provided that any designated Provisional Work Area must meet the following conditions for use as a Provisional Work Area: (a) the Provisional Work Area shall be no larger in size than what is reasonably necessary to support the permitted activity; (b) the term for use of the Provisional Work Area shall be no longer than the duration of the permitted activity; and (c) upon cessation of use, the Provisional Work Area shall be restored to a condition equal to or better than the condition the area was in at the time of its designation of as a Provisional Work Area.

9. Installation and Maintenance of Improvements in the Designated Improvement Areas. The Improvements permitted on the Property pursuant to this Easement shall be constructed, installed, maintained, repaired, and replaced in accordance with the following provisions, it being understood that, to the extent that any of the requirements set forth below conflict with the requirements of a governmental entity with jurisdiction over the site, the most stringent requirements shall apply:

(a). All construction, installation, maintenance, repair, and/or replacement of the Improvements, including those referred to in Paragraph 7 of this **Schedule 5**, shall be subject to any and all applicable federal, state and local environmental, land-use, building, and other Applicable Laws.

(b). All of the Improvements shall be contained entirely within the Designated Improvement Areas, shall be reasonably compact in shape, and shall be located, operated and managed in a manner consistent with the Easement Purposes and extent which does not diminish or impair the Conservation Values.

(c). The uses, building plans and specifications for each of the Improvements, including not only structures, but also the location and plans for any utilities, septic systems, driveways, landscaping, grading or other Improvements, shall be subject to Approval by Grantee. Grantee Approval shall be limited to whether the Improvements conform to the requirements of the preceding subparagraph 9(b) of this **Schedule 5**, which shall not be unreasonably delayed, conditioned, or withheld.

(d). Any Improvements which are damaged or destroyed may be repaired or replaced with Improvements located within the Designated Improvement Area which are of similar design, size, function, location and materials and in a manner consistent with the protection of the Conservation Values of the Property, all subject to the terms and conditions of this Easement.

10. Utilities. With the Approval of Grantee, which approval shall not be unreasonably delayed, conditioned or withheld, it shall be permissible for Grantor to: (a) expand existing utility systems on the Property and construct and operate, or allow for the construction and operation of, new utility systems within Designated Improvement Areas including, but not limited to, electric power, septic or sewer, cellular or other communication transmission, and water storage and delivery, provided they are otherwise incidental to and reasonably necessary to serve the Improvements permitted hereunder; or (b) for the improvement of Designated Improvement Areas or Provisional Work Areas as permitted herein. With Approval of Grantee, which approval shall not be unreasonably delayed, conditioned or withheld, Grantor may also construct and operate, or allow for the construction and operation, of cellular or other communication transmission and/or electrical towers and facilities ancillary thereto on the Property, interests in which areas may be required for such towers or facilities may be granted to third parties by easement or lease; or allow for the construction and operation of other utility transmission lines over, under and across the Property, interests in which areas may be required for such utility transmission lines may be granted to third parties by easement or lease.

11. Changes in Technology. The Parties acknowledge that, as technologies evolve, activities undertaken by Grantor in connection with and arising out of Grantor's reserved rights under this **Schedule 5** may emerge, the conduct of which would be suitable at or on the Property. It is not Grantor's intent to prohibit such activities through conveyance of this Easement; rather, Grantor reserves the right to carry out such activities that are in the reasonable judgment of Grantor and Grantee as set forth in a written amendment to this Easement and that are otherwise consistent with the Easement Purposes and do not diminish or impair the Conservation Values.

12. Outdoor Recreation. Subject to the express prohibition on the off-road use of motorized equipment or vehicles of any kind or nature for recreational purposes, it shall be permissible for Grantor to allow all legally-permissible forms of vehicular or non-vehicular non-intensive outdoor recreation on the Property, including, without limitation, hunting, fishing, hiking, biking and equestrian activities and use by motor vehicles of then existing roads in support of non-motorized recreational activities (such as sight-seeing driving along existing roads); *provided, however*, that any recreational improvements of a permanent nature shall be permitted only within Designated Improvement Areas. For purposes of this Paragraph 12 of **Schedule 5**, "permanent" means a structure, facility or other improvement that would constitute a fixture under California law or that would result in significant conversion or disturbance of soil or vegetation.

13. Restoration and Enhancement of Conservation Values. It shall be permissible for Grantor to engage in any use or activity that enhances or restores the natural and ecological Conservation Values other than those pertaining to Forest Management.

14. Native American Cultural Resources.

(a) It shall be permissible for Grantor to dedicate appropriate areas on the Property for access and use by local California Indians who have pre-historic ancestral or

cultural ties to the Property. Such access and use shall be for traditional noncommercial cultural purposes that are: (i) consistent with Native American pre-historic use of the Property; (ii) consistent with the Grantor's Forest Management goals and objectives for the Property; and (iii) that are otherwise consistent with the Easement Purposes and do not diminish or impair the Conservation Values. Access and use for traditional cultural purposes may include, but not be limited to, gathering of cultural plant materials, traditional ceremonial practices, and stewardship of archaeological sites and other important cultural resources.

(b) It shall be permissible for Grantor to authorize and allow local California Indian cultural management projects to protect and preserve, and to enable the appropriate use of, Native American cultural resources on the Property. Any access, use, and management on the Property for Native American traditional cultural purposes shall be consistent with the Easement Purposes and not diminish or impair the Conservation Values.

15. Horses, Mules and Goats. Horses, mules and goats for personal use, and for use in the operations permitted at the Property under the Easement, may be pastured within a Designated Improvement Area, and may graze on the Property in a manner that does not diminish or impair the Conservation Values, is not inconsistent with Easement Purposes and is provided for in a grazing management plan approved by Grantee, which approval shall not be unreasonably delayed, conditioned, or withheld.

16. New Fences (and Other Exclusions). It shall be permissible for Grantor to install fencing and other exclusions (such as tree shelters and tubes, cattle guards, etc.), including but not limited to around the Property (or portions thereof), each Designated Improvement Area, sensitive habitats, progeny sites and the like to protect forest regeneration, to protect the Property from trespassers, or to protect critical habitats from herbivores and other disturbances.

17. Tree and Seedling Nursery. It shall be permissible for Grantor to install, develop, maintain and use a tree and seed nursery in support of permitted Forest Management activities on the Property; provided, however, that any such nursery that is larger than one (1) acre, or that requires the installation of permanent structures shall be located within a Designated Improvement Area.

18. Fuelwood Harvest. It shall be permissible for Grantor to develop and implement a program for fuelwood (firewood) harvest on the Property, provided that such activity does not diminish or impair the Conservation Values, is not inconsistent with Easement Purposes and is set forth in a fuelwood management plan and approved by Grantee, which approval shall not be unreasonably delayed, conditioned, or withheld.

19. Emergencies. It shall be permissible for Grantor to undertake activities to protect public health or safety or prevent, mitigate or repair material property damage, or which are actively required by and subject to compulsion of any governmental agency with authority to require such activity.

20. Carbon Sequestration and Ecosystem Services Rights.

(a) Grantor shall be permitted to retain, sell, trade or gift any or all of the rights to carbon credits or sequestration and ecosystem services, or any or all of other similar rights that may exist now or in the future, that are inherent in the Property and that are not otherwise extinguished by the grant of this Easement, *provided, however*, that the exercise of such rights is consistent with the Easement Purposes and is consistent with the requirements of the Climate Action Reserve, a California nonprofit public benefit corporation, or equivalent entity's, forestry protocols and does not diminish or impair the Conservation Values.

(b) Grantor of this Easement shall ensure that the terms and conditions of the 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 Grantor proposes to authorize, create, sell, exchange or transfer, and to notify Grantee and WCB at least 45 days prior to any such proposed establishment. Grantee agrees to include in the required annual monitoring report, a summary of any activity by the Grantor of this Easement 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.

21. Rights of Third Parties. This Easement shall not be interpreted to restrict, limit, define, regulate, or otherwise affect the rights of third parties in the Property that existed and were recorded as of the effective date of this Easement, including without limitation third party mineral and water rights reservations.

Schedule 6

Prohibited Activities and Uses

1. Inconsistent or Adverse Actions. The list of prohibited activities and uses in this **Schedule 6** is not an inclusive and exhaustive list and any activity and use that results in a material adverse change, disturbance, alteration or impairment of the Conservation Values of the Property is prohibited, *except* as may occur pursuant to (and then only to the extent permitted as a part of) the uses of, and activities on, the Property which are specifically permitted under this Easement.

2. Forest Management Restrictions. Forest Management uses and activities on the Property shall be restricted as follows; provided, however, that the terms of this Paragraph 2 of **Schedule 6** may be deemed to be met if the Property has been certified as provided for in Paragraph 2 of **Schedule 4** of this Easement, and Forest Management on the Property is being conducted in a manner consistent with such certification and so long as the conditions of certification include the following restrictions:

(a) Conifer timber harvest volume removals as measured on a standing basis shall be limited to not more than 2.9 percent of total standing conifer inventory volume on an annual average basis over the length of each consecutive, non-overlapping 5-year period (2011-2015, 2016-2020, etc.). The total standing conifer inventory volume used as a basis shall be the total standing conifer inventory volume at the start of each 5-year period. The current inventory volume is provided in the Conservation Easement Baseline Conditions Report. Future conifer harvest volume will be calculated on a basis consistent with inventory and merchantability standards as described in the Conservation Easement Baseline Report, and approved in advance by Grantee, in accordance with the procedures of Section 8 of this Easement, which approval shall not be unreasonably delayed, conditioned or withheld. Conformance with this provision will be based on inventory and harvest volume information provided by Grantor to Grantee at the end of each 5-year period.

(b) Before the 61st anniversary of the date of recordation of this Easement, the Grantor reserves the right to apply an even-age management regime to transition the Property from forest stands dominated by Tan oak to a more desired ecological condition of mixed conifers and hardwoods and to meet its other community development objectives.

(c) Grantor and Grantee acknowledge that Forest Management consistent with **Schedule 4** and this Paragraph 2 of **Schedule 6** is also consistent with the Conservation Values and the Easement Purposes.

3. Improvements. *Except* as explicitly permitted by the terms of this Easement, including without limitation Paragraphs 7 and 9 of **Schedule 5** of this Easement, construction or placement of any structures or improvements on the Property is prohibited.

4. No Use or Transfer of Development Rights. *Except* as explicitly permitted by the terms of this Easement, all development rights that are now or hereafter allocated to, implied, reserved, or inherent in or to the Property are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property (whether adjacent or otherwise).

5. Granting of Partial Interests or Subdivision. There shall be no legal or *de facto* sale or gift of less than the whole of the Property, nor any division, subdivision, or partitioning of the Property, *except* as follows: (a) through the governmental exercise of the power of Eminent Domain; (b) the transfer to a governmental agency for purposes which further the Easement Purposes; or (c) as may be necessary to resolve minor boundary line disputes. Ownership of the Property, for example, may be held in the form of a limited liability company and/or undivided interests as tenants in common, whether by choice or by operation of law, but no member of a limited liability company or owner of an undivided interest in the Property shall have the right of exclusive occupancy or exclusive use of any separate portion of the Property, or any right to have the Property partitioned in kind, whether pursuant to California Code of Civil Procedure Sections 872.210 *et seq.* or otherwise. There shall also be no severance, conveyance, impairment, or encumbrance of water or water rights appurtenant to the Property, separately from the underlying title to the Property, or other action which diminishes or extinguishes such water rights, and the Easement shall not sever or impair any riparian water rights appurtenant to the Property.

6. Industrial, Commercial or Residential Uses. Any industrial, commercial or residential use of any kind is prohibited, *except* for permitted Forest Management and as otherwise permitted in this Easement, including without limitation the uses and activities allowed under Paragraph 7 of **Schedule 5** of this Easement.

7. Agricultural and Grazing Uses. Any agricultural, farming or ranching use, including without limitation, planting, raising, harvesting and producing agricultural crops or products, including (but not limited to) row crops, orchards, vineyards, or any other activities that involve tillage of soil, planting of agricultural crops that would be harvested, or irrigation of such crops, feedlots, stockyards and animal waste storage or processing is prohibited; *provided, however,* that: (a) Forest Management and habitat enhancement are permitted as otherwise provided in this Easement, including without limitation **Schedule 4** of this Easement and Paragraphs 13 and 15 of **Schedule 5** of this Easement; (b) Grantor may develop, maintain and use a tree and seed nursery on the Property as permitted in Paragraph 17 of **Schedule 5** of this Easement; and (c) Grantor may develop an area, not to exceed one-half (½) acre, for personal, non-commercial agricultural uses within each of the Designated Improvement Areas.

8. Utilities. Expansion or construction of utilities, including, but not limited to, electric power, septic or sewer, cellular or other communication transmission, and water storage and delivery systems is prohibited, *except* as may be reasonably necessary for the improvement of Designated Improvement Areas and the construction of utility transmission facilities, as provided for in this Easement, including without limitation Paragraph 10 of **Schedule 5**.

9. Recreational Facilities. There shall be no permanent recreational facilities erected or placed on the Property anywhere outside the Designated Improvement Areas, as provided for in Paragraphs 7, 9 and 12 of **Schedule 5**, *except* as may be necessary to support or accommodate low intensity day time public access. For purposes of this Paragraph 9 of **Schedule 6**, “permanent” mean any use structure, facility or other improvement that would constitute a fixture under California law or that would result in significant conversion or disturbance of soil or vegetation.

10. No Dumping. The dumping, release, burning, permanent storage, or other disposal of waste materials, refuse, debris, motorized vehicles or hazardous substances is prohibited, *except* as follows:

(a) Grantor may use and store in appropriate containers, designed and maintained to avoid spillage or other contamination of the surrounding environment, Hazardous Substances generated or used in connection with Forest Management and upon any cessation of the use of such materials, shall remove such materials from the Property not less frequently than annually.

(b) Grantor shall collect and store in appropriate containers rubbish, garbage, debris and waste materials generated in connection with future property management activities and the construction, maintenance and operation of Improvements, and shall remove such material from the Property at reasonable intervals which shall be no less often than annually.

(c) Non-man-made biodegradable materials generated on the Property from Forest Management, including biodegradable logging debris shall not be considered as waste material, refuse or debris or landfill for purposes of this Easement and need not be removed from the Property and may be burned and/or composed on-site.

11. Soil and Waters. Any use or activity in violation of local, state or Federal law that causes material soil degradation, loss of productivity, or erosion, or contributes to the material pollution of any surface or sub-surface waters is prohibited.

12. Drainage and Diking. The draining, filling, dredging, diking, damming or other alteration, development or manipulation of watercourses, springs and wetlands is prohibited, *except* where necessary for permitted habitat enhancement or logging road or tractor road construction or maintenance activities associated with Forest Management or fire suppression.

13. Roads. Construction of new roads or expansion of existing roads is restricted to roads as may be permitted herein, as provided for in Paragraph 2 of **Schedule 5**, roads shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage, utilizing best management practices as may be found in the CTM Road Maintenance and Construction Handbook, Weaver and Hagans “Farm and Ranch Roads” manual, or other equivalent handbook or manual that may be used by landowners actively managing timberlands on the north coast of California now or in the future.

14. Mining and Extractive Activities. The exploration for, or development and extraction of minerals is prohibited; *provided, however*, that:

(a) Exploration and extraction of rock, sand and gravel materials as reasonably needed for otherwise permitted uses on the Property (such as roads) is permitted on the Property as provided in Paragraph 3 of **Schedule 5**; and

(b) Commercial exploration and extraction of rock, sand and/or gravel materials is permitted within Designated Improvement Areas as provided in Paragraph 7 of **Schedule 5**; and

(c) Exploration for and use of the Property for renewable energy sources (such as geothermal, wave and wind) via non-extractive means subject to the Approval by Grantee and WCB as to location and determination that the proposed use is consistent with the Easement Purposes (including but not limited to its determination that the proposed use does not materially impair, degrade or damage the Conservation Values of the Property); and

(d) Exploration for, or development and extraction of minerals is permitted solely in furtherance of rights reserved to and asserted by third parties as of the effective date of this Easement.

15. Exotic Species. The conversion of native vegetation to exotic or invasive non-native plant species, and/or the intentional introduction of exotic and invasive non-native plant or animal species are prohibited, *except* as incidental to permitted uses and activities herein and for permitted activities in response to insect, disease or other threats to the Conservation Values, or with the Approval of the Grantee and WCB which shall not be unreasonably delayed, conditioned or withheld.