



At its June 10 meeting, the Stewardship Council Board of Directors recommended that the Mother Lode Land Trust become the holder of a conservation easement on the property; that the County of Tuolumne hold fee title to the property; and that the Tuolumne County Resource Conservation District have a role as a participant in future land management and enhancement activities as a conservation partner. Along with this recommendation, the board approved the following initial transaction terms for the Kennedy Meadows property, which are expected to form the basis for subsequent negotiations with the prospective donees leading to a comprehensive Land Conservation and Conveyance Plan (LCCP):

1. The Mother Lode Land Trust will hold a conservation easement over the property, which shall provide for the preservation in perpetuity of the beneficial public values outlined in Volume II of the Stewardship Council's Land Conservation Plan.
2. The County of Tuolumne shall receive fee title to the property, subject to the conservation easement and to the other reserved rights described below.
3. The conservation easement will honor existing agreements for economic uses of the property (including the Kennedy Meadows Resort and Pack Station lease) by reserving to the land owner the right to maintain and renew such agreements. However, the conservation easement will provide that the land owner will not renew or replace any such agreements without including language pursuant to which the lessee acknowledges that the property is subject to the terms of the conservation easement and reserving to the land owner the right to prevent substantial impairment of the BPVs resulting from such uses. The LCCP will include details of all existing agreements for economic uses that will be subject to this provision.
4. The conservation easement will establish a mechanism (such as a land management plan) to provide for ongoing monitoring and future enhancements to the BPVs. The initial land management plan shall be included in the Land Conservation and Conveyance Plan to be submitted to the Stewardship Council board for approval. The LCCP will include, at a minimum, a strategy to undertake studies and measures to preserve and enhance the BPVs, including but not limited to measures that might be required to avoid, minimize or mitigate any adverse impacts of the resort and pack station operations.
5. The recommended donees will provide the Stewardship Council with details concerning the composition and operation of the collaborative advisory committee described in the County/RCD proposal.

6. A third party beneficiary may be appointed by the Stewardship Council for purposes of enforcing the conservation easement and/or other legal agreements.

7. PG&E will reserve rights to operate and maintain hydroelectric facilities as required by the Settlement and Stipulation. The conservation easement and/or other agreements to be negotiated as part of the LCCP process will describe PG&E's access and other rights with reasonable specificity.

8. Current sources of revenue, such as rent received by the land owner under agreements for economic uses of the property (including but not limited to the Resort and Pack Station lease), shall be applied to costs associated with property ownership, land management, and future enhancements to the BPVs.

9. The LCCP shall include the County's acknowledgement that the receipt of the property by the County at no cost (and/or the rent and other revenues derived from the property) is sufficient to ensure that the transaction is tax neutral for the County.

10. The land owner will permit reasonable access to the property for such purposes as public recreational access, protection of cultural and historical resources, scientific research into such issues as climate change, and outdoor programs for local and out-of-county youth, as described in the conservation easement and/or other agreements to be negotiated as part of the LCCP process. Moreover, an easement shall be granted to the U.S. Forest Service for public access along Huckleberry Trail consistent with FERC requirements.

11. The Stewardship Council may require that legal documents transferring title to the County contain a prohibition against future transfers of title without the consent of the Stewardship Council or a successor entity, or such other restriction on the right to transfer fee title as may be necessary to ensure that the terms of the Land Conservation Commitment are honored in perpetuity.

12. In transferring fee title to the Property, PG&E will hold the donee harmless for hazardous waste or substance liability, provided that PG&E may decline to agree to such disposition unless the CPUC authorizes PG&E to recover the costs of such liability and any associated mitigation or remediation measures in rates, otherwise in compliance with the terms of the Settlement and Stipulation.

13. At a minimum, the initial Land Management Plan (or other transaction agreements to be approved in conjunction with the LCCP) will provide that the donee of fee title:

- Will continue in effect existing management activities and practices on the Property, to the extent consistent with the BPVs;
- Will undertake such studies, assessments and surveys for the preservation and enhancement of the BPVs on the Property as the Stewardship Council, in consultation with the donee and PG&E, considers necessary and prudent ("Studies"), for which Studies the Stewardship Council may agree to provide appropriate funding support;
- Will agree to implement such preservation and enhancement measures and activities as are indicated by such Studies and are deemed necessary and appropriate by the Stewardship Council, with the understanding that certain of these measures may be implemented following the transfer of title; and

- Will assume responsibility for compliance with all applicable laws and regulations (including CEQA) applicable to such post-closing preservation and enhancement measures.