Attachment 3
Exhibit E-4.6: Conservation Easement Area F

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RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Southwest Resource Management Association
4500 Glenwood Dr.
Riverside, CA 92501
Attn: Shelli Lamb

Space Above Line for Recorder's Use Only

CONSERVATION EASEMENT DEED
Petersen Ranch Mitigation Bank Area F

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of the _____ day of _____, 20____, by **LV Lake Elizabeth, LLC**, in favor of Southwest Resource Management Association ("SRMA") ("Grantee"), with reference to the following facts:

RECITALS

A. Grantor is the sole owner in fee simple of certain real property containing approximately 154.2 acres and located in unincorporated Leona Valley in the County of Los Angeles, State of California, and designated Assessor's Parcel Number(s):

3235-008-002, 3235-006-002, 3235-008-001, 3235-006-001, 3235-008-017, 3235-008-003.

The Real Property is legally described on **Exhibit "A"** attached hereto and incorporated by this reference. Grantor intends to grant a conservation easement over a 154.2-acre portion of the Elizabeth Lake Bank Property Area F (the "Property"). The Property is legally described and depicted on **Exhibit "B"** attached hereto and incorporated by this reference.

B. The Property possesses wildlife and habitat values of great importance to Grantee, the people of the State of California and the people of the United States. The Property will provide high quality natural, restored and/or enhanced habitat for Swainson's hawk, a state threatened species, as well as other special-status species; including tricolor blackbird, burrowing owl, and coast horned lizard and restored, established, re-established, rehabilitated, enhanced and/or preserved jurisdictional waters of the United States and Waters of the State. Individually and collectively, these wildlife and habitat values comprise the "Conservation Values" of the Property.

C. The California Department of Fish and Wildlife ("CDFW") has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of these species pursuant to California Fish and Game Code Section 1802.

D. The U.S. Environmental Protection Agency ("USEPA") and U.S. Army Corps of Engineers ("USACE") have jurisdiction over waters of the United States pursuant to the federal Clean Water Act, 33 U.S.C. Section 1251, *et seq.*

E. The Regional Water Quality Control Boards ("RWQCB") have jurisdiction over waters of the state of California pursuant to the Porter-Cologne Water Quality Control Act , Water Code Section 13000 et seq. Waters of the state include any surface water or groundwater, including saline waters, within the boundaries of the state.

F. Grantee is authorized to hold this Conservation Easement pursuant to California Civil Code Section 815.3 and Government Code Section 65967. Specifically, Grantee is (i) a tax-exempt nonprofit organization qualified under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, and qualified to do business in California which has as its primary purpose the protection, preservation, and enhancement of lands in its natural, scenic, agricultural, forested, or open space condition or use.

G. This Conservation Easement is granted pursuant to the Bank Enabling Instrument (the "BEI"), by and between Land Veritas Corp., LV Lake Elizabeth, LLC, CDFW South Coast Region (Tracking No. 1798-2013-04-R5), the Los Angeles District of USACE, (USACE File No. SPL-2012-00669), U.S. Environmental Protection Agency Region IX ("EPA") and the Lahontan Regional Water Quality Control Board ("Lahontan RWQCB"), and the Bank Development Plan (the "Development Plan"), and the Interim Management Plan and Long-Term Management Plan created under the BEI. CDFW, USACE, USEPA, and, as applicable, the Lahontan RWQCB are together referred to in this Conservation Easement as the "Interagency Review Team (IRT)".

A final, approved copy of the BEI, Development Plan, the Interim Management Plan, and Long-term Management Plan, and any amendments thereto approved by the Signatory Agencies, shall be kept on file at the respective offices of the Signatory Agencies. If Grantor, or any successor or assign, requires an official copy of the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan, it should request a copy from one of the Signatory Agencies at its address for notices listed in Section 12 of this Conservation Easement.

The BEI, the Development Plan, the Interim Management Plan, the Long-term Management Plan shall be incorporated by this reference into this Conservation Easement as if fully set forth herein.

H. LV Lake Elizabeth, LLC, has granted to Newhall Land and Farming Company ("Newhall") a 6.76 acre easement ("Easement") to enable Newhall to perform seeding trials, introduction, monitoring, and perpetual maintenance of San Fernando Valley Spineflower (*Chorizanthe parryi* var. fernandina) ("Spineflower"), as described in the Spineflower Easement Agreement ("Agreement") dated September 7, 2017(**Exhibit "D"**). This easement includes perpetual pedestrian access from Lake Elizabeth Road to the Introduction Area. This easement has been subordinated to the Conservation Easement as described in the Subordination Agreement dated _____. (**Exhibit "E"**)

I. Pursuant to that certain San Fernando Valley Spineflower Introduction Plan ("Introduction Plan") dated as of August 2017 prepared by Dudek, which has been provided to Grantor and is incorporated by reference herein (**Exhibit "F"**), Newhall plans to carry out a

conservation program pursuant to which Newhall shall, among other things, perform seeding trials and subsequently introduce, monitor, and perpetually manage Spineflower within a portion of the Property depicted on Exhibit C.

J. All section numbers referred to in this Conservation Easement are references to sections within this Conservation Easement, unless otherwise indicated.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the laws of the United States and the State of California, including California Civil Code Section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property.

1. Purposes.

The purposes of this Conservation Easement are to ensure that the Property will be retained forever in its natural, restored, or enhanced condition as contemplated by the BEI, the Development Plan, the Interim Management Plan and Long-term Management Plan, and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to activities that are consistent with such purposes, including, without limitation, those involving the preservation, restoration and/or enhancement of native species and their habitats implemented in accordance with the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan. This Conservation Easement will also allow for the maintenance and management of the Introduction Area by Newhall in accordance with the Introduction Plan, and as agreed upon in the Agreement.

2. Grantee's Rights.

To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee:

(a) To preserve and protect the Conservation Values of the Property.

(b) To enter the Property at reasonable times and with twenty four (24) hours notice to Grantor, in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, and as applicable, the BEI, the Development Plan, the Interim Management Plan, the Introduction Plan, and Long-term Management Plan and, where appropriate, to implement at Grantee's sole discretion Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan activities that have not been implemented, provided that Grantee shall not unreasonably interfere with Grantor's authorized use, and quiet enjoyment of the Property.

(c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Conservation Easement.

(d) To require that all mineral, air and water rights as Grantee or the Signatory Agencies reasonably deem necessary to preserve and protect the biological resources and Conservation Values of the Property shall remain a part of and be put to

beneficial use upon the Property except as reserved herein by Grantor, consistent with the purposes of this Conservation Easement.

(e) All present and future development rights appurtenant to, allocated, implied, reserved or inherent in the Property covered by this Conservation Easement; are hereby terminated and extinguished and may not be used on or transferred to any portion of the Property, or any other property adjacent or otherwise.

3. Prohibited Uses.

Any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following uses and activities by Grantor, Grantor's agents, and third parties are expressly prohibited:

(a) Unseasonable watering; use of fertilizers, pesticides, biocides, herbicides or other agricultural chemicals; weed abatement activities; incompatible fire protection activities, ; and any and all other activities and uses which may impair or interfere with the purposes of this Conservation Easement except for in emergencies and when required by law or specifically provided for in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(b) Use of off-road vehicles and use of any other motorized vehicles except on existing trails, paths and roadways.

(c) Agricultural activity except grazing for vegetation management as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(d) Recreational activities, including, but not limited to, horseback riding, biking, hunting, or fishing except for personal, non-commercial, recreational activities of the Grantor (or as specifically allowed in Section 6), so long as such activities are consistent with the purposes of this Conservation Easement and/or specifically provided for in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(e) Commercial, industrial, residential, or institutional uses. Existing uses on the Property are acceptable.

(f) Any legal or de facto division, subdivision or partitioning of the Property.

(g) Construction, erecting or placement of any building, billboard or sign, or any other structure or improvement of any kind except as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(h) Depositing or accumulation of soil, trash, ashes, refuse, waste, bio-solids or any other materials.

(i) Planting, introduction or dispersal of non-native or exotic plant or animal species.

(j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sand, gravel, rock or other material on the surface of the Property, or granting or authorizing surface use for any of these purposes.

(k) Altering the surface or general topography of the Property, including but not limited to any alterations to habitat, building new roads or trails, paving or otherwise covering the Property with concrete, asphalt or any other impervious material except for those roadway maintenance or habitat management activities specified in the Development Plan, Interim Management Plan, Introduction Plan, or Long-term Management Plan.

(l) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required by law for (i) fire breaks, (ii) maintenance of existing foot trails or roads, or (iii) prevention or treatment of disease; and except for mowing or manual removal of non-native and invasive species as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(m) Manipulating, impounding or altering any natural water course, body of water or water circulation on the Property outside of historical practices, documented in the baseline section of the first annual report, and any activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters except for construction activities as specifically provided in the Development Plan or Introduction Plan.

(n) Without the prior written consent of Grantee and the IRT prior to bank closure, which Grantee or IRT may reasonably withhold only on the basis that the purposes of this Conservation Easement would be harmed, transferring, encumbering, selling, leasing, or otherwise separating the mineral, air or water rights for the Property; changing the place or purpose of use of the water rights (except as noted herein); abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (i) riparian water rights; (ii) appropriative water rights; (iii) rights to waters which are secured under contract with any water purveyor, to the extent such waters are customarily applied to the Property; and (iv) any water from wells that are in existence on the Property.

(o) Engaging in any use or activity that violates, or fails to comply with, federal, state, or local laws, or regulations, applicable to the Bank or detrimental to the Conservation Values of the Property.

(p) Creation of any encumbrance on the Property superior to this Conservation Easement, other than those encumbrances set forth in Title Report March 7, 2015 on file with the Grantee and IRT, or the recording of any involuntary lien (which is not released within thirty calendar days), or the granting of any lease, license or similar possessory interest in the Bank Property which will affect the conservation values of the Property.

(q) Cause or consent to the release, or any action that threatens to cause the release, of any Hazardous Materials in, on, under, from, or in the immediate vicinity of the Introduction Area or cause or consent to the storage, use, disposal, deposit, treatment or abandonment of any underground storage tanks in, on, under, from or in the immediate vicinity of the Introduction Area.

(r) Any activities within the Introduction Area that interfere with the persistence of the established Spineflower populations or with the ecological and biological values of the Introduction Area as Spineflower habitat.

4. Grantee's Duties.

(a) To ensure that the purposes of this Conservation Easement as described in Section 1 are being accomplished, Grantee and its successors and assigns shall:

(1) Perform, at a minimum on an annual basis, compliance monitoring inspections of the Property; and

(2) Prepare reports on the results of the compliance monitoring inspections, and provide these reports to the Signatory Agencies on an annual basis.

(b) In the event that the Grantee's interest in this easement is held by, reverts to, or is transferred to the State of California, Section 4(a) shall not apply.

5. Grantor's Duties.

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Property or that are otherwise inconsistent with this Conservation Easement. In addition, Grantor shall undertake all necessary actions to perfect and defend Grantee's rights under Section 2 of this Conservation Easement, and to observe and carry out the obligations of Grantor under the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan.

The Introduction Area shall be perpetually maintained, managed, and preserved in a natural condition and in conformance with the Introduction Plan. Implementation of the Introduction Plan will be the responsibility of Newhall, and not the Grantor. Grantor shall permit Newhall pedestrian access to carry out the Permitted Activities as defined in the Agreement to maintain and manage the Introduction Area. The balance of the Property, excluding the Introduction Area, shall be conserved, maintained and managed in perpetuity consistent with the IRT-approved Interim Management Plan and Long-term Management Plan.. In accordance with certain sections from the Agreement, including but not limited to Section 7.c.2., Section 11, Section 15, or Section 16, if Newhall becomes unable to perform agreed upon duties, Newhall's rights, as described in the Agreement shall terminate. In such case, Grantor is released from duties previously executed by Newhall within the Introduction Area, and the Grantor will be responsible for managing the Introduction Area according to the Long-term Management Plan.

6. Reserved Rights.

Notwithstanding any contrary provision in this Conservation Easement, Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from Grantor's ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited or limited by, and are consistent with the purposes of, this Conservation Easement, and including but not limited to air and water rights, and the following uses.

(a) While the primary purpose of the Property is to provide habitat for Swainson's Hawk, hunting shall be allowed on the Property in accordance with the following restrictions: (i) hunting activities shall not adversely affect the Conservation Values; (ii) no hunting activities shall take place from March 1 through July 15 of any year, and this closure period may be extended in writing by either Grantee, in consultation with CDFW, or CDFW to accommodate early or late Swainson's Hawk presence in any given year; (iii) no hunting activities shall take place within the cattle exclusion zone along the rift valley until all final restoration performance standards associated with the original restoration or any required remediation have been met and approved by the interagency review team (IRT) as specified in the BEI; (iv) recreational or target shooting not directly associated with the lawful take of game is strictly prohibited; (v) commercial hunting shall be allowed on an annual basis with the prior, written approval of CDFW and subject to any terms and conditions set forth in that written approval

(b) Grantor may continue to engage in non-motorized recreational activities on the Property in the same manner as Grantor currently utilizes the Property. These uses include, by way of example and not limitation, hiking, horseback riding, and hunting (subject to the restrictions described above). Motorized recreational activities (e.g., recreational off-highway vehicle activities) are permitted only on existing trails, paths and roadways.

(c) The infrastructure currently existing on the Property includes, but is not limited to, storage tanks, ponds and a pipeline (largely located within existing roadways) for water extraction, storage and delivery; livestock structures; agricultural equipment; and safety equipment (fire and general). Infrastructure that currently exists on the Property may continue to be used, replaced and maintained by Grantor and/or Newhall as described in the Long-Term Management Plan and Introduction Plan. Grantor may not expand the use of such infrastructure (including existing ponds) or change the nature of such infrastructure if such expansion or change would have a material, adverse impact on the Conservation Values without prior written approval from the IRT.

(d) Grantor may continue to use the Property for outdoor education events, educational tours, and school-related events.

7. Grantee's Remedies.

If Grantee determines that a violation of this Conservation Easement has occurred or is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation ("Notice of Violation"). If Grantor fails to cure the violation within thirty (30) days after receipt of a Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and Grantor fails to begin the cure within the thirty (30)-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction for any or all of the following: to recover any damages to which Grantee may be entitled for violation of the terms of this Conservation Easement or for any injury to the Conservation Values of the Property; to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies; to pursue any other legal or equitable relief, including but not limited to, the restoration of the Property to the condition in which it existed prior to any violation or injury; or to otherwise enforce this Conservation Easement. Without limiting the liability of Grantor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Property.

If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate injury to the Conservation Values of the Property, Grantee may pursue its remedies under this Conservation Easement without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this section apply equally to actual or threatened violations of this Conservation Easement.

Grantor agrees that Grantee's remedies at law for any violation of this Conservation Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to the remedies set forth in California Civil Code Section 815, *et seq.* The failure of Grantee to discover a violation or to take immediate legal action shall not bar Grantee from taking such action at a later time.

(a) Costs of Enforcement.

All costs incurred by the Grantee or Third Party Beneficiary, where Grantee or Third Party Beneficiary is a prevailing party, in enforcing the terms of this Conservation Easement against the Grantor, including, but not limited to, costs of suit and attorneys' and experts' fees, and any costs of restoration necessitated by negligence or breach of this Conservation Easement, shall be borne by the Grantor.

(b) Grantee's Discretion.

Enforcement of the terms of this Conservation Easement by Grantee shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement shall not be deemed or construed to be a waiver of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any rights of Grantee under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

(c) Acts Beyond Grantor's Control.

Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from (i) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, and earth movement, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes; or (ii) acts by Grantee, Signatory Agencies, or their employees; or (iii) illegal, terrorist, or other acts caused by third parties.

(d) Enforcement; Standing.

All rights and remedies conveyed to Grantee under this Conservation Easement shall extend to and are enforceable by the Third-Party Beneficiaries (as defined in Section 14(m)). These enforcement rights are in addition to, and do not limit, the rights of enforcement under the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan. If at any time in the future Grantor uses, allows the use, or threatens to use or allow use of, the Property for any purpose that is inconsistent with or in violation of this Conservation Easement then, despite the provisions of California Civil Code Section 815.7, the

California Attorney General and the Third-Party Beneficiaries each has standing as an interested party in any proceeding affecting this Conservation Easement.

(e) Notice of Conflict.

If Grantor receives a Notice of Violation from Grantee or a Third-Party Beneficiary with which it is impossible for Grantor to comply consistent with any prior uncured Notice(s) of Violation, Grantor shall give written notice of the conflict (hereinafter "Notice of Conflict") to the Grantee and Third-Party Beneficiaries. In order to be a valid, a Notice of Conflict shall be given within fifteen (15) days of the date Grantor receives a conflicting Notice of Violation, shall include copies of the conflicting Notices of Violation, and shall describe the conflict with specificity, including how the conflict makes compliance with the uncured Notice(s) of Violation impossible. Upon issuing a valid Notice of Conflict, Grantor shall not be required to comply with the conflicting Notices of Violation until such time as the entity or entities issuing said conflicting Notices of Violation issue(s) revised Notice(s) of Violation that resolve the conflict. Upon receipt of a revised Notice of Violation, Grantor shall comply with such notice within the time period(s) described in the first grammatical paragraph of this Section 7. The failure of Grantor to issue a valid Notice of Conflict within fifteen (15) days of receipt of a conflicting Notice of Violation shall constitute a waiver of Grantor's ability to claim a conflict.

(f) Reversion.

If the Signatory Agencies determine that Grantee is not holding or monitoring this Conservation Easement for conservation purposes in the manner specified in this Conservation Easement or in the BEI, the Development Plan, Interim Management Plan, or the Long-term Management Plan, then, pursuant to California Government Code Section 65967(e), this Conservation Easement shall revert to the State of California, or to another public agency or nonprofit organization qualified pursuant to Civil Code Section 815.3 and Government Code Section 65967 (and any successor or other provision(s) then applicable) and approved by the Signatory Agencies in consultation with Grantor or Grantor's successors in interest.

8. Access.

This Conservation Easement does not convey a general right of access to the public.

9. Costs and Liabilities.

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Grantor agrees that neither Grantee nor Third-Party Beneficiaries shall have any duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions on it, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use permitted by this Conservation Easement, and any activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency laws, statutes, ordinances, rules, regulations, orders and requirements.

(a) Taxes; No Liens.

Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinated to this Conservation Easement, as provided in Section 14(k)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

(b) Hold Harmless.

(1) Grantor shall hold harmless, protect and indemnify Grantee and its directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Grantee Indemnified Party" and collectively, "Grantee's Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (i) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except that this indemnification shall be inapplicable to any Claim due to the negligence of Grantee or any of its employees; (ii) the obligations specified in Sections 5, 9 and 9(a); and (iii) the existence or administration of this Conservation Easement. If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Grantee's Indemnified Party.

(2) Grantor shall hold harmless, protect and indemnify Third-Party Beneficiaries and their respective directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Third-Party Beneficiary Indemnified Party" and collectively, "Third-Party Beneficiary Indemnified Parties") from and against any and all Claims arising from or in any way connected with: (i) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause and (ii) the existence or administration of this Conservation Easement. *Provided, however,* that the indemnification in this Section 9 (b) (2) shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Claim due to the negligence of that Third-Party Beneficiary Indemnified Party or any of its employees. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any Claim to which the indemnification in this Section 9 (b) (2) applies, then at the election of and upon written notice from the Third-Party Beneficiary Indemnified Party, Grantor shall defend such action or proceeding by counsel reasonably acceptable to the applicable Third-Party Beneficiary Indemnified Party or reimburse the Third-Party Beneficiary Indemnified Party for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

(c) Extinguishment.

If circumstances arise in the future that render the preservation of Conservation Values, including wetland functions and values, or other purposes of this

Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

(d) Condemnation.

The purposes of this Conservation Easement are presumed to be the best and most necessary public use as defined at California Code of Civil Procedure Section 1240.680 notwithstanding Code of Civil Procedure Sections 1240.690 and 1240.700. If this Conservation Easement is condemned, the net proceeds from the condemnation shall be used in compliance with Government Code section 65966(j).

10. Transfer of Conservation Easement or Property.

(a) Conservation Easement.

This Conservation Easement may be assigned or transferred by Grantee upon written approval of the Signatory Agencies which approval shall not be unreasonably withheld or delayed, but Grantee shall give Grantor and the Signatory Agencies at least sixty (60) days prior written notice of the proposed assignment or transfer. Grantee may assign or transfer its rights under this Conservation Easement only to an entity or organization: (i) authorized to acquire and hold conservation easements pursuant to California Civil Code Section 815.3 and Government Code Section 65965 (and any successor or other provision(s) then applicable), and the laws of the United States; and (ii) otherwise reasonably acceptable to the Signatory Agencies. Grantee shall require the assignee to record the assignment in the county where the Property is located. The failure of Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforcement in any way. Any transfer under this section is subject to the requirements of Section 11.

(b) Property.

Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Grantor agrees that the deed or other legal instrument shall also incorporate by reference the BEI, the Development Plan, Interim Management Plan, or the Long-term Management Plan, and any amendment(s) to those documents. Grantor further agrees to give written notice to Grantee and the Signatory Agencies of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer. Grantee or the Signatory Agencies shall have the right to prevent any transfers in which prospective subsequent claimants or transferees are not given notice of the terms, covenants, conditions and restrictions of this Conservation Easement (including the exhibits and documents incorporated by reference in it). The failure of Grantor to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way. Any transfer under this section is subject to the requirements of Section 11.

11. Merger.

The doctrine of merger shall not operate to extinguish this Conservation Easement if the Conservation Easement and the Property become vested in the same party. If, despite this intent, the doctrine of merger applies to extinguish the Conservation Easement then, unless Grantor, Grantee, and the Signatory Agencies otherwise agree in writing, a replacement conservation easement or restrictive covenant containing the same protections

embodied in this Conservation Easement shall be recorded against the Property.

12. Notices.

Any notice, demand, request, consent, approval, or other communication that Grantor or Grantee desires or is required to give to the other shall be in writing, with a copy to each of the Signatory Agencies, and served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, addressed as follows:

To Grantor:	LV Lake Elizabeth, LLC 1001 Bridgeway #246 Sausalito, CA 94965
With a copy to:	Mitchell Chadwick LLP 3001 Lava Ridge Court Suite No. 120 Roseville, CA 95661 Attn: G. Braiden Chadwick
To Grantee:	Southwest Resource Management Association 4500 Glenwood Dr. Riverside, CA 92501 Attn: Shelli Lamb
With a copy to:	Best Best & Krieger LLP 3390 University Avenue, 5th Floor Riverside, CA 92501 Attn: Steve Anderson
To Newhall:	The Newhall Land and Farming Company 25124 Springfield Court, 3rd Floor Valencia, California 91355 Attn: Environmental Resources
To CDFW:	Department of Fish and Wildlife Region Five 3883 Rufflin Road San Diego, CA 92123 Attn: Regional Banking Coordinator
With a copy to:	Department of Fish and Wildlife Office of General Counsel 1416 Ninth Street, 12th Floor Sacramento, CA 95814-2090 Attn: General Counsel
To USACE:	U.S. Army Corps of Engineers Los Angeles District 915 Wilshire Blvd. Suite 13073

Los Angeles, CA 90017
Attn: Chief, Regulatory Branch

To USEPA: U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105
Attn: Director, Water Division

To Lahontan RWQCB: Regional Water Quality Control Boards
Lahontan Region
14440 Civic Drive, Suite 200
Victorville, CA 92392
Attn: Executive Office

or to such other address a party or a Signatory Agency shall designate by written notice to Grantor, Grantee and the Signatory Agencies. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

13. Amendment.

This Conservation Easement may be amended only by mutual written agreement of Grantor and Grantee and written approval of the Signatory Agencies which approval shall not be unreasonably withheld or delayed. Any such amendment shall be consistent with the purposes of this Conservation Easement and California law governing conservation easements, and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of the county in which the Property is located, and Grantee shall promptly provide a conformed copy of the recorded amendment to the Grantor and the Signatory Agencies.

14. Additional Provisions.

(a) Controlling Law.

The interpretation and performance of this Conservation Easement shall be governed by the laws of the United States and the State of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction.

Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the purposes of this Conservation Easement and the policy and purpose of California Civil Code Section 815, *et seq.* and Government Code Section 65965. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability.

If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(d) Entire Agreement.

This document (including its exhibits, the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan incorporated by reference in this document) sets forth the entire agreement of the parties and the Signatory Agencies with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements of the parties relating to the Conservation Easement. No alteration or variation of this Conservation Easement shall be valid or binding unless contained in an amendment in accordance with Section 13.

(e) No Forfeiture.

Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors.

The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties and their respective personal representatives, heirs, successors, and assigns, and shall constitute a servitude running in perpetuity with the Property.

(g) Termination of Rights and Obligations.

A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

(h) Captions.

The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability.

(1) Grantor represents and warrants that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 9 (b), Grantor hereby releases and agrees to indemnify, protect and hold harmless the Grantee's Indemnified Parties (defined in Section 9 (b) (1)) from and against any and all Claims (defined in Section 9 (b)(1)) arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Property at any time, except any Hazardous Materials placed, disposed or released by Grantee or any of its employees. This release and indemnification includes, without limitation, Claims for (A) injury to or death of any person or physical damage to any property; and (B) the violation or alleged violation of, or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from the applicable Grantee Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Grantee Indemnified Party.

(3) Without limiting the obligations of Grantor under Section 9 (b), Grantor hereby releases and agrees to indemnify, protect and hold harmless the Third-Party Beneficiary Indemnified Parties (defined in Section 9 (b)(2)) from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Property at any time, except that this release and indemnification shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Hazardous Materials placed, disposed or released by that Third-Party Beneficiary Indemnified Party or any of its employees. This release and indemnification includes, without limitation, Claims for (A) injury to or death of any person or physical damage to any property; and (B) the violation of alleged violation of, or other failure to comply with, any Environmental Laws. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any such Claim, Grantor shall, at the election or and upon written notice from the applicable Third-Party Beneficiary Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Third-Party Beneficiary Indemnified Party or pay for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

(4) Despite any contrary provision of this Conservation Easement, the parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed such that it creates in or gives to Grantee or any Third-Party Beneficiaries any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq.*; hereinafter, "CERCLA"); or

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

(C) The obligations of a responsible person under any applicable Environmental Laws; or

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

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

(5) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, *et seq.*; hereinafter, "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. §5101, *et seq.*; hereinafter, "HTA"); the Hazardous Waste Control Law (California Health & Safety Code § 25100, *et seq.*; hereinafter, "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300, *et seq.*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Conservation Easement.

(6) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee and Third-Party Beneficiaries that activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(j) Warranty.

Grantor represents and warrants that Grantor is the sole owner of the Property. Grantor also represents and warrants that, except as specifically disclosed to and approved by the IRT pursuant to the Property Assessment and Warranty signed by Grantor and attached as an exhibit to the BEI, the holder of any outstanding mortgage, lien, encumbrance or other interest in the Property (including, without limitation, mineral interest) which conflicts or is inconsistent with this Conservation Easement has expressly subordinated such interest to this Conservation Easement by a recorded Subordination Agreement approved by Grantee and the IRT..

(k) Additional Interests.

Grantor shall not grant any additional easements, rights of way or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), nor shall Grantor grant, transfer, abandon or relinquish (each a "Transfer") any mineral, air, or water right associated with the Property, without first obtaining the written consent of Grantee and the Signatory Agencies. Such consent may be withheld if Grantee and the Signatory Agencies reasonably determine(s) that the proposed interest or Transfer will impair or interfere with the Conservation Values of the Property. This Section 14(k) shall not limit the provisions of Section 2(d) or 3(n), nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 10. Grantor shall provide a copy of any recorded or unrecorded grant or Transfer document to the Grantee and the Signatory Agencies.

(l) Recording.

Grantor shall record this Conservation Easement in the Official Records of the County in which the Property is located, and Grantee may re-record it at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

(m) Third-Party Beneficiary.

Grantor and Grantee acknowledge that CDFW, Lahontan RWQCB, USACE, and the USEPA (the "Third-Party Beneficiaries") are third party beneficiaries of this Conservation Easement with the right of access to the Property and the right to enforce all of the obligations of Grantor including, but not limited to, Grantor's obligations under Section 14, and all other rights and remedies of the Grantee under this Conservation Easement.

(n) Funding.

This Conservation Easement covers 154.2 acres owned by Grantor. To maximize the conservation values, LV Lake Elizabeth, LLC will manage the Property covered by this Conservation Easement pursuant to the Endowment Funding Management Agreement attached hereto as Exhibit C.

IN WITNESS WHEREOF Grantor has executed this Conservation Easement Deed the day and year first above written.

GRANTOR: [***Notarization Required***]

PROPERTY OWNER
LV Lake Elizabeth, LLC, a California limited liability company

By: Land Veritas Corp., its manager

By: _____ _____
H. Tracey Brownfield, President Date

Approved as to form:

General Counsel
State of California
Department of Fish and Wildlife

BY: _____
General Counsel

DATE: _____