

APNs: 1023-00-002-001

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When recorded, return to:

The Nature Conservancy
Legal Department
559 East South Temple
Salt Lake City, UT 84102

DOUGLAS COUNTY, NV

2014-854842

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TICOR TITLE - RENO (COMMERCIAL)

KAREN ELLISON, RECORDER

GRANT OF CONSERVATION EASEMENT
Walker River (West Walker Partners, LLC) Nevada

THIS GRANT OF CONSERVATION EASEMENT ("**Conservation Easement**"), effective as of December 22, 2014 ("**Effective Date**"), is made by West Walker Partners, LLC, a Nevada limited liability company ("**Grantor**"), whose address is PO Box 62009, Santa Barbara, CA 93160, in favor of THE NATURE CONSERVANCY ("**Conservancy**"), a District of Columbia nonprofit corporation, whose address is 4245 No. Fairfax Dr., Arlington VA 22203. Grantor and the Conservancy may sometimes be referred to herein individually as a "**Party**" or collectively as the "**Parties**". The terms "Grantor" and "Conservancy," wherever used herein, and any pronouns used in place thereof, shall mean and include, respectively, Grantor and all of its successors and assigns, as their interests may appear, and the Conservancy and all of its successors and assigns, as their interest may appear.

RECITALS:

A. Grantor is the owner in fee simple of approximately 605.57 acres of that certain real property located in Douglas County, Nevada (the "**Property**"), as legally described in **Exhibit A** and depicted on a map in **Exhibit B** (the "**Property Map**").

B. The Property is open farm and ranchland encompassing a riparian corridor, utilized by Grantor for agricultural and private recreational purposes. The Property provides private recreational, agricultural, local and migratory bird habitat and other wildlife habitat, floodplain functions such as groundwater recharge and flood dissipation, wetlands, wet meadow, riparian, open space, scenic, and other values. These conservation values are of great importance to Grantor, the Conservancy, and the people of Nevada and Douglas County, and their protection will yield a significant public benefit.

C. The Property lies within The Nature Conservancy Walker River Portfolio Conservation Area and within the U.S. Fish and Wildlife Service's Short-Term Action Plan for Lahontan Cutthroat Trout in the Walker River Basin. The Property also encompasses the West Walker River listed on Nevada's Impaired Waters List, pursuant to Section 303(d) of the Clean Water Act, for those waterbodies that need additional work beyond existing controls to achieve or maintain water quality standards.

D. The Property provides habitat for the Lahontan Cutthroat Trout (*Oncorhynchus clarki henshawi*), the state fish of Nevada. The Lahontan Cutthroat Trout was classified as a Federally Endangered Species in 1970, and Reclassified as Threatened with a special 4(d) Rule that allows for harvest under state regulations in 1975.

E. The Property is located in the Pine Nut and Desert Creek-Fales Sage Grouse Population Management Units, is classified by the Nevada Department of Wildlife as important summer and winter Sage Grouse habitat, and provides irreplaceable migratory habitat for the Distinct Population Segment of Bi-State Sage Grouse.

F. The Property is a significant natural area that qualifies under the "conservation purpose" requirements of P.L. 96-541, 26 U.S.C. 170(h)(4)(A) as "the protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem," and "the preservation of open space (including farmland and forest land) where such preservation is . . . pursuant to a clearly delineated Federal, State, or local governmental conservation policy," as those terms are used, respectively, in P.L. 96-541, 26 U.S.C. 170(h)(4)(A)(ii)-(iii), as amended, and in regulations promulgated thereunder, consisting of riverine, riparian, and open space land. The Property currently remains in a substantially undisturbed, natural state and this Conservation Easement will serve the clearly delineated conservation policies contained in Nevada's "Easements for Conservation" statutes, Nevada Revised Statutes ("NRS") Sections 111.390 to 111.440, inclusive, which recognize the importance of private conservation efforts to protect the natural, scenic, open-space values of real property, and assure the availability of real property for agricultural, recreational or open-space use, as among the conservation purposes of the statutes.

G. All the attributes and qualities described in these Recitals comprise, and are referred to in this Conservation Easement collectively as, the "**Conservation Values**" of the Property. Grantor and the Conservancy have the common purpose of protecting and preserving the Conservation Values in perpetuity while continuing the existing uses of the Property, and allowing those other uses of the Property that are consistent with such Conservation Values.

H. While the Property possesses the necessary infrastructure to support existing and future agricultural production, it is also highly developable and located directly adjacent to a Master Planned Receiving Area, posing a significant threat of future development.

I. Conservation of the Property furthers the intentions of the Douglas County Conservation Bill, Master Plan, and Open Space and Agricultural Implementation Plan, the primary objectives of which are aimed at retaining the rural character of Douglas County through the use of conservation easements to protect Douglas County's cultural heritage, historic agricultural operations, floodplain functions, and natural resources.

J. As of the Effective Date, the Conservancy is a nonprofit corporation incorporated under the laws of the District of Columbia as a tax-exempt public charity described in Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code, organized to protect and conserve natural areas and ecologically significant land for scientific, charitable, and educational purposes; is a "qualified organization" within the provisions of Section 170(h) of the Internal Revenue Code, qualified to acquire and hold conservation easements; and is qualified to hold a conservation easement under NRS Section 111.410.

K. This Conservation Easement and rights granted to the Conservancy have been donated by the undersigned Grantor, and this Conservation Easement is intended to qualify as a charitable donation of a partial interest in real estate (as defined under §170(f)(3)(B)(iii) of the IRS Code) to a qualified organization as defined in §1.170A-14(c)(1) of the IRS Regulations.

TERMS OF CONSERVATION EASEMENT

NOW THEREFORE, in recognition of the foregoing recitals and in consideration of the mutual covenants, terms, conditions, and restrictions contained in this document, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to the laws of the State of Nevada, and in particular NRS 111.390 to 111.440, Grantor voluntarily grants and conveys to the Conservancy, and its successors and assigns, as an absolute and unconditional gift, and the Conservancy hereby accepts, a perpetual conservation easement in, on, over, and across the Property, subject to the terms and conditions set forth in this document, restricting forever the uses that may be made of the Property and granting the Conservancy certain specific rights in the Property (the “**Conservation Easement**”).

Grantor and the Conservancy further agree as follows:

1. PURPOSES. The purposes of this Conservation Easement are to preserve and protect in perpetuity the agricultural use and Conservation Values by limiting certain nonagricultural uses of that land and, in the event of their degradation or destruction, to enhance and restore the Conservation Values of the Property, as defined herein. In achieving these purposes (the “**Conservation Purposes**”), the Parties intend to permit the continuation of such uses of the Property as may be conducted consistent with the Conservation Values, including, to the extent stated herein, the existing uses of the Property.
2. BASELINE/EASEMENT DOCUMENTATION REPORT. The Parties acknowledge that a Baseline/Easement Documentation Report (the “**Report**”) of the Property has been prepared and that the Report has been approved in writing by the Conservancy and Grantor. A copy of the Report is on file with Grantor and the Conservancy at their respective addresses for notices set forth in Section 12. By executing this Conservation Easement, the Parties agree that the Report contains an accurate representation of the biological and physical condition of the Property as of the Effective Date, and of the existing uses of the Property. Notwithstanding the foregoing, if a controversy arises with respect to the nature and extent of the physical or biological condition of the Property, the Parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the controversy.
3. THE CONSERVANCY’S RIGHTS. In order to accomplish the Conservation Purposes, the rights and interests that are granted and conveyed to the Conservancy by this Conservation Easement include the following:
 - A. Preserve and Protect. The Conservancy may preserve, protect, identify, monitor and, in the event of their degradation or destruction, restore the Conservation Values.

B. Entry and Access Rights. The Conservancy is, by this Conservation Easement, granted rights of access to enter upon the Property on at least an annual basis, using appurtenant easements and rights of way as necessary, including the road legally described in that certain Reciprocal Access and Utility Easement and Abandonment Easement, recorded December 18, 2014 in the records of Douglas County, Nevada as instrument number 854629, and may enter upon the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement. At such time as the Conservancy is on the Property to monitor compliance, or at other such times as Grantor may permit in Grantor's reasonable discretion, the Conservancy may study and make scientific observations of the Property and of its natural elements and ecosystems. The Conservancy shall provide Grantor with copies of all work product produced from such scientific research, provided Grantor shall not limit the use or distribution of such scientific research. Except in cases in which the Conservancy determines that immediate entry is required to prevent, terminate, or mitigate a violation of the Conservation Easement, or to preserve or protect the Conservation Values, entry will be made after giving notice to Grantor at least seven (7) days in advance of such entry, as described in Section 12.A, and will not unreasonably interfere with Grantor's use and quiet enjoyment of the Property.

C. Enforcement. In accordance with Section 6 below, the Conservancy may prevent any activity on or use of the Property that violates the terms of this Conservation Easement, and may enforce the restoration of such areas or features of the Property that have been damaged by such violation. Except the Conservancy, no third party beneficiary rights, rights of enforcement, or other rights are created by this Conservation Easement.

D. Managerial Control. Nothing in this Conservation Easement shall be construed as giving rise to any right or ability of the Conservancy to exercise physical or managerial control over day-to-day operation of the Property, or any of Grantor's activities on the Property, or otherwise to become an operator with respect to the Property.

4. PERMITTED USES OF THE PROPERTY. Grantor and the Conservancy intend that this Conservation Easement shall permit farming, ranching, recreational, open space, scenic, conservation, plant and wildlife habitat, and natural resource conservation uses in accordance with the terms and conditions of this Conservation Easement. Except as prohibited or otherwise limited by Section 5 or Exhibit D to this Conservation Easement, Grantor reserves all rights accruing from its ownership of the Property, and all uses of the Property that are not expressly prohibited herein or inconsistent with the Conservation Purposes, including the right to engage in or invite others to engage in such uses. In that regard, the uses described and permitted in Exhibit C, though not an exhaustive list of consistent permitted uses, are expressly deemed consistent with the Conservation Purposes, and shall not be precluded, prevented, or limited by this Conservation Easement, except as follows: (a) as provided in Section 5 or Exhibit D; or (b) in those instances in which prior approval by the Conservancy is required under this Conservation Easement.

The uses described and permitted in Exhibit C are also intended to provide guidance in determining the consistency of other activities with the Conservation Purposes. If any question exists regarding whether certain uses or activities are prohibited, would be inconsistent with the Conservation Purposes, or would materially diminish or impair the Conservation Values, Grantor

shall notify the Conservancy in writing in accordance with Section 12 and obtain the Conservancy's written approval, not to be unreasonably withheld, prior to engaging in such practices or activities. The Conservancy shall have a period of 60 days after receipt of Grantor's notice to review and respond to Grantor's request. Permission to carry out, or failure to object to, any proposed use or activity shall not constitute consent to any subsequent use or activity of the same or any different nature.

5. PROHIBITED USES OF THE PROPERTY. Any activity on or use of the Property that is inconsistent with the Conservation Purposes is prohibited. In evaluating whether a particular use of the Property violates this Conservation Easement, Grantor and the Conservancy intend that both the magnitude and the duration of actual and expected effects on the Conservation Values will be taken into account. Grantor and the Conservancy do not intend that minor or ephemeral impacts on the Conservation Values will be considered a violation of the Conservation Easement.

Though not an exhaustive list of prohibited uses, none of the uses described in Exhibit D shall be made of the Property, except to the extent described and permitted in Exhibit C.

6. REMEDIES.

A. Mediation. Notwithstanding any provision of this Conservation Easement to the contrary, in the event of an intractable dispute between Grantor and the Conservancy regarding any proposed use of or activity on the Property, either Party may elect to compel non-binding mediation by providing written notice ("**Mediation Notice**") to the other Party. From the date of the Mediation Notice, neither party shall proceed with the proposed use or activity pending resolution of the dispute, and all notice periods shall be stayed and/or tolled until mediation has concluded. Within ten (10) days of the date of the Mediation Notice, the Parties shall select a single impartial mediator experienced in conservation easements and agricultural land management. If the Parties are unable to agree on the selection of such mediator, then the Parties shall, within thirty (30) days of the date of the Mediation Notice, jointly apply to the local state district court in Douglas County, Nevada, for the appointment of such mediator. Mediation shall then proceed in accordance with the following guidelines:

i. Purpose. The purpose of the mediation shall be to: (a) promote discussion between the Parties; (b) assist the Parties to develop and exchange pertinent information concerning the issue in dispute; and (c) assist the Parties in developing proposals that will enable them to arrive at a mutually acceptable resolution of the dispute. The mediation is not intended to result in any express or *de facto* modification or amendment of the terms, conditions or restrictions of this Conservation Easement.

ii. Participation. The mediator may meet with the Parties and their counsel jointly or *ex parte*. The Parties agree that they will participate in the mediation process in good faith and expeditiously.

iii. Confidentiality. All information presented to the mediator shall be deemed confidential and shall be disclosed by the mediator only with the written consent of the Parties or

their respective counsel. The mediator shall not be subject to subpoena by any Party. No statements made or documents prepared for the mediation sessions shall be disclosed in any subsequent proceeding or construed as an admission of a Party.

iv. Time. Neither Party shall be obligated to continue the mediation process beyond a period of sixty (60) days from the date of the initial mediation notice or if the mediator concludes that there is no reasonable likelihood that continuing mediation will result in a mutually agreeable resolution of the dispute.

v. Costs. The costs of the mediator shall be borne equally by Grantor and the Conservancy; the Parties shall each bear their own expenses of mediation, including attorneys' fees and costs.

vi. Failure of Mediation. If mediation fails to resolve the dispute, either Party may then proceed to seek legal or equitable relief in court.

B. Notice of Violation; Corrective Action. If the Conservancy becomes aware that a violation of the terms of this Conservation Easement has occurred or is threatened to occur, the Conservancy shall give written notice to Grantor of such violation. If Grantor fails to cure the violation within thirty (30) days after receipt of notice from the Conservancy, or under circumstances where the violation cannot reasonably be cured within a thirty (30)-day period, fails to begin curing such violation within the thirty (30)-day period or fails to continue diligently to cure such violation until finally cured, the Conservancy shall have all remedies available at law or in equity to enforce the terms of this Conservation Easement, including, without limitation, the right to seek a temporary or permanent injunction with respect to such activity, to cause the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such prohibited activity (regardless of whether the costs of restoration exceed the value of the Property), to pay monetary amounts which, if not paid, could result in extinguishment, modification, non-enforcement or impairment of the Conservation Easement created by this Conservation Easement, and/or to recover any additional damages arising from the violation. The Conservancy's rights under this Section apply equally to actual or threatened violations of the terms of this Conservation Easement. Grantor agrees that the Conservancy's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that the Conservancy shall be entitled to the injunctive relief described in this Section, both prohibitive and mandatory, in addition to such other relief to which the Conservancy may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. The remedies described in this Section 6 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

C. Costs of Enforcement. In any action, suit or other proceeding undertaken to enforce the provisions of this Conservation Easement, the prevailing Party shall be entitled to recover from the non-prevailing Party all reasonable costs and expenses including attorneys' fees, and if such prevailing Party recovers judgment in any action or proceeding, such costs and expenses shall be included as part of the judgment. In addition, any costs of restoration shall be borne by the non-prevailing Party or as determined by the court.

D. Emergency Enforcement. If the Conservancy, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values or to prevent breach or extinguishment of the Conservation Easement created by this Conservation Easement, the Conservancy may pursue its remedies under this Section 6 upon sending notice in accordance with Section 12.C, without waiting for the cure period to expire.

E. Forbearance. Forbearance by the Conservancy to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement by Grantor shall not be deemed or construed to be a waiver by the Conservancy of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any of the Conservancy's rights under this Conservation Easement. Furthermore, the failure of the Conservancy to discover a violation or to take action under this Section 6 shall not be deemed or construed to be a waiver of the Conservancy's rights under this Conservation Easement with respect to such violation in the event of any subsequent breach. In no event shall any delay or omission by the Conservancy in exercising any right or remedy constitute an impairment of or a waiver of such right or remedy.

F. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle the Conservancy to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, but not limited to, fire, flood, storm or earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes; provided, that Grantor shall notify the Conservancy of such change in the Property and any emergency actions taken by Grantor.

7. ASSIGNMENT. Upon the prior written approval of Grantor, which approval shall not be unreasonably withheld, denied, or delayed, the Conservancy may assign this Conservation Easement to a state or federal government entity, or another nonprofit organization, provided such entity or organization is qualified at the time of assignment as an eligible donee under Section 170(h)(3) of the Internal Revenue Code (26 U.S.C. § 170(h)(3)); is willing and financially able to assume all of the responsibilities imposed on the Conservancy under this Conservation Easement; and is qualified to hold a conservation easement under Section 110.410 of the Nevada Revised Statutes.

Similarly, if at any time the Conservancy is unable to enforce this Conservation Easement or if the Conservancy ever ceases to exist or ceases to qualify to hold this Conservation Easement under applicable Nevada law or Section 170(h)(3), Grantor shall petition a court of competent jurisdiction to transfer this Conservation Easement to another organization that meets all of the foregoing designation criteria. The parties intend that, in the selection of a transferee entity, preference be given to a qualified agency or organization with experience in private agricultural management.

Should Grantor exercise the assignment provisions of this Conservation Easement or the assignment provisions of the adjacent CCT Founders, LLC, conservation easement (Doc. No.

835705), then both conservation easements must be simultaneously assigned to the same entity, and shall not be assigned separately.

8. RUNNING WITH THE LAND. This Conservation Easement shall burden and run with the Property in perpetuity. Every provision of this Conservation Easement that applies to Grantor or the Conservancy shall also apply forever to and shall burden or benefit, as applicable, their respective agents, heirs, devisees, administrators, employees, personal representatives, lessees, and assigns, and all other successors as their interest may appear.

9. REPRESENTATIONS AND WARRANTIES.

A. State of Title. Grantor represents and warrants that Grantor has good and marketable title to the Property, free and clear of any liens or encumbrances that might cause extinguishment of the Conservation Easement, or that would materially impair the Conservation Purposes, and that Grantor has full right and authority to grant this Conservation Easement. Both Parties acknowledge, however, that title exceptions of record exist, and both Parties agree that such exceptions neither materially impair the Conservation Purposes nor might cause extinguishment of the Conservation Easement.

B. Compliance with Laws. Grantor represents and warrants that Grantor has not received notice of and has no knowledge of any material violation of any federal, state, county, or other governmental or quasi-governmental statute, ordinance, rule, regulation, law, or administrative or judicial order with respect to the Property.

C. No Litigation. Grantor represents and warrants that there is no action, suit, or proceeding that is pending or threatened against the Property or any portion thereof relating to or arising out of the ownership or use of the Property, or any portion thereof, in any court or before or by any federal, state, county, or municipal department, commission, board, bureau, agency, or other governmental instrumentality.

D. Authority To Execute Conservation Easement. The person or persons executing this Conservation Easement on behalf of the Conservancy represent and warrant that the execution of this Conservation Easement has been duly authorized by the Conservancy. The person or persons executing this Conservation Easement on behalf of Grantor represent and warrant that the execution of this Conservation Easement has been duly authorized by Grantor.

E. Environmental Warranty. Grantor warrants that it is in compliance with, and shall remain in compliance with, all applicable Environmental Laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the Property. Grantor further warrants that it has no actual knowledge of a release or threatened release of Hazardous Materials, as such substances and wastes are defined by applicable federal and state law, it being acknowledged that Grantor is relying upon the Environmental Site Assessment completed by Wally Robison in 2014, which has been provided to the Conservancy.

Moreover, Grantor hereby promises to hold harmless and indemnify the Conservancy against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Property, or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the Property. Grantor's indemnification obligation shall not be affected by any authorizations provided by the Conservancy to Grantor with respect to the Property or any restoration activities carried out by the Conservancy at the Property; provided, however, that the Conservancy shall be responsible for any Hazardous Materials contributed, released, or threatened to be released after the Effective Date to the Property by the Conservancy.

"Environmental Law" or "Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

"Hazardous Materials" means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment."

10. COSTS, LEGAL REQUIREMENTS, 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, and agrees that the Conservancy shall have no duty or responsibility for the operation or maintenance of the Property, the monitoring of hazardous conditions on the Property, or the protection of Grantor, the public, or any third parties from risks relating to conditions on the Property. Grantor agrees to pay before delinquency any and all real property taxes and assessments levied on the Property and agrees that Grantor shall keep the Conservancy's interest in the Property free of any liens, including those arising out of any work performed for, materials furnished to, or obligations incurred by Grantor. Grantor shall be solely responsible for any costs related to the maintenance of general liability insurance covering Grantor's acts on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any activity or use reserved by Grantor and permitted by this Conservation Easement, and any activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, rules, regulations, and requirements. If more than one person or entity constitutes Grantor, the obligations of each and all of them under this Conservation Easement shall be joint and several.

11. INDEMNIFICATION. Grantor shall indemnify and hold harmless the Conservancy, its respective employees, agents, and assigns for any and all liabilities, claims, demands, losses,

expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Conservancy may be subject or incur relating to the Property, relating to or arising from, but not limited to, Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant, or agreement contained in this Conservation Easement, or violations of any federal, state, or local laws, including Environmental Laws.

The Conservancy shall indemnify and hold harmless Grantor, its respective employees, agents, and assigns for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Grantor may be subject or incur relating to or arising from the Conservancy's negligent acts or omissions.

12. NOTICE; APPROVAL.

A. Notice for Entry. Where notice to Grantor of the Conservancy's entry upon the Property is required under this Conservation Easement, the Conservancy shall notify any of the persons constituting Grantor or their authorized agents by electronic mail, telephone, in person, or by written notice in the manner described in Section 12.C., at least seven (7) days prior to such entry.

B. Approval Request. Whenever approval or consent is required by this Conservation Easement, the initiating Party shall give written notice, in the manner described in Section 12.C., and detailed information to the receiving Party. The receiving Party shall review the proposed activity and respond to the initiating Party within 60 days.

If the receiving Party requires additional information to evaluate the proposed activity, the receiving Party shall request the information as soon as practicable, and in any case not later than ten (10) business days after the receiving Party's receipt of the notice. Approval by the receiving Party shall not be unreasonably withheld, conditioned, or delayed, and any objections by the receiving Party shall be based upon its opinion that the proposed activity is inconsistent with the terms of this Conservation Easement. If, in the receiving Party's judgment, it is possible to modify the proposed activity to be consistent with this Conservation Easement, the decision notice shall inform the initiating Party of such modification(s). Once modification is made to the satisfaction of the receiving Party, or the receiving Party otherwise concurs with the matters set forth in the initiating Party's notice, the proposed activity may thereafter be conducted in such approved manner.

Should the receiving Party fail to post its response within sixty (60) days of its receipt of notice, or within thirty (30) days of its receipt of adequate information to evaluate the proposed activity, whichever is later, the proposed activity shall be automatically deemed consistent with the terms of this Conservation Easement, and the receiving Party having no further right to object

to the proposed activity, provided the activity is carried out in a manner substantially the same as described in the notice and other information provided by the initiating Party. Permission to carry out, or failure to object to, any proposed use or activity shall not constitute consent to any subsequent use or activity of the same or any different nature.

C. Written Notices. Any written notice called for in this Conservation Easement shall be delivered: (i) in person with written acknowledgment of receipt; (ii) by certified mail, return receipt requested, postage prepaid; (iii) by facsimile with the original deposited with the United States Post office, postage prepaid on the same date as sent by facsimile; or (iv) by next-business-day delivery through a reputable overnight courier that guarantees next-business-day delivery and provides a receipt. Notice is deemed to be given (a) upon receipt, if delivered in person; (b) on the date of delivery noted on the U.S. certified mail receipt; (c) on the date of delivery by an overnight courier providing a written notice of delivery; or (d) on the date of written confirmation of transmission if by fax.

Notices shall be addressed as follows:

To Grantor:

West Walker Partners, LLC
c/o CP Management
5000 N. Parkway Calabasas, Suite 204
Calabasas, CA 91302
Attn: Pam Wenn

with a copy to:
James S. Taylor
4485 Via Esperanza
Santa Barbara, CA 93110

To the Conservancy:

The Nature Conservancy
One East First Street, Suite 1007
Reno, NV 89501
Attn: Carson River Project Director

with a copy to:
The Nature Conservancy
Legal Dept.
559 East South Temple
Salt Lake City, UT 84102

Either Party may, from time to time, by written notice to the other, designate a different address that shall be substituted for the relevant address or addresses set forth above.

13. SEVERABILITY AND ENFORCEABILITY. The terms of this Conservation Easement are intended to be perpetual. If any provision or purpose of this Conservation Easement or the application thereof is determined by final judgment of a court having competent jurisdiction to be invalid, such determination shall not have the effect of rendering the remaining provisions of this Conservation Easement invalid. The parties intend that this Conservation Easement, which is by nature and character primarily prohibitive (in that Grantor has restricted and limited the rights inherent in its ownership of the Property), shall be construed at all times and by all parties to promote, protect and fulfill the Conservation Purposes.

14. CONDEMNATION. If any entity initiates a legal action to condemn the Property or any portion of the Property, Grantor shall notify the Conservancy immediately. Grantor and the Conservancy shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All expenses incurred by Grantor and the Conservancy, including reasonable attorney's fees, shall be paid out of the recovered proceeds. The Conservancy is entitled to its proportional share of the condemnation award, in accordance with Sections 21 and 22 below.

15. INTERPRETATION.

A. Intent. This Conservation Easement is intended to preserve the Conservation Values and each of the Conservation Purposes, notwithstanding economic or other hardship or changes in circumstances or conditions. The provisions of this Conservation Easement shall be construed to effectuate the Conservation Purposes, and to allow Grantor's use and enjoyment of the Property to the extent consistent with those Conservation Purposes. If any provision of this Conservation Easement is found to be ambiguous, an interpretation consistent with the Conservation Purposes that would render the provision valid should be favored over any interpretation that would render it invalid.

B. Governing Law. This Conservation Easement shall be interpreted in accordance with the laws of the State of Nevada. No remedy or election given by any provision in this Conservation Easement shall be deemed exclusive unless so indicated, but it shall, wherever possible, be cumulative with all other remedies at law or in equity. In the event of any conflict between the provisions of this Conservation Easement and the provisions of any use and zoning restrictions of the State of Nevada, the county in which the Property is located, or any other governmental entity with jurisdiction, the more restrictive provisions shall apply.

C. Captions. The captions have been inserted solely for convenience of reference and are not part of the Conservation Easement and shall have no effect upon construction or interpretation.

D. Drafting. The Parties acknowledge that each Party and its counsel have reviewed and revised this Conservation Easement, and that no rule of construction that ambiguities are to be resolved against the drafting Party shall be employed in the interpretation of this Conservation Easement.

E. No Hazardous Materials Liability. Notwithstanding any other provision of this Grant to the contrary, nothing in this Grant shall be construed such that it creates in or gives to the Conservancy: (1) the obligations or liabilities of an "owner" or "operator" as those words are defined and used in Environmental Laws including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601 et seq.) ("**CERCLA**"); (2) the obligations or liabilities of a person described in 42 USC Section 9607(a)(3); (3) the obligations of a responsible person under any applicable Environmental Law; (4) any obligation to investigate or remediate any Hazardous Materials, as defined below, associated with the Property; or (5) any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

16. SUBORDINATION; SUBSEQUENT LIENS ON PROPERTY. There are no existing mortgages or liens to be subordinated to this Conservation Easement. No provision of this Conservation Easement should be construed as impairing the ability of Grantor to use the Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing must, at all times, be subordinated to this Conservation Easement.

17. RE-RECORDING. The Conservancy is authorized to record or file any notices or instruments appropriate to ensure the perpetual enforceability of the Conservation Easement created by this Conservation Easement; for such purposes, Grantor agrees to execute any such instruments upon request.

18. NO PUBLIC ACCESS. Nothing contained in this Conservation Easement shall give or grant to the public a right to enter upon or use the Property or any portion of the Property.

19. SUBSEQUENT TRANSFERS. Nothing in this Conservation Easement limits the rights of Grantor to convey the Property subject to this Conservation Easement. Grantor agrees that the terms, conditions, restrictions, and purposes of this Conservation Easement, or specific reference thereto, will be inserted by Grantor in any subsequent deed or other legal instrument by which Grantor divests either the fee simple title or a possessory interest, including, but not limited to, any leases of the Property; and Grantor further agrees to notify the Conservancy of any pending transfer, including, without limitation, leases, at least forty five (45) days in advance of the transfer. Leasing the Property for a period of five (5) or more years is subject to prior written notice to the Conservancy. The failure of Grantor to comply with this Section 19 shall not impair the validity of this Conservation Easement or limit its enforceability in any way. Any

successor in interest of Grantor, by acceptance of a deed, lease, or other document purporting to convey an interest in the Property, shall be deemed to have consented to, reaffirmed, and agreed to be bound by all of the terms, covenants, restrictions, and conditions of this Conservation Easement.

20. CHANGE OF CONDITIONS. Grantor has considered the fact that any use of the Property that is expressly prohibited by this Conservation Easement may become more economically valuable than permitted uses, or that neighboring properties may in the future be put entirely to uses as are not permitted hereunder. It is the intent of both Grantor and the Conservancy that any such changes shall not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement, except in accordance with Section 22 below regarding extinguishment, or Section 23 regarding amendment. In addition, the inability of Grantor, or Grantor's heirs, successors, or assigns, to conduct or implement any or all of the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, shall not impair the validity of this Conservation Easement or the Conservation Easement created herein, or be considered grounds for termination, extinguishment, or modification.

21. VALUATION. In accordance with IRS regulations, the Conservation Easement created by Grantor signing and delivering this Grant to the Conservancy constitutes a real property interest immediately vested in the Conservancy. The parties stipulate that the fair market value of the Conservation Easement is at least equal to the proportionate value that the Conservation Easement bears to the unrestricted value of the Property as of the Effective Date, which proportionate value shall remain constant for purposes of this Conservation Easement. Accordingly, the Conservancy shall be entitled to a portion of the proceeds at least equal to that proportionate value if this Conservation Easement is extinguished, terminated, or taken by eminent domain, and subsequently sold, exchanged or involuntarily converted.

22. EXTINGUISHMENT. This Conservation Easement may only be terminated or extinguished by a court of competent jurisdiction upon a finding that the conditions or circumstances on or surrounding the Property have changed to such a degree that it has become impossible to fulfill the Conservation Purposes. Subsequent to any such termination or extinguishment, the Conservancy shall be entitled to a proportionate share of the proceeds from any sale, exchange, or involuntary conversion of all or any portion of the Property, after the satisfaction of prior claims, based on the appraised fair market value of the Conservation Easement at the time of its extinguishment or termination, provided that value is at least equal to the proportionate value stated in Section 21. The Conservancy shall use the proceeds in a manner consistent with the Conservation Purposes.

23. AMENDMENT. If circumstances arise under which an amendment to or modification of this Conservation Easement might be appropriate, Grantor and the Conservancy may by mutual written agreement, jointly amend this Conservation Easement, provided that any such amendment shall be consistent with the Conservation Purposes of this Conservation Easement and Section 170(h) of the Internal Revenue Code and regulations promulgated thereunder, and shall comply with applicable federal and state law. Any such amendment shall be consistent with the protection and preservation of the Conservation Values of the Property and the

Conservation Purposes; shall not affect the perpetual duration of this Grant or the Conservation Easement; and shall not permit any private benefit to any person or entity without proportionate benefit to the Conservancy, in accordance with rules and regulations governing 501(c)(3) nonprofit organizations and the Conservancy's internal policies and procedures. Any such amendment must be executed by Grantor and the Conservancy, and shall be recorded in the land records of Douglas County, Nevada. Nothing in this Section shall require either Party to agree to any amendment or to consult or negotiate regarding any amendment.

24. ENTIRE AGREEMENT. This Conservation Easement, together with the attached Exhibits and any documents incorporated herein by reference, constitutes the entire agreement of the Parties with respect to the subject matter of this Conservation Easement, and supersedes all prior discussions, negotiations, agreements, and understandings of the Parties, all of which are merged herein.

25. NO MERGER. Should the Conservancy acquire fee title to the Property, no merger shall occur and this Conservation Easement and the fee title shall continue to exist and be managed as separate estates.

26. NO FORFEITURE. Nothing contained herein shall result in Grantor's forfeiture of fee title to the Property.

27. TERMINATION OF RIGHTS, OBLIGATIONS, AND LIABILITIES. A Party's rights, obligations, and liabilities under this Conservation Easement terminate upon transfer of such Party's interest in the Property or this Conservation Easement, except that liability for acts or omissions occurring prior to transfer shall survive such transfer.

28. COUNTERPARTS. The parties may execute this Conservation Easement in counterparts, which shall, in the aggregate, be signed by both parties, and each counterpart shall be deemed an original instrument as against any party who has signed it, but which together shall constitute one and the same instrument.

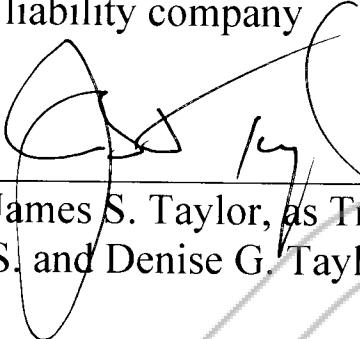
IN WITNESS WHEREOF, Grantor and the Conservancy have executed this Conservation Easement as of the Effective Date.

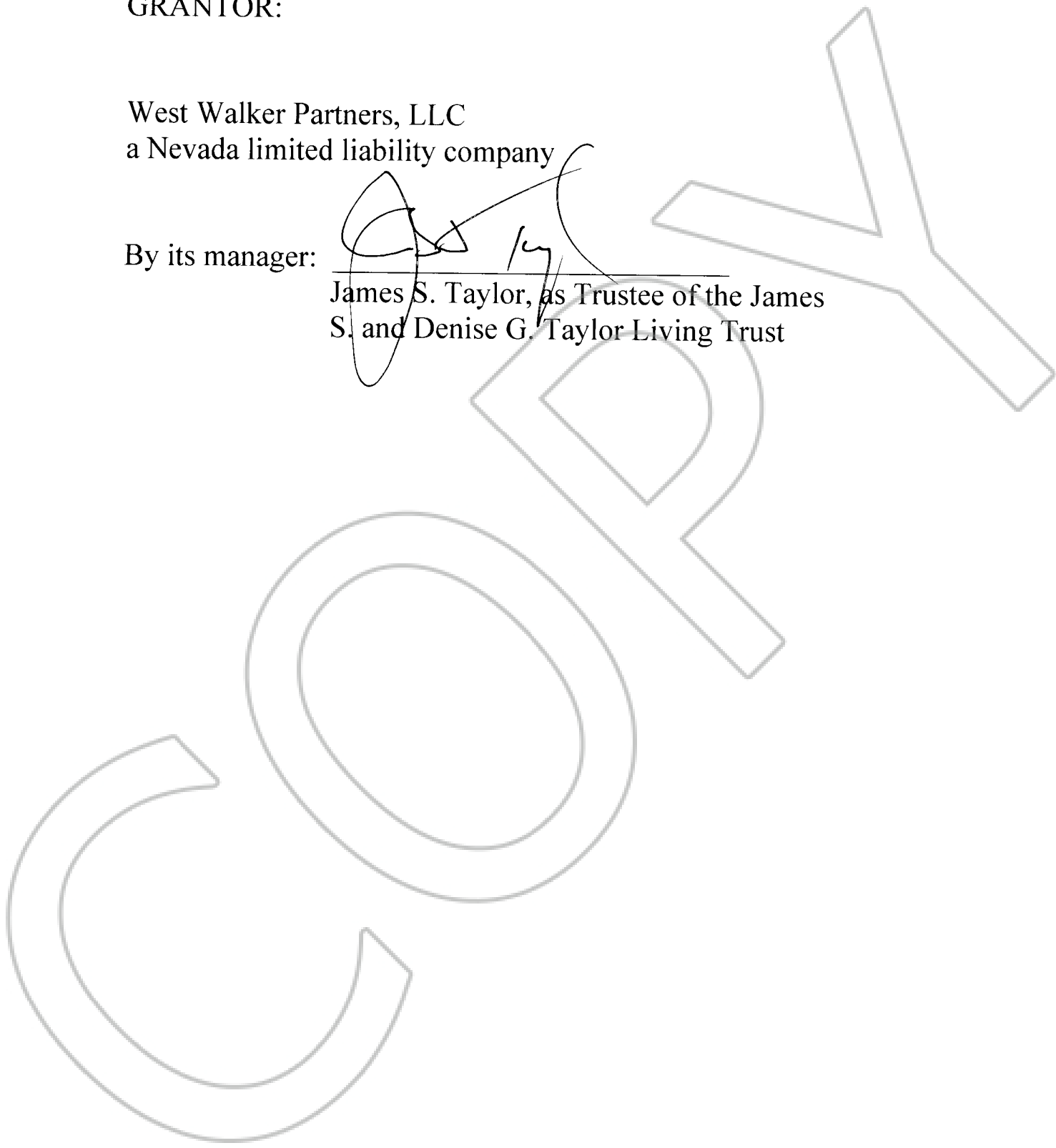
*Remainder of this page left intentionally blank;
Signatures appear on following pages.*

GRANTOR:

West Walker Partners, LLC
a Nevada limited liability company

By its manager:


James S. Taylor, as Trustee of the James
S. and Denise G. Taylor Living Trust



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

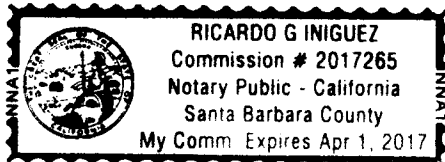
CIVIL CODE § 1189

State of California

County of Santa Barbara }

On December 22, 2014 before me, Ricardo G Iniguez, notary public
Date Here Insert Name and Title of the Officer

personally appeared James S. Taylor
Name(s) of Signer(s)



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

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: [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Grant of Conservation Easement

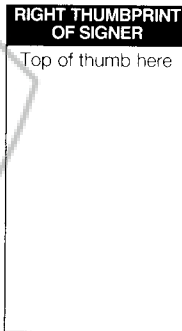
Document Date: December 22, 2014 Number of Pages: 26

Signer(s) Other Than Named Above: _____

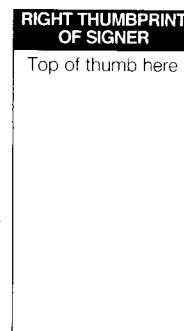
Capacity(ies) Claimed by Signer(s)

Signer's Name: James S. Taylor Signer's Name: _____

- Corporate Officer – Title(s): _____
- Individual
- Partner – Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



- Corporate Officer – Title(s): _____
- Individual
- Partner – Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer Is Representing: _____

EXHIBIT "A"
Legal Description for
Conservation Easement

All that certain property located in portions of Sections 18, 19 & 20, Township 10 North, Range 23 East, Mount Diablo Meridian; further described as Assessor Parcel Number 1023-00-002-001; reference Record of Survey Plat, recorded as Document Number 833523 (Book 1113, Page 1758) with the Douglas County, Nevada recorder's Office.

COMMENCING at the section corner common to Sections 17, 18, 19, & 20 of Township 10 North, Range 23 East Mount Diablo Meridian; with said point being the **TRUE POINT OF BEGINNING**.

THENCE along the section line common to said Sections 17 and 20 of Township 10 North, Range 23 East , N 89°02'30" E, 2,557.22 feet;

THENCE, S 02°06'27" E, 2,721.74 feet;

THENCE, S 88°58'04" W, 2,583.86 feet;

THENCE, N 86°42'56" W, 3,995.94 feet;

THENCE, N 00°05'51" W, 2,672.11 feet;

THENCE, S 87°24'34" E, 1,308.14 feet;

THENCE, N 00°13'05" E, 1,331.72 feet;

THENCE, N 87°28'31" W, 1,309.12 feet;

THENCE, N 00°10'23" E, 1,330.25 feet;

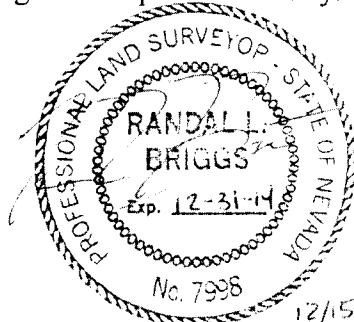
THENCE S 87°32'28" W, 3,930.32 feet to the section line common to said Sections 17 and 18 of Township 10 North, Range 23 East;

THENCE along the section line common to said Sections 17 and 18 of Township 10 North, Range 23 East, S 00°18'27" W, 2,669.29 feet to a point being the **TRUE POINT OF BEGINNING**;

CONTAINING 605.57 acres more or less

The basis of bearing for this legal description is the Nevada Coordinate System, West Zone, North American Datum 1983/1994.

This Legal Description written by:



Randal L. Briggs, PLS
TEC Engineering Consultants
9480 Double Diamond Parkway, Suite #200
Reno, Nevada 89521

COPY

EXHIBIT B
TO GRANT OF CONSERVATION EASEMENT
 Walker River (West Walker Partners, LLC) Nevada

PROPERTY MAP

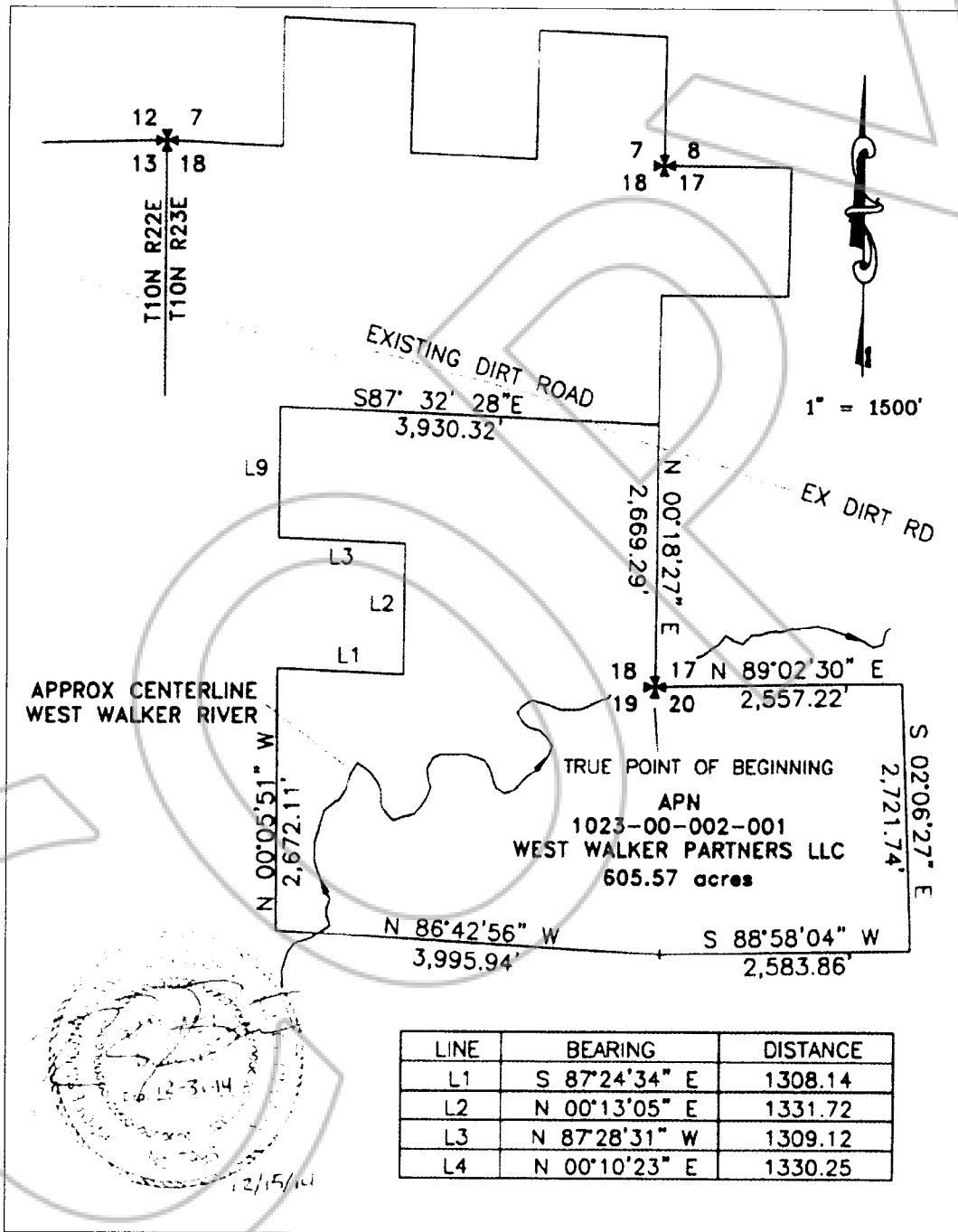


EXHIBIT C
TO GRANT OF CONSERVATION EASEMENT
Walker River (West Walker Partners, LLC) Nevada

PERMITTED USES

1. **AGRICULTURAL USES.** Grantor may engage in any and all agricultural and ranching uses of the Property (collectively, "**Ranching and Farming Activities**"), except as expressly prohibited in **Exhibit D**. Grantor may specifically engage in the following Ranching and Farming Activities:

A. **Ranching Activities.** The Property may be used for commercial grazing, pasturing, and watering of cattle, sheep, goats, mules, horses or any pack animals, and for all activities reasonably related thereto as follows and in compliance with the terms and conditions of this Conservation Easement (collectively "**Ranching Activities**"). Other livestock may be grazed upon prior written approval by the Conservancy, which approval shall not be unreasonably withheld, conditioned, or delayed. Ranching Activities shall be: (i) conducted in a manner that maintains or improves the ecological and range conditions of the Property as documented in the Report; (ii) consistent with the accepted livestock management and agricultural practices in the general geographic area of the Property; and (iii) in compliance with all applicable laws, rules, and regulations.

B. **Farming Activities.** The Property may be used for planting, growing, harvesting processing and sale of alfalfa, grass hay, barley, and oats in compliance with the terms and conditions of this Conservation Easement (collectively, the "**Farming Activities**"). Other crops may be planted upon prior written approval by the Conservancy, which approval shall not be unreasonably withheld, conditioned, or delayed. Farming Activities shall be: (i) consistent with the Conservation Values; (ii) consistent with the accepted agricultural practices in the general geographic area of the Property; and (iii) in compliance with all applicable laws, rules, and regulations.

2. **COMMERCIAL, RECREATIONAL OR EDUCATIONAL USES.** Grantor may undertake commercial and noncommercial recreational and educational activities on the Property, provided such uses do not significantly impact soils or Ranching and Farming Activities, and are subject to all other terms of this Conservation Easement. Such uses include, but are not limited to, fishing, hunting, non-motorized boating, cross-country skiing, snowshoeing, horseback riding, wildlife and bird watching, ecotourism, agri-tourism, agricultural education, mountain biking, picnicking, ranch work experience, dude ranching, trap, skeet or target shooting, camping, and hiking (collectively, the "**Recreational Activities**"). All such activities must be undertaken in compliance with all applicable laws and regulations. Under no circumstances shall private or commercial athletic fields, golf courses or ranges, airstrips, helicopters pads, motocross biking, on or off road all-terrain vehicle courses, permanent campgrounds or any other improvement or activity inconsistent with the Conservation Values be permitted on the Property.

3. STRUCTURES. Grantor may construct, repair, reconstruct and modify non-residential structures or other non-residential temporary accommodations for use in Ranching and Farming Activities, Recreational Activities, or educational activities within the Building Envelope(s) identified in Exhibit B attached hereto and incorporated herein by reference. Grantor may also build open-sided shade structures for use in the Recreational Activities permitted herein. Any new construction must be built and maintained within impervious surface limits and with minimal impact on the Property.

4. EXISTING IMPROVEMENTS. Grantor shall have the right to maintain, repair, and reasonably replace any improvements that exist on the Property as of the date of this Conservation Easement, in the same location as they currently exist, without any further permission of the Conservancy. Fences that exist on the Property as of the date of this Conservation Easement may be maintained, repaired, and replaced, and new fences may be built anywhere on the Property for the purpose of reasonable and customary management of livestock or wildlife, to protect the Conservation Values, or to mark the boundaries of the Property, provided such fencing does not unreasonably inhibit wildlife movement. Grantor shall bear the cost of installation and maintenance of such fencing.

5. UTILITIES. Existing utilities may be replaced or repaired at their current locations. New utilities necessary for Ranching and Farming Activities and permitted Recreational Activities are permitted, including, without limitations, water lines, water treatment facilities, wells, sewer lines, and power lines, as long as the location of such utilities is consistent with the Conservation Values and Conservation Purposes and is otherwise in compliance with this Conservation Easement. The installation of any such utilities shall minimize to the greatest extent possible any impact on the Conservation Purposes and Conservation Values. Grantor shall install any new utility lines underground, unless to do so will cause greater impact to the Conservation Values than overhead lines. Except as described above in this Section, or as required to any easement already burdening the Property, the installation of new utilities is prohibited. Pursuant to Section 20 of the Conservation Easement, the granting of easements subsequent to the Effective Date shall be expressly be made subject to this Conservation Easement. Nothing in this Section 5 shall apply to any recorded preexisting rights burdening the Property.

6. ON-PROPERTY ENERGY PRODUCTION. Subject to approval by the Conservancy, which approval shall not be unreasonably withheld, conditioned or delayed, Grantor may construct and maintain renewable energy sources such as solar, wind power, and micro hydroelectric facilities to generate power only as needed for Ranching, Farming, and other Permitted Activities on the Property. Wind generators shall not exceed 30 feet in tower height. Renewable energy sources must be built and maintained with minimal impact on the Conservation Values of the Property.

7. PRESCRIBED BURNING. Prescribed burning is allowed for weed management, habitat restoration activities, and fuels management to reduce the buildup of dry biomass and to prevent wildfire, provided that such activity shall be conducted in accordance with all applicable laws, rules, and regulations.

8. PESTICIDES, HERBICIDES, BIOCIDES. Pesticides, herbicides, and other biocides may be applied only for the control of non-native and noxious plants, provided the chemicals are directed to the target organism, non-target impacts are minimal, and are applied in compliance with Nevada law and all manufacturer's instructions.

9. FERTILIZERS. Fertilizers, including organic fertilizers, may be applied to the Property in compliance with Nevada law and all manufacturers' instructions.

10. ROADS.

A. Existing Roads. Grantor may maintain existing roads as identified in the Report as of the Effective Date. Included within this right of maintenance, without limitation, are: the right to install or apply materials necessary to correct or impede erosion, grading of earth to maintain a passable condition or to control or impede erosion, addition of culverts to direct storm water off of the road and prevent erosion or destruction of the road, replacement of existing or added culverts, and maintenance of roadside ditches.

B. New Roads, Bridge. Grantor may construct new roads, including access to put-in and take-out locations along the West Walker River, concrete ramps for launching and take-outs, and one new bridge across the West Walker River, provided that such new roads and bridge: (i) shall be reasonably necessary for the uses permitted in this Conservation Easement; (ii) shall be constructed and maintained so as to impede erosion; (iii) shall not create any area of land disturbance or grading greater than the minimum necessary to meet any legal requirements or, to the extent no legal requirements apply or are lawfully waived, the minimum practicable and consistent with sound engineering techniques and methods; and (iv) the location shall have been approved by the Conservancy in writing prior to commencement of construction activities, which approval shall not be unreasonably withheld, conditioned, or delayed.

11. TRAILS.

A. Existing Trails. Grantor may maintain existing trails on the Property in the same or similar condition that exists as of the Effective Date and identified in the Report.

B. New Trails. Grantor may, but is not obligated to, undertake the development and maintenance of new trails on the Property, subject to the following conditions: (i) new trails shall be located, to the extent practicable, in the path of trails or roads existing on the Effective Date and otherwise in a location that impedes erosion; (ii) the surface of trails shall remain pervious (such as dirt, wood, chips, or gravel); (iii) the width of the area cleared and improved for such trail shall not exceed that necessary for pedestrian, mountain biking or equestrian use; and (iv) Grantor shall have obtained the Conservancy's written approval prior to commencement of construction activities, which approval shall not be unreasonably withheld, conditioned, or delayed. The construction and maintenance of any new trails is otherwise prohibited.

C. Related Improvements. In connection with existing and new trails and the permitted uses described in Section 10.B. of this Exhibit C above, Grantor may also construct and maintain wildlife viewing platforms, trailheads for fishing and recreating and to provide

access to put-in and take-out locations along the West Walker River, and construction of concrete put-in and take-out ramps to prevent erosion.

12. WATER RESOURCES. Grantor retains all rights to use and enjoy the water resources on the Property permissible under State and Federal laws. Grantor may develop water resources on the Property, including ponds, as necessary for the Ranching and Farming Activities, Recreational Activities, or for habitat restoration, enhancement or management activities approved by the Conservancy. Grantor may change, replace, modify, and improve the existing irrigation system, including gates, pipes, flashboard risers, ditches, channels, diversions, and other such infrastructure approved by the Conservancy, which approval shall not be unreasonably withheld, delayed, or conditioned.

13. RESTORATION ACTIVITIES. Grantor may restore or enhance riparian areas, wetlands, native plant or animal communities pursuant to a management or restoration plan approved by the Conservancy, which approval shall not be unreasonably withheld, delayed, or conditioned. The Conservancy expressly approves the restoration plan as described in the report prepared by Otis Bay Environmental Consulting (“OBEC”) dated January, 2008. Any material modifications to the OBEC restoration plan shall require approval from the Conservancy prior to implementation, which approval not be unreasonably withheld, delayed, or conditioned.

14. TIMBER HARVESTING. The taking or harvesting of timber, standing or downed, is permitted for disease or insect control, for removal of non-native invasive species, to prevent property damage or personal injury, for fire prevention purposes, to prevent the encroachment of Pinyon and Juniper, or in accordance with a written timber management plan developed by the Parties consistent with this Conservation Easement. Grantor may keep for personal use or sell wood from dead and downed trees.

15. HUNTING, FISHING, OR TRAPPING FOR MANAGEMENT PURPOSES. Grantor may conduct hunting, fishing, or trapping as management tools for the control of native or non-native insects, fish, amphibians, reptiles, birds, or mammals.

16. RESIDUAL RIGHTS. Except as expressly limited by this Conservation Easement, Grantor reserves to itself and may exercise and enjoy all rights as owner of the Property, including the right to use the Property for any purpose that is consistent with the Conservation Purposes, including inviting others to engage in such uses. However, if any question exists regarding whether an activity or use is permitted, or would be inconsistent with the Conservation Purposes or diminish or impair the Conservation Values, Grantor shall notify the Conservancy in writing and obtain the Conservancy’s written approval in accordance with Section 12 (Notice; Approval) of the Conservation Easement.

EXHIBIT D
TO GRANT OF CONSERVATION EASEMENT
Walker River (West Walker Partners, LLC) Nevada

PROHIBITED USES

1. **NO SUBDIVISION.** The legal or *de facto* division, subdivision, or partitioning of the Property is prohibited. Notwithstanding the fact that, as of the Effective Date, the Property might be composed of separate legal parcels, the terms and conditions of this Conservation Easement shall apply to the Property as a whole. The Property shall not be sold, transferred, or otherwise conveyed except as one whole, intact parcel, it being expressly agreed that neither Grantor nor Grantor's personal representative, heirs, successors, or assigns shall sell, transfer, or otherwise convey the Property other than in accordance with this Section. The existence of separate legal parcels, if any, as of the Effective Date shall not be interpreted to permit any use or activity on an individual legal parcel that would not have been permitted on such individual legal parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Boundary line adjustments are permitted in the case of technical errors made in a survey or legal description.
2. **NO CONSTRUCTION OF BUILDINGS AND OTHER STRUCTURES.** Except as described and permitted in Sections 3, and 10.B. of Exhibit C, no buildings or any other structures including, without limitations, single family dwellings, may be built anywhere on the Property.
3. **PROHIBITED MANUFACTURING AND COMMERCIAL USES.** No manufacturing of goods is allowed on the Property. The following commercial uses are prohibited: (a) the establishment or maintenance of any commercial feedlots, which are defined as any area bounded by permanent fence or walls where domestic livestock are grouped together for intensive feeding for a period of time exceeding 45 days for the sole purpose of fattening those animals for market; (b) the planting and cultivation of commercial orchards and vineyards; (c) the establishment or maintenance of any commercial greenhouses or plant nurseries; (d) the establishment or maintenance of any dairy facility or associated infrastructure; (e) ranching or farming of animals for purposes of fur production; and (f) ranching or farming of wild game. This prohibition is not intended to prevent hunting, habitat restoration, habitat enhancement, or habitat management for wild game.
4. **NO NATURAL RESOURCE DEVELOPMENT.** Except for the limited and localized extraction of sand, gravel, and rock for non-commercial uses described and permitted in Exhibit C, the exploration for or extraction of minerals, gas, hydrocarbons, soils, sands, gravel, or rock, or any other material on or below the surface of the Property is prohibited. Grantor shall not grant any rights whatsoever to any minerals, oil, gas, other hydrocarbons, soils, sands, gravel, rock, or any other material on or below the surface of the Property, including exploration or extraction rights in or to the Property, nor shall Grantor grant any right of access to the Property to conduct any such exploration or extraction. Any extraction must not result in irremediable destruction of significant conservation interests and the surface must be reclaimed upon cessation of extractive activities.

5. NO USE OR TRANSFER OF DEVELOPMENT RIGHTS. Except for the development described and permitted by **Exhibit C**, development on the Property is prohibited, including, without limitation: (i) the construction or placement of any residential or other buildings; (ii) golf courses; (iii) boat ramps; (iv) bridges; (v) mobile homes or house trailers; (vi) permanent tent facilities; (vii) quonset huts or similar structures; (viii) underground tanks; (ix) billboards, signs or other advertising; (x) street lights; and (xi) utility or sewer systems or lines (subject to recorded easements). Except for the development allowed in **Exhibit C**, all development rights hereafter allocated to, implied, reserved, or inherent in the Property are terminated and extinguished and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described.

6. NO HAZARDOUS MATERIALS. The use, dumping, storage, release, or other disposal of non-compostable refuse, sewer sludge, Hazardous Materials, unsightly or toxic matter or agrichemicals is prohibited, except for (i) use and storage of reasonable amounts for Ranching and Agricultural Activities; and (ii) composting and storage of manure or non-hazardous agricultural wastes produced on the Property.

7. NO ALTERATION OF NATURAL WATER COURSES; NO DEGRADATION OF WATER QUALITY. Except as described and permitted in **Exhibit C** or the Design Report for West Walker Fly Fishing Ranch prepared by Otis Bay Ecological Consultants in February 2009, the manipulation or alteration of any natural water course, wetland, streambank, shoreline, vernal pool or body of water is prohibited without prior written approval of the Conservancy. Activities or uses detrimental to water quality, including, but not limited to, degradation or pollution of any surface or subsurface waters, are prohibited, subject to Grantor's right to continue the Ranching and Recreational Activities in accordance with this Conservation Easement.

8. NO IMPAIRMENT OF WATER RIGHTS. Severance, conveyance, or encumbrance of water or water rights appurtenant to the Property, separately from the underlying title to the Property, or other action that diminishes or extinguishes such water rights, is prohibited, except transfer or encumbrance of water rights in favor of a state, federal, or non-profit entity for conservation purposes and after obtaining the prior written consent of the Conservancy. Subject to the above restriction, Grantor shall otherwise have all rights to use and enjoy the water resources on the Property as permitted under state and federal laws. Notwithstanding the above prohibition, Grantor may lease all or a portion of the water rights, provided the water is used for irrigation, stock watering, habitat or wildlife purposes within the watershed.

9. OFF-ROAD VEHICULAR USE. The use of any motorized vehicles, including without limitation, snowmobiles, four-wheelers and ATVs off existing roads and trails is prohibited, except as reasonably and minimally necessary for Ranching and Farming Activities, Recreational Activities described and permitted in **Exhibit C**, property management, habitat restoration and management activities, law enforcement, or public safety needs.

10. NO SURFACE ALTERATION. Changing the topography of the Property through bulldozing, back-hoeing, dredging, the placement of soils, land fill, dredging spoils, or other materials on the Property, or any other conversion or disturbance of the Property from the

condition documented in the Report is prohibited, except as reasonably and minimally necessary to (i) Ranching and Farming Activities; (ii) the Recreational Activities described and permitted in **Exhibit C**; or (iii) habitat restoration, enhancement or management activities approved by the Conservancy.

11. NO INTRODUCTION OF NON-NATIVE PLANT OR ANIMAL SPECIES. The intentional seeding, planting, or introduction of non-native plant species is prohibited unless approved in writing by the Conservancy, which approval shall not be unreasonably delayed, conditioned or withheld. The introduction of non-native animal species is also prohibited, except (i) to carry out Ranching and Farming Activities, (ii) Grantor's domesticated animals and pets; (iii) the stocking of pheasant and other game birds as allowed by the Nevada Department of Wildlife and approved by the Conservancy, which approval shall not be unreasonably delayed, conditioned or withheld; or (iv) the stocking of brown and rainbow trout or other fish as allowed by the Nevada Department of Wildlife.

12. NO DESTRUCTION OF NATIVE VEGETATION. Removal, cutting or destruction of native vegetation is prohibited except in connection with: (i) Ranching and Farming Activities; (ii) repair, maintenance, and grading of roads and trails as described and permitted in **Exhibit C**; (iii) pursuant to an approved habitat restoration, enhancement or management activities approved by the Conservancy; or (iv) as reasonably necessary to prevent personal injury or property damage.

13. JUNK YARDS. Storage of inoperable automobiles, machinery, equipment, trucks, and similar items for purposes of sale, or rental of space for storage of such items, is prohibited on the Property.

14. SIGNAGE. Signs, billboards or other advertising structures are prohibited except for signs to identify the Property or products and services produced at the Property, signs indicating that the property is managed under a conservation easement, navigation signs, signs indicating geographic and riverine features, educational or safety signs, and signs prohibiting hunting, fishing or trespassing. Signs shall be of a size reasonable for the intended purpose but in no event larger than four square feet.

15. LOGO USE. Use of the Conservancy's printed name or logo in connection with any of Grantor's uses or activities on the Property is prohibited, except upon receiving prior written approval from the Conservancy, which may be denied in the Conservancy's sole discretion.