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DEED OF CONSERVATION EASEMENT

THIS GRANT DEED OF CONSERVATION EASEMENT (the "Easement") is made this _____ day of ______ 2023 ("Effective Date"), by The Robert Davies and Christina Stenborg Irrevocable Trust, having an address at 2242 Fickle Hill Road, Arcata, California 95521 ("Grantor"), in favor of the CITY OF ARCATA, CALIFORNIA ("Grantee"). Grantor and Grantee may be referred to in this Agreement individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS:

WHEREAS, Grantor is the owner in fee simple of certain real property, and the water rights appurtenant thereto, in Humboldt County, California, consisting of approximately 75 acres, more particularly described in Exhibit A attached hereto and incorporated by this reference (hereinafter, the "Property").

WHEREAS, the Property possesses natural, ecological, educational, scenic, forested, and open-space values (collectively "Conservation Values") of great importance to the Grantor, the people of Humboldt County and the people of the State of California.

WHEREAS, the specific Conservation Values of the Property are further documented in a Baseline Report (the "Report") of relevant features of the Property, incorporated by this reference. A Report is attached hereto as Exhibit B. The original Report is on file at the City Clerk, City of Arcata, and consists of descriptions, maps, and other documentation that the parties agree provide, collectively, an accurate representation of the Property at the time of this Easement and which is intended to serve as an objective, though not exclusive, information baseline for monitoring compliance with the terms of this Easement.

WHEREAS, the Conservation Values of the Property include significant forest, watershed, viewshed, open space, and other fish and wildlife habitat resources, the preservation and restoration of which is recognized by the State of California and the people of Humboldt County as providing public benefit.

WHEREAS, the Conservation Values of the Property include its relatively natural coastal redwood forest ecosystem, the utilization, protection, and restoration of which is recognized by the Humboldt County General Plan (as amended, 1998), the California Forest Practices Act (Pub. Res. Code 4511 *et seq.*), the Timberland Productivity Act of 1982 (Gov. Code 51100 *et seq.*), and the Open Space Easement Act (Gov. Code 51070 *et seq.*) as providing public benefit, including protection of values relating to fish and wildlife habitat, watershed, aesthetic enjoyment and the long-term sustainable production of high quality forest products.

WHEREAS, the Conservation Values of the Property include its diverse habitats for plants and animals, in particular its coastal redwood forest and riparian habitats. The Property provides potential habitat for a number of bird, mammal, fish and amphibian species listed as California Species of Special Concern by the California Department of Fish and Game, including Coastal Cutthroat Trout (*Oncorhynchus clarki clarki*), the Southern torrent salamander (*Rhyacotriton variegatus*) and several raptor species.

WHEREAS, the Conservation Values of the Property also include its important watershed values, in particular the upper watersheds of South Fork Janes Creek which is a tributary to Humboldt Bay, and Kelly Creek, a tributary to the Mad River. The protection of these watersheds is essential for both water quality and quantity, as well as for fishery spawning grounds, is of great importance to Humboldt County and the State of California. Janes Creek and the Mad River support several species of fish and other aquatic life that are considered endangered, threatened or species of special concern, including the Coastal Cutthroat Trout (*Oncorhynchus clarki clarki*).

WHEREAS, the Conservation Values of the Property also include its important viewshed values, in particular the view of the Coastal Redwood forest ecosystem from Highway 101 and South Arcata.

WHEREAS, the Conservation Values of the Property include its proximity to the Arcata Community Forest, which directly borders the Property. The Arcata Community Forest, owned by the City of Arcata, serves many functions, such as public education, recreation, sustainable timber harvesting, and wildlife habitat. The Arcata Community Forest also serves as the headwaters to Janes Creek.

WHEREAS, Grantor and Grantee recognize the desirability of continuing the traditional uses of the Property for productive forestry, recreation, and fish and wildlife habitat, and acknowledge that the Grant of this Easement is in support and furtherance of the sustainability of such uses, including the grant of limited access in accordance with the Access Management Plan, incorporated herein by this reference, and on file with the City Clerk, City of Arcata, providing for non-vehicular public use and limited vehicular use by the Grantee ("Traditional Use").

WHEREAS, Grantor intends that the Conservation Values of the Property be preserved and maintained by restricting those land uses on the Property which may significantly diminish or permit the destruction of any Conservation Value.

WHEREAS, Grantor and Grantee recognize the importance of balancing ecology, culture and economy and preventing fragmentation through the execution of a working landscape easement that serves to protect natural conservation values.

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

WHEREAS, Grantee is a qualified easement holder under California Civil Code Section 815.3 and the Internal Revenue Code of 1986, as amended ("Code") Section 170(h).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and further, pursuant to California Civil Code Section 815, *et seq.*, Grantor does hereby convey to Grantee this Easement in perpetuity, consisting of the rights hereinafter enumerated on, over and across the Property.

SECTION I PURPOSE AND GENERAL EFFECT OF EASEMENT

A. <u>**Purpose.**</u> The primary purpose of this Easement is to protect the forest and agricultural soils of the Property and the productive viability of the forestland on the Property in perpetuity pursuant to clearly delineated federal, state and local governmental policies for the protection of natural resource landscapes (the "Primary Purpose"). No activity which shall significantly impair this Primary Purpose shall be permitted. To the extent that the preservation and protection of the additional Conservation Values of the Property referenced above is consistent with the Primary Purpose, it is also the purpose of this Easement to protect those additional Conservation Values of the Property, and to such extent, no activity which shall significantly impair those additional Conservation Values of the Property shall be permitted.

B. <u>**Perpetual Restrictions.**</u> This Easement shall run with and burden title to the Property in perpetuity and shall bind Grantor and all future owners and tenants.

C. <u>Consideration</u>. The Parties agree that the mutual covenants and promises established under this Easement, including but not limited to the preservation of the Conservation Values of the Property and continued Traditional Use of the Property that does not interfere with the Primary Purpose of the Easement, are good and valuable consideration exchanged for the Easement. As and for further consideration for Grantor entering into this Easement, Grantee shall pay Grantor a sum of one dollar (\$1.00) per acre of the Easement, which shall be due and payable upon Grantor's conveyance of the Easement to Grantee.

SECTION II RIGHTS CONVEYED

The rights conveyed by this Easement are the following:

A. <u>Identification and Protection</u>. To identify, together with the Grantor, the Conservation Values of the Property and to uphold the purposes and terms of this Easement, subject, however, to Grantor's reserved rights as herein provided and further subject to all third party rights of record in the Property existing at the time of conveyance of this Easement and not subordinated to this Easement.

B. <u>Access.</u>

1. <u>Monitoring</u>. Upon prior notice to Grantor, as described in Part VII, paragraph B, subparagraph 3, Grantee shall have the right to enter upon the Property to inspect the same and to monitor Grantor's compliance with the terms of this Easement in a manner that will not unreasonably interfere with the use of the Property by Grantor.

2. <u>Educational Access</u>. The public, as approved in writing by the Grantee, is hereby granted the right to enter upon the Property for limited educational and scientific purposes, provided that such activities are conducted in a manner that is consistent with the Primary Purpose of this Easement.

Aside from the rights of access granted in this paragraph B, subparagraph 2, this Easement does not grant to Grantee, or to the public, any rights to enter upon the Property.

C. <u>Injunction and Restoration</u>. Either Party may enjoin any activity on, or use of, the Property which is inconsistent with the purpose of this Easement and to enforce the reasonable restoration of such areas or features of the Property as may be damaged by such activity or use.

SECTION III RESERVED RIGHTS AND PROHIBITED USES

A. <u>Reserved Rights</u>. Grantor reserves to itself and to its personal representatives, successors, and assigns, all rights accruing from its ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein. Without limiting the generality of the foregoing sentence, those uses and practices described in Exhibit C, attached hereto and incorporated by this reference, are expressly permitted.

B. <u>**Prohibited Uses.**</u> The uses of the Property set forth in Exhibit D, attached hereto and incorporated by this reference, are prohibited upon the Property except to the extent (if any) permitted pursuant to the terms of Exhibit D.

SECTION IV PRIOR NOTICE BY GRANTOR AND APPROVAL OF GRANTEE

Any enterprise, use or activity proposed to be done or undertaken by Grantor which requires the prior approval of Grantee pursuant to an express provision of this Easement (including any provision of Exhibit C or Exhibit D expressly requiring the prior approval of Grantee) shall be commenced only after satisfaction of the notice and approval conditions of this Section IV. Any enterprise, use or activity not contemplated under the terms of this Easement shall be commenced only after satisfaction of the notice and approval conditions of this Section IV.

A. <u>Grantor's Written Notice</u>. Prior to the commencement of any enterprise, use or activity requiring Grantee's approval, Grantor shall send Grantee written notice of the intention to commence or undertake such enterprise, use or activity. Said notice shall inform Grantee of all aspects of such proposed enterprise, use or activity, including, but not limited to, the nature, siting, size, capacity, and number of structures, improvements, facilities, or uses.

B. <u>**Grantee's Address.**</u> Said notice shall be sent by registered or certified mail, return receipt requested, by a private delivery service, or by personal delivery, during business hours, and shall be addressed or delivered to Grantee at the Office of the City Clerk, City of Arcata, 736 F Street, Arcata; CA 95521, or to such other address as Grantor from time to time may be informed of in writing by Grantee.

C. <u>**Grantee's Response.**</u> Grantee shall have thirty (30) days from the mailing or delivery of such notice, as indicated by the registered or certified return receipt, or by a private delivery service, to review the proposed enterprise, use or activity and to notify Grantor of any objection thereto. Such objection, if any, shall be based upon Grantee's opinion that the proposed enterprise, use or activity is inconsistent with the purpose of this Easement.

If, in Grantee's judgment, despite Grantee's present objections, conformity with the purpose of this Easement is possible, said notice shall inform Grantor of the manner in which the proposed enterprise, use or activity can be modified to be consistent with this Easement. Except as provided in paragraph E of this Section IV, only upon Grantee's express written approval may the proposed enterprise, use or activity be commenced or conducted, and only in the manner explicitly represented by Grantor and approved by Grantee.

D. <u>**Grantor's Address.**</u> Grantee's response to Grantor's notice shall be sent by registered or certified mail, return receipt requested, or by a private delivery service and shall be addressed to Grantor at 1016 Lincoln Blvd., Mailbox #1, San Francisco, CA 94129, or to such other address as Grantee from time to time may be informed of in writing by Grantor.

E. <u>**Grantee's Failure to Respond.**</u> Should Grantee fail to post its response to Grantor's notice within thirty (30) days of the posting of said notice, the proposed enterprise, use or activity shall automatically be deemed consistent with the purpose of this Easement.

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

SECTION V BREACH AND RESTORATION

A. <u>Grantee's Remedies.</u> If Grantee determines that Grantor, or a third party sanctioned by Grantor, is in violation of the terms of this Easement or that a violation is threatened, Grantee

shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Easement, to restore the portion of the Property so injured. If Grantor:

(i) fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee;

(ii) under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within thirty (30) days of the ·date mutually agreed upon between Grantor and Grantee as the date when efforts to cure such violation can reasonably begin; or,

fails to continue diligently to cure such violation until finally cured, (iii) Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by a temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement, and to require the restoration of the Property to the condition that existed prior to any such injury. If Grantee determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values, Grantee may pursue its remedies under this paragraph without waiting for the period provided for a cure to expire. Grantee's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

B. <u>Costs of Enforcement</u>. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including costs of suit and attorneys' fees, shall be paid by Grantee. Any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor. Any costs incurred by Grantor in any action by Grantee to enforce the terms of this Easement, or in any action initiated by Grantor to determine the appropriateness of any use or activity proposed to be undertaken by Grantor, including costs of suit, attorneys' fees, shall be borne by Grantor.

C. <u>Grantee's Discretion</u>. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any provision of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such provision or of any subsequent breach of the same or any other provision of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

D. <u>Liability for Acts Beyond Grantor's Control.</u> Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control including, without limitation, fire, flood, storm, and earth movement, or from the unauthorized acts of third parties, or events resulting from Grantee's failure to properly act under the Access Management Plan, or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property or to any person resulting from such causes.</u>

SECTION VI COSTS AND TAXES

A. <u>Costs, Legal Requirements and Liabilities.</u> 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, except as provided in the Access Management Plan. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any activity or use permitted to Grantor by this Easement and for undertaking any such activity or use in accordance with all applicable federal, state and local laws, regulations and requirements.

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

SECTION VII ENVIRONMENTAL MATTERS/HOLD HARMLESS

A. <u>Environmental Matters</u>.

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

2. <u>Non-Responsibility.</u> Grantee shall have no responsibility whatsoever for the operation of the Property, the monitoring of hazardous conditions thereon, or the protection of

Grantor, the public, or any third parties from risks relating to conditions on the Property, except as provided in the Access Management Plan. Notwithstanding any other provision of this Easement to the contrary, the parties do not intend and this Easement shall not be construed such that (1) it creates in Grantee the obligations or liabilities of an "owner" or "operator" as those words are defined and used in the environmental laws, as defined below, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code, sections 9601 *et seq...*); or (2) it creates in Grantee the obligations or liabilities of a person described in 42 United States Code section 9607 (a)(3); or (3) Grantee has the right to investigate and remediate any hazardous substances associated with the Property; or (4) Grantee has any control over Grantor's ability to investigate and remediate any hazardous materials associated with the Property shall comply with all environmental laws. The term "environmental laws" includes, without limitation, any federal, state, local, or administrative agency statute, regulation, rule, ordinance, order or requirement relating to environmental conditions or hazardous substances.

3. Indemnification. Grantor agrees to indemnify, defend and hold Grantee Indemnified •Parties (as defined in paragraph B(1) of this Section VII) harmless from any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims) or loss including attorney's fees, consultant fees and expert fees which arise during or after the term of this Easement from or in connection with the presence or suspected presence of Hazardous Substances in the soil, groundwater, or soil vapor on or under the Property, unless the Hazardous Substances are present solely as a result of Grantee's failure to act in accordance with the Access Management Plan, or the negligence or willful misconduct of any Grantee Indemnified Party. Without limiting the generality of the foregoing, the indemnification provided by this paragraph shall specifically cover costs occurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence or suspected presence of Hazardous Substances in the soil, groundwater or soil vapor on or under the Property, unless the Hazardous Substances are present solely as a result of the negligence or willful misconduct of any Grantee Indemnified Party. Without limiting the generality of the foregoing, the indemnification provided by this paragraph shall also specifically cover costs incurred in connection with: (1) Hazardous Substances present or suspected to be present in the soil, groundwater or soil vapor on or under the Property before the date this Easement is executed; or (2) Hazardous Substances that migrate, flow, percolate, diffuse or in any way move onto or under the Property after this Easement is executed; or (3) Hazardous Substances present on or under the Property as a result of any discharge, dumping, spilling (accidental or otherwise) onto the Property during or after the term of this Easement, by any person, corporation, partnership or entity other than Grantee.

B. <u>Hold Harmless.</u>

1. Grantor shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, attorneys, and contractors (collectively "Grantee Indemnified Parties") from and against all liabilities, penalties, losses, expenses, claims, damages, demands, causes of action, judgments or costs, including, without limitation,

reasonable attorney's fees, arising from or in any way connected with or incident to (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except to the extent attributable to the negligence or willful misconduct of any Grantee Indemnified Party, and except as provided in the Access Management Plan; (2) the obligations specified in Section VI; and (3) title defects.

2. Grantee shall hold harmless, indemnify, and defend Grantor and its directors, officers, employees, agents, attorneys, and contractors (collectively "Grantor Indemnified Parties") from and against all liabilities, penalties, losses, expenses, claims, damages, demands, causes of action, judgments or costs, including, without limitation, reasonable attorney's fees, arising from or in any way connected with or incident to 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 to the extent caused by a breach of the Access Management Plan or the negligence or willful misconduct of any Grantee Indemnified Party.

3. Access to the Property shall be given to Grantee, Grantee's contractors, and Grantee's consultants during normal business hours, upon notice given to Grantor a minimum of one business day in advance, for the purposes set forth in Section II(B) above. The Grantee Indemnified Parties shall enter the Property at their own cost and risk. Grantee shall indemnify and defend Grantor against, and hold Grantor harmless from, all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorney's fees, arising in connection with the entry, inspection and investigation of the Property by the Grantee Indemnified Parties.

SECTION VIII ASSIGNMENT OF EASEMENT

This Easement shall be assignable, but Grantee may not transfer or assign its interest in the Property created by this Easement except to a "qualified organization," within the meaning of Section 170(h)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In the event assignment of this Easement becomes necessary, the assignee shall be mutually agreed upon by Grantee and Grantor. Any such qualified organization must agree to enforce in perpetuity the conservation purpose of this Easement.

Grantee agrees that it will make a reasonable effort in the event of any assignment to suggest an assignee which is a qualified organization other than a governmental unit referred to in section 170(c)(1) of the Code, which has conservation of open space as a substantial organizational purpose.

SECTION IX EXTINGUISHMENT: GRANTEE'S ENTITLEMENT TO PROCEEDS

A. <u>Extinguishment</u>. If circumstances arise in the future which render the purpose of this Easement impossible or impractical to accomplish, this Easement may only be terminated or extinguished (as provided for in Treasury Regulations section 1.170A-14(g)(6)(i)), whether in \cdot whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange or involuntary

conversion of all or any portion of the Property, subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by California law at the time, in accordance with paragraph B of this Section IX. Grantee shall use any such proceeds in a manner consistent with the purpose of this Easement.

B. <u>Compensation</u>. This Easement constitutes a real property interest immediately vested in Grantee, which, for purposes of paragraph A of this Section IX, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Property unencumbered by this Easement (minus any increase in value after the date of this grant attributable to improvements) by the ratio of the value of this Easement at the time of this grant to the value of the Property, without deduction for the value of this Easement, at the time of this grant. The values referred to in the preceding sentence shall be those values established by Grantor's qualified appraisal (pursuant to Treasury Regulation section §1.170A-13) for federal income, gift or estate tax purposes. For the purpose of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement, as established at the time of this grant, shall remain constant.

C. <u>Eminent Domain</u>. If all or a portion of the Property is taken in exercise of eminent domain by public, corporate or other authority, so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee may join in appropriate actions to recover the full value of the Property (or portion thereof) taken and all incidental or direct damages resulting from such taking.

Any expense incurred by Grantor or Grantee in any such action shall be first reimbursed out of the recovered proceeds; the remainder of such proceeds shall be divided between Grantor · and Grantee in proportion to their interests in the Property, or portion thereof, as established by paragraph B of this Section IX.

SECTION X MISCELLANEOUS PROVISIONS

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

B. <u>"Grantor" and "Grantee</u>." The terms "Grantor" and "Grantee," as used herein, and any pronouns used in place thereof, shall mean and include the above-named Grantor and its successors in interest, and assigns, and the above-named Grantee and its successors, respectively.

C. <u>Titles</u>. Section and paragraph titles and subtitles are for convenience only and shall not be deemed to have legal effect.

D. <u>Subsequent Transfers</u>. Grantor agrees that reference to this Easement and reference to its dates and places of recording in the Public Records of Humboldt County will be made in any subsequent deed or other legal instrument by which it conveys any interest in the Property,

including any leasehold interest. Grantor further agrees to attach a copy of this Easement to any deed by which Grantor conveys title to the Property.

E. <u>**Governing Law.**</u> In the event any dispute arises over the interpretation or enforcement of the terms and conditions of this Easement, the laws of the State of California shall govern resolution of such dispute.

F. <u>Amendment</u>. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided that no amendment shall be allowed that will affect the qualification of this Easement under any applicable laws, including California Civil Code Section 815, et seq., and the Code. Furthermore, the provisions concerning valuation of this Easement, which are set forth in Section IX above, may not be amended. Any Easement amendment must be in writing, signed by both parties, and recorded in the Public Records of Humboldt County.

G. <u>**Conservation Intent.**</u> Any ambiguities in this Easement shall be construed in a manner which best effectuates the conservation purpose of this Easement, without diminishing the Grantor's expressly reserved and permitted uses and practices provided under Exhibit C.

[Signatures on following page]

IN WITNESS WHEREOF, Grantor and Grantee have hereunto set their hands.

GRANTOR:

The Robert Davies and Christina Stenborg Irrevocable Trust

By: _____

Jonathan W. Stenborg-Davies, Trustee

GRANTEE:

City of Arcata, California

By: _____ Karen Diemer, City Manager

EXHIBIT A PAGE 1

All that real property situated in the northwest quarter of Section 35, Township 6 North, Range 1 East, Humboldt Meridian, County of Humboldt, State of California, being all of "Resultant Parcel B" of Instrument No. 2023-004429, Official Records of Humboldt County, EXCEPT that portion described as follows:

BEGINNING on the west line of said Section 35, also being the west line of said "Resultant Parcel B", at a point South 01°36'56" West 165.96 feet from the northwest corner of said Section 35, said corner being a 3" brass cap stamped T6N R1E S26, S27, S34, S35, 1986 LS 3797 shown on Book 19 of Parcel Maps, Page 25, Records of Humboldt County;

THENCE leaving said line along the following 8 courses:

North 88°38'00" East 401.77 feet; South 31°10'49" East 200.56 feet; South 17°41'22" West 267.58 feet; South 48°14'41" East 177.61 feet; South 25°23'21" West 104.38 feet; South 86°35'19" West 106.02 feet; North 41°52'04" West 187.35 feet; North 76°09'03" West 301.79 feet to said west line of Section 35;

THENCE along said line North 01°36'56" East 424.23 feet to the POINT OF BEGINNING.

The BASIS OF BEARINGS for this description is the California State Plane Coordinate System (CCS83), Zone 1, Epoch 2010.00, with a convergence angle of -01°20'07" using a combination factor of .999845 and ellipsoid height of 1119 feet at the POINT OF BEGINNING cited herein.

Bearings and distances used herein are grid based on NGS-OPUS using ties to NGS Stations: DN5622 P343 CHINAPEAK, DM7536 P165 BURGHRANCH, & DN7533 P154 ISHKESHRCH. Rotate grid bearings herein counterclockwise 01°20'07" to obtain geodetic (true) bearings. Multiply grid distances herein by the reciprocal of the combination factor (1.000155) to obtain "ground" distances. Rotate bearings on Book 19 of Parcel Maps, Page 25, along the west line of section 35 shown thereon as N 00°12'21" W clockwise 01°49'17" to match the bearing basis used herein. Said section line is defined by monuments found and tied at the N 1/16th corner 34/35 (a 2.5" brass cap) and the northwest corner of Section 35 described above.

The California state plane coordinates for the POINT OF BEGINNING cited herein are: Northing: 2206026.48 Easting: 5996590.99

END OF DESCRIPTION

Dated: November 7, 2023 Prepared by David J. Ryan, LS 6212 Professional Land Surveyor







EXHIBIT B



Davies Conservation Easement

Baseline Conditions Report

City of Arcata

November 2023



Purpose Statement:

The purpose of this report is to document the existing conditions of the Davies Conservation Easement area, directly adjacent to the Arcata Community Forest, to ensure the Easement Area will be retained forever in its predominantly natural, scenic and forested condition, and to prevent any use of the Easement Area that will significantly impair or interfere with the conservation values.

Easement Location and Size:

The Davies Conservation Easement Area is located approximately 1.75 air miles east of Arcata, CA. The Easement is approximately 70 acres located directly adjacent to the existing Arcata Community Forest (ACF Tract, Southeast Corner). The Davies property encompassing the conservation easement is approximately 76 acres with an approximate 5.75 acre "Exception to the Easement Area" which include an existing single family home, small shed structure, and gravel roadways; all of which are surrounded by a managed meadow (short grass/lawn). The parcel is located just outside Arcata City limits and located in unincorporated Humboldt County accessed at 2242 Fickle Hill Rd. The property is zoned TPZ (Timber Production Zone) through the County of Humboldt. The legal description for the property includes Section 35 & 36 in Township 6N, Range 1E, HBM. The property is bordered by a mix of private rural-residential, private timberlands (TPZ), and a corner of the existing Arcata Community Forest.

Development of the Conservation Easement:

The Davies reached out to City staff in the Environmental Services Department with interest in exploring a donation of a conservation easement to the City to protect their property's habitat values into the future. The City recognized conservation easements with willing private landowners are an opportunity to protect, in perpetuity, forested habitat along the perimeter of the Arcata Community Forest without additional land acquisition and the associated costs and long-term maintenance requirements. Encouraging conservation of forest lands adjacent to the Arcata Community Forest is a tool to buffer the Community Forest from potential incompatible uses. Protecting forestlands around the existing Arcata Community Forest is consistent with the City's General Plan, Open Space Plan and Forest Management Plan.

On November 3rd, 2021 the Arcata City Council authorized entering into real property negotiations for a conservation easement on the property. On October 26, 2021 the Arcata Planning Commission deemed the donation of the conservation easement in conformance with the Arcata General Plan and determined the acceptance of the conservation easement

to be categorically exempt under the California Environmental Quality Act per Section 15313 (Class 13) and Section 15317 (Class 17).

The conservation easement will be finalized between the City of Arcata ("Grantee") and the Robert Davies and Christina Stenborg Irrevocable Trust ("Grantor") in the winter of 2023.

Land Management, Habitat Values and Current Conditions:

The entirety of the Davies property is currently managed under a 2023 approved Non-Industrial Timber Management Plan (NTMP; 1-22NTMP-00007HUM) administered by BBW Associates, Arcata, CA. Recently, a 2023 Notice of Timber Operations (NTO) was conducted on the NTMP prior to the City's acceptance of the Conservation Easement. The City, the Davies family & the Registered Professional Forester (RPF) for the NTMP were in frequent communication during the NTO planning and operations to ensure that the most desirable habitat values would be retained and/or enhanced by the NTO.

As per the NTMP and associated botanical surveys, the Easement Area could be considered an even-aged, third growth redwood stand that is approximately 60-70 years old, with a couple scattered residual second growth trees on the west side of the property. The soil Site Class is low (Site I) with the average redwood tree measuring 123' height at 50 years of age. The topography is generally flat to moderate (0-60%) with occasional steeper slopes near the two main watercourses. The elevation is approximate 925-1,252 feet above sea level.

Current stand conditions have been shaped by previous timber harvest activities conducted by past and current ownerships. Specific details on older historical harvests are unknown, but the Easement Area was likely clearcut twice, once around 1900 and then again in the late 1950s. After each harvest, redwood resprouted and dominated the stands, with minor components of Douglas-fir and spruce. Riparian areas exist on the easement, mainly associated with two Class I watercourses that originate in the western half of the easement area, later converging near the middle of the easement. Near the Class I convergence site, a domestic water draw occurs; if not for the domestic water draw, the Class I creeks would be classified as Class II. Downstream of the Class I convergence the watercourse is Class II. Multiple smaller Class III watercourses also exist on the easement and flow into the larger classed creeks. Red alder is common in the riparian areas of the Easement. Riparian habitats yield additional botanical diversity compared with the more heavily managed upland forested stands. No rock outcrops, serpentine soils, vernal pools or other significant botanically unique situations have been found on the property. No special status plants, or wildlife species have been recorded for the property. No other residential structures, sheds, buildings, or other infrastructure were noted on the property except those already described in the "Exception to the Easement" and infrastructure associated with the shared water system.

The 2023 NTO utilized "group selection" silviculture on the majority easement. The group selections have created large sized openings and open crown conditions which with time should present areas for new cohorts of trees to fill in and start to help the stands to develop multi-age/multi-height conditions. Riparian stands were operated on with "single tree selection" silviculture and retain more canopy closure than the more managed forested stands; some riparian areas remain unentered by 2023 operations. Post harvest conditions after the 2023 NTO should increase the Easement's stand complexity in the long term by creating conditions that will support uneven age management with overall less homogenous habitats typically found in even-age redwood stands.

This forested easement, contiguous with the Arcata Community Forest, will provide additional long term habitat protection for wildlife, deforestation, land conversion, and will buffer further residential encroachment adjacent to the City's Arcata Community Forest.

Photo Monitoring:

During October 2023, the City of Arcata Natural Resource Specialist surveyed the entire easement, photographing multiple areas of the property for both long term photo monitoring as well as to capture baseline conditions of the entire tract. Of the multiple locations photographed, a subset of permanent photo point stations were established and will be revisited by the City as required. See below for both permanent monitoring and additional baseline conditions photos.

Permanent Photo Points:



Station 1: Captures ~5.75 Acre Exception to Easement (existing home, shed & meadow)

Station 1, Angle 1 (North; 0°)



Station 1, Angle 2 (Pano)

Station 2: Captures thinned young stand w/masticated understory



Station 2, Angle 1 (West; 266°)

<u>Station 3</u>: Captures water storage structures (multiple private properties)



Station 3, Angle 1 (Southwest; 214°)

<u>Station 4</u>: Captures thinned stand, small landing & bisecting main seasonal road.



Station 4, Angle 1 (East; 103°)

<u>Station 5</u>: Captures landing, adjacent thinning and end of seasonal haul road



Station 5, Angle 1 (West, 270°)



Station 5, Angle 2 (Pano)

<u>Station 6</u>: Captures small landing, owl call station & end of main seasonal road.



Station 6, Angle 1 (East, 90°)

<u>Station 7</u>: Captures single tree selection WLPZ single tree thin and group selection



Station 7, Angle 1 (South, 175°)

Station 7, Angle 2 (Northwest, 310°)

Station 8: Captures landing/group selection and main seasonal truck road



Station 8, Angle 1 (East, 116°)

Station 8, Angle 2 (West, 298°)

<u>Station 9</u>: Captures single tree selection thin with mastication behind house



Station 9, Angle 1 (East, 78°)



Station 9, Angle 2 (Pano)

Other Photos on Easement:



Entrance to property (North; 10°)

Davies Domestic Water Draw



Davies & ACF Shared Property Corner (288°)

Davies Southeast Property Corner



Viewshed around Davies residence



Permanent Photo Point Monitoring Map

EXHIBIT C PERMITTED USES AND PRACTICES

The following uses and practices, though not an exhaustive recital of consistent uses and practices, are hereby deemed to be consistent with the Primary Purpose of this Easement and are expressly permitted:

1. <u>Water Resources</u>. To maintain, enhance and develop water resources on the Property in accordance with applicable state and federal regulations, for permitted agricultural uses, fish and wildlife uses, domestic needs, private recreation, and Crestview Water Company's use of the Property for domestic water conveyance as of the Effective Date. Permitted uses include, but are not limited to, the following: the right to restore, enhance, and develop water resources, including ponds, water tanks and associated electrical and solar infrastructure; to locate, construct, repair, and maintain irrigation systems.

2. <u>Maintenance and Structures</u>. To maintain, repair, remodel, and make limited additions to any existing or subsequently constructed culverts, water tanks, bridges, structures and improvements expressly permitted by this Easement. In the event of removal or destruction of any or all of said structures and improvements, to replace them with structures and improvements of a similar function and use, of the same approximate size and in the same general locations. To place upon the Property additional non-residential structures and other improvements as may be necessary for agricultural purposes, pursuant to the terms hereof.

3. <u>Transfer of Land</u>. To grant, sell, exchange, devise, gift or otherwise convey or dispose of all or any portion of Grantor's right, title, estate, and interest in the Property as one (1) parcel only. Grantor shall furnish Grantee with a copy of any document or conveyance utilized to effect the transfer of the Property within thirty (30) days of the execution of said document or conveyance.

4. <u>Forest Management</u>. To manage the forest and harvest timber in accordance with all applicable state and federal forestry laws, practices, guidelines, and regulations, and consistent with the terms set forth in the California Department of Forestry ("CDF") approved Non-industrial Timber Management Plan ("NTMP") 1-22NTMP-00007-HUM, incorporated by this reference, and kept on file with the California Department of Forestry ("CDF"), 135 Ridgway Avenue, Santa Rosa, CA 95401. Grantee hereby acknowledges that it is in receipt of a copy of the NTMP, and has approved the terms of the NTMP, as being consistent with the Primary Purpose of this Easement.

(i) <u>Distribution List</u>. Grantee shall be placed on the California Department of Forestry's Distribution List, and shall receive notification relating to Grantor's activities in accordance with the CDF's general practices pursuant to the Distribution List.

(ii) <u>Catastrophe</u>. In the event of catastrophic wildfire, windstorm, insect infestation, or other natural catastrophe, Grantor, after notification of Grantee, may exceed those harvest levels set forth in the NTMP, provided that such proposed harvest is shown to be otherwise consistent with the purposes and terms of the Easement. After a timber harvest predicated on a catastrophic event, Grantor shall reforest with native species as necessary.

(iii) <u>Fire management</u>. Fire is recognized to be a natural part of the Coastal Redwood forest ecosystem. Therefore fire management activities are permitted under this Easement for the purposes of reducing or maintaining fuel loads, favoring or maintaining specific native vegetation types, or other purposes fostering forest health; provided, however, that such fire management activities or prescriptive bums shall be carried out in a manner consistent with the purposes, terms and conditions of this Easement, including the NTMP, and with the approval of government authorities having jurisdiction therein.

5. <u>Roads</u>. The construction of roads (including water crossings) in connection with forestry operations. To the extent practical, any road constructed shall be sited and maintained so as to minimize adverse impact to the Property's agricultural potential and Conservation Values.

6. <u>Invasive Exotic and Non-Native Species</u>. Control of invasive exotic and non-native species that compete with native vegetation.

EXHIBIT D PROHIBITED USES AND PRACTICES

The following uses and practices are hereby deemed to be inconsistent with the Primary Purpose of this Easement and are expressly prohibited:

1. <u>Subdivision</u>. Grantor shall maintain all legal parcels that are part of the Property and all interests therein under common ownership, as though the Property were a single legal parcel owned by a single owner. Following the execution of this Easement, the legal or de facto division, subdivision or partitioning of the Property into two or more legal parcels or any sale, transfer or conveyance of one portion or parcel apart from the sale, transfer or conveyance of the entire Property is prohibited, and the seeking of a partition of the Property as a remedy in a lawsuit is prohibited; provided, however, that such division, subdivision, sale, transfer, conveyance or partition is permissible if accomplished in connection with an action initiated by an entity exercising the power of eminent domain.

2. <u>Timber Harvest Plan</u>. The adoption of a timber harvest plan ("THP") allowing for even age silviculture. The preceding sentence does not limit Grantor's rights to take any action on the Property that is consistent with the terms of the NTMP, as provided in Exhibit C, paragraph 4.

3. <u>Mineral Exploitation</u>. Exploration for, or the removal or extraction of any mineral or nonmineral substance by any surface or subsurface mining or extraction method.

4. <u>Commercial Facilities</u>. The establishment of any commercial or industrial facilities (other than those necessary in the operation or uses of the Property expressly permitted by this Easement) including, but not limited to, (i) outfitting, (ii) commercial feed lot, (iii) any retail sales or service business, except as may be located outside the Easement area, (iv) restaurant, (v) night club, (vi) trailer park, (vii) motel, (viii) hotel, (ix) gas station, (x) retail outlet, or (xi) facility for the manufacture or distribution of any product (other than products to be grown or produced on the Property in connection with uses and activities expressly permitted in Exhibit C hereto).

5. <u>Dumping</u>. The dumping or other disposal of noncompostable refuse on the Property, except nonhazardous wastes generated by normal timber harvesting operations.

6. <u>Construction</u>. The construction of any structures.

7. <u>Billboards</u>. The construction, maintenance or erection of any billboards. Roadside signs are permitted only for the purposes of posting the name of the Property, advertising any business permitted on the Property, controlling public access, providing public notification of this Easement, or advertising the Property for sale.

8. <u>Roads</u>. The construction of roads except in connection with forestry operations. To the extent practical, any road constructed shall be sited and maintained so as to minimize adverse impact to the Property's timber potential and Conservation Values.

9. <u>Watercourse impacts</u>. Uses or activities that cause significant, verifiable erosion, or that contribute to the significant, verifiable pollution of any watercourse will be prohibited or restricted so as to prevent significant negative impacts to the health of salmonid populations.

10. <u>Utilities.</u> The granting of major utility corridor right-of-way easements. However, such right-of-way easements may be granted by mutual agreement of Grantor and Grantee in cases where eminent domain statutes apply and clear public necessity has been demonstrated to Grantor and Grantee. Nothing in this paragraph is intended to preclude Grantor from installing utility structures, lines, conduits, cables, wires, or pipelines upon, over, under, within, or beneath the Property to existing and subsequently constructed structures and improvements expressly permitted by this Easement, or from granting right-of-way easements for utility services to neighboring properties.

ACKNOWLEDGEMENT

State of California) County of Humboldt)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGEMENT

State of California) County of Humboldt)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

<u>Certificate of Acceptance</u>

This is to certify that the interest in real property conveyed by the Easement Deed effective as of the date executed, from The Robert Davies and Christina Stenborg Irrevocable Trust, to the City of Arcata, a municipal corporation of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City of Arcata pursuant to authority conferred by Resolution No. 234-19 of the City Council of the City of Arcata adopted November 15, 2023, and Grantee consents to recordation thereof by its duly authorized officer.

CITY OF ARCATA

By: Karen T Diemer Title: City Manager

ACKNOWLEDGEMENT

State of California)) ss. County of Humboldt)

On ______ before me _______, who proved to me on 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.

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WITNESS my hand and official seal.

Signature _____

(Seal)