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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company (U 39 E) for Approval Under
Public Utilities Code Section 851 to Sell the
Tule River Hydroelectric Project.

(U 39 E)

Application No. 22-02-_____

**APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) FOR
APPROVAL UNDER PUBLIC UTILITIES CODE SECTION 851 TO SELL
THE TULE RIVER HYDROELECTRIC PROJECT**

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Dated: February 24, 2022

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) respectfully requests that the California Public Utilities Commission (Commission or CPUC) authorize the sale by PG&E of the Tule River Hydroelectric Project and associated electric facilities (Project) to Tule Hydro LLC (Buyer). The details of the sale are set forth in the Purchase and Sale Agreement (PSA), dated December 1, 2021 and amended January 26, 2022, which is included as Attachment A. PG&E also requests the Commission approve the requested ratemaking treatment. As described below and in the testimony supporting this application, the sale of the Project to Buyer is in the best interest of PG&E's customers.

This application is made pursuant to California Public Utilities Code Section 851 and Articles 2, 3, and 7 of the Commission's Rules of Practice and Procedure.

II. DESCRIPTION OF THE PROJECT

PG&E owns the Federal Energy Regulatory Commission (FERC) licensed 6.4 megawatt (MW) Tule River Hydroelectric Project and the associated electric transmission lines. The Project is located in Tulare County, California, on the North Fork of the Middle Fork Tule River, Hossack Creek, and Doyle Springs. A map showing the Project location is included as Attachment B.

The Project began operations in 1914. It consists of a 6.4 MW powerhouse, three diversions, approximately four miles of water conveyance, a 70 kilovolt (kV) switchyard, and approximately four miles of 12 kV electric line connecting to a pump and the hydroelectric project headworks. A 15-mile Tule-Springville 70 kV transmission line connects the 6.4 MW powerhouse to Southern California Edison Company's (SCE's) Springville Substation.

The transaction includes approximately 43 acres of land, which PG&E owns in fee (Real Property). The Real Property is subject to the Land Conservation Commitment (LCC) that was part of the 2003 Bankruptcy Settlement approved by the Commission in Decision (D.) 03-12-035. The proposed sale complies with the LCC requirements and is further described in Section V below.

A complete description of the Project assets is found in the PSA in Schedule 2.1(a). PG&E will not retain any assets as described in the PSA in Schedule 2.2. The Buyer has communicated to PG&E that it intends to continue to use the Real Property and Project assets as a hydroelectric generation project.

The Project operates subject to a license issued by the FERC as Project Number (No.) 1333. The Project's FERC license was renewed in 1993. The current license term runs through July 31, 2033.

III. REASONS FOR THE SALE

In 2015, PG&E reviewed its hydroelectric portfolio and identified the Project for divestiture, primarily due to its remote location relative to the rest of PG&E's hydroelectric system and resulting higher operating costs, as well as the lack of water storage on the project and associated limited operating flexibility. After PG&E identified the Project for divestiture, but before PG&E initiated the process, the Project suffered fire damage in 2017. The Project has been out of operation since then.

After evaluating the costs of repair and restoration, PG&E made the decision to move forward with the sale of the Project in an "as-is" condition. PG&E launched a public Request for

Offers (RFO) process in June 2018, and the successful bidder was chosen in December 2018.

PG&E proposes to sell the Project because it will reduce costs to PG&E's customers. In fact, PG&E estimates selling the Project "as-is" will save customers approximately \$83.4 million or \$11.6 million, compared to either refurbishing the Project or decommissioning it, respectively. The reasons for these savings are that the Project is in a remote area compared to the rest of PG&E's hydroelectric system, and removal of the Project from PG&E's portfolio reduces future capital investment and operation and maintenance costs.

PG&E has determined that the proposed sale of the Project to the Buyer will not interfere with PG&E's operations or PG&E's ability to provide safe and reliable utility service.

IV. ACCOUNTING AND PROPOSED RATEMAKING

A. Original Cost, Book Value, and Purchase Price & Tax Effect

The total historical cost (Original Cost) of the Project as of January 31, 2022, is approximately \$21.0 million. None of the total historical cost is associated with Construction Work in Progress (CWIP). The historical cost less allocated reserve (accumulated depreciation) of \$18.2 million value of the Project results in a Net Book Value of approximately \$2.7 million. The negotiated Transfer Payment from PG&E to Buyer will be \$5.3 million.¹

The pre-tax loss-on-sale is estimated to be \$8.2 million. A table showing sales price, expenses, tax effects, and the resulting gain/loss calculation is provided as Attachment C.² The amounts cited and shown in this application are estimated values based on recorded amounts as of January 31, 2022. The actual amounts will be based on the book values as of the close date.

B. Request for Offers Process

PG&E conducted a public RFO auction process to obtain the best possible price and terms. The RFO process is described in detail in Chapter 2 of the testimony accompanying this

¹ See Article 1.1 in Defined Terms of Purchase and Sale Agreement in Attachment A.

² This information is provided in a format previously agreed-to by The Public Advocates Office of the Commission in Application No. 95-08-035, Joint Motion of All Parties For Adoption Of Settlement And For Waiver Of Noticed Settlement Conference And Comment Period Requirements.

application. As described in the PSA, PG&E is selling the Project in an “as-is” condition. Buyer has been provided with the opportunity to inspect the Project assets and conduct appropriate due diligence.

C. Ratemaking and Gain (Loss) on Sale Decision

PG&E proposes the following ratemaking for the sale transaction:

- Rate base will be reduced by the amount of the historical cost less depreciated value of the assets when the sale closes. That amount combined with the amount of the Transfer Payment and transaction closing costs (totaling approximately \$8.2 million) will be credited to the Utility Generation Balancing Account (UGBA) as authorized utility-owned generation revenue requirement. The authorized revenue requirement for Utility Owned Generation (UOG) resources are included in the Power Charge Indifference Adjustment (PCIA) and recovered from bundled and non-exempt departing load customers through the PCIA, as affirmed by the PCIA Order Instituting Rulemaking (OIR) D.18-10-019.^{3/}
- The proposed sale was not reflected in the 2020 and 2023 GRC forecasts. PG&E proposes to adjust the revenue requirement associated with the Project’s retired rate base upon close of the sale by recording a reduction in the Portfolio Allocation Balancing Account (PABA). The base revenue reduction in PABA will be applied to the months remaining in the respective GRC periods at the close of the sale.

PG&E requests that the accounting loss from the sale of the Project be recovered in accordance with Ordering Paragraphs 4 and 9 of the Commission’s Gain on Sale of Utility Assets decision, D.06-05-041, as modified by D.06-12-043. Specifically, Ordering Paragraph 9 of D.06-05-041 allows utilities to seek allocation of an after-tax loss of \$50 million or less pursuant to the “percentage allocation rule” (100% of depreciable assets to customers, 67% of

³ D.18-10-019, Conclusion of Law 12.

non-depreciable assets to customers, and 33% of non-depreciable assets to shareholders). PG&E requests that the estimated pre-tax loss from this transaction of \$8.2 million be treated consistent with these decisions.

The Project-related water rights are for generation only (i.e., there are no consumptive water rights) and can only be used for the 6.4 MW powerhouse. Therefore, the water rights value is properly included in the energy value calculation, as explained in the testimony supporting this application.⁴

Lastly, PG&E proposes that the updated calculation of the loss-on-sale and tax information be provided to the Commission in a Tier 1 advice letter submittal following closing. Such a process is consistent with procedures that have been followed in other instances such as the Merced Falls Hydroelectric Project Sale approved in D.16-10-026, Narrows Hydroelectric Project Sale approved in D.19-10-010, Deer Creek Hydroelectric Project Sale approved in D.19-10-011, Chili Bar sale approved in D.20-11-024, and the Kern Canyon sale approved in D.20-09-027. In accordance with these decisions, PG&E requests that the Commission approve the process discussed above for calculating and allocating the loss on the sale in its decision in this application and determine the specific amounts to be so allocated upon review of a compliance advice letter to be filed by PG&E within 60 days following the closing.⁵

Chapter 3 of the testimony submitted with this application further discusses the proposed ratemaking.

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⁴ In Resolution E-4978, the Commission requested that PG&E provide information on how to account for the sale of the water rights and how the water rights have been incorporated into PG&E's calculations and allocation of losses in the sale of the Narrows Hydroelectric Project.

⁵ In the earlier proceedings, PG&E requested and was granted the opportunity to provide updated calculation of the gain or loss on sale and tax information in a Tier 1 advice letter submittal within 45 days following closing. PG&E has since found that 60 days would be a more reasonable period of time to receive and calculate the updated costs and fees that follow closing.

V. COMPLIANCE WITH THE LAND CONSERVATION COMMITMENT

The proposed transaction complies with the requirements of PG&E's LCC as defined in D.03-12-035. The Commission approved PG&E's grant of a perpetual Conservation Easement to the Sequoia Riverlands Trust (SRT) in accordance with the LCC on October 9, 2014. The Conservation Easement was subsequently recorded in the Official Records of Tulare County, California on December 10, 2014, as Document Number 0065875. The Conservation Easement, which ensures the permanent protection of the Beneficial Public Values, Informal Uses of, and Public Access to the Property, is addressed in the PSA, including a full description and acknowledgement of the requirements in Section 2.5. Although the Conservation Easement runs with the title of the property and binds all future owners, PG&E, Buyer, and SRT will enter into a Conservation Easement Assignment and Assumption Agreement as part of this transaction to ensure full transparency, acknowledgement, and commitment to comply with the terms of the Conservation Easement. The Conservation Easement Assignment and Assumption Agreement is included Exhibit F to the PSA. The Conservation Easement Assignment and Assumption Agreement is not legally required by the Conservation Easement or the LCC, but rather is provided to demonstrate mutual assent by PG&E, Buyer, and SRT to the ongoing conservation requirements.

A 20-foot wide strip of fee property totaling about three acres underlies a segment of the electric transmission line and will also be conveyed as part of the sale. This parcel is used for the ongoing operation and maintenance of the transmission line and was determined to have no significant public interest value (NSPIV) by the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) in accordance with the requirements of D.03-12-035. This NSPIV determination was included in Advice Letter 4426-E approved by the Commission and made effective October 9, 2014. Consistent with the NSPIV determination, this parcel is not encumbered by a Conservation Easement.

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VI. DISCUSSIONS WITH SOUTHERN CALIFORNIA EDISON COMPANY

As mentioned above, the 15-mile Tule-Springville 70 kV transmission line connects the 6.4 MW powerhouse to SCE's Springville Substation. SCE owns and maintains a distribution line that is attached (underbuilt) to many of these transmission line poles, which serves its customers along that route. The Project also includes a section of 12 kV line used in part by SCE to serve the Doyle Springs community, referred to as the 12kV Doyle Springs Line.

Due to the various SCE considerations related to the Project, PG&E has communicated with SCE regularly throughout the sale process. Initially, SCE informed PG&E that it was interested in acquiring the 12 kV Doyle Springs Line, but was not interested in purchasing the 70 kV transmission line. PG&E informed SCE that because the 12 kV Doyle Springs Line is currently designated as the primary line in the 6.4 MW powerhouse FERC hydro license, it must be included as part of the sale to Buyer. Accordingly, PG&E negotiated the sale to Buyer to include both the 12 kV Doyle Springs Line and the 70 kV transmission line. SCE has recently indicated an interest in acquiring at least a portion of the 70 kV transmission line. SCE and Buyer are in discussions about SCE's use and acquisition of both lines. PG&E has participated in some of those discussions.

PG&E and Buyer stand by, and support, the PSA included with this application and ask that it be approved. We mention the ongoing negotiations between SCE and Buyer in the interest of openness and transparency, as well as to urge SCE to participate in this proceeding to the extent it deems appropriate.

VII. CEQA COMPLIANCE – NOTICE OF EXEMPTION

The California Environmental Quality Act (CEQA) requires any California government agency approving a discretionary project to consider the environmental impacts of its decisions.⁶ A "project," for purposes of CEQA, is an activity that "may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" and

⁶ Cal. Pub. Res. Code, § 21080.

either (a) is directly undertaken by any public agency, (b) is supported by contracts, grants, subsidies, loans, or other forms of assistance from a public agency, or (c) involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.⁷ Accordingly, the Commission may be required to consider the environmental consequences of projects that are subject to the Commission’s discretionary approval.

Certain approvals are exempt from CEQA review, including “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.”⁸ CEQA Guidelines Section 15301 lists as an example “[e]xisting facilities of both investor and publicly owned utilities used to provide electric power . . .”⁹

The Buyer is purchasing existing hydroelectric facilities and plans to operate the Project consistent with former operations (pre-2017) and in full compliance with the requirements of the existing FERC Project license,¹⁰ which was reissued in 1993. In order to return the Project to service, the Buyer will need to make repairs to the penstock headworks damaged in the 2017 fire. These repairs are the only indirect physical change in the environment that is a foreseeable result of the sale. While most of the details of the work are still being formulated, the Buyer has indicated that it will repair the damage and return the Project to the same condition it was in prior to the 2017 fire, consistent with the exemption for minor repair of existing utility facilities with no expansion of an existing or former use under Section 15301(b). PG&E is aware of no sensitive species or other environmental issues that would trigger an exception to the exemption.

⁷ Cal. Pub. Res. Code, § 21065.

⁸ Guidelines for Implementation of the California Environmental Quality Act, Cal. Code Regs., tit. 14, §§ 15000, et seq (“CEQA Guidelines”); § 15301.

⁹ Id. at § 15301(b).

¹⁰ Any change to existing licensed facilities or operations would require an amendment to the FERC license, which is not proposed here. A transferee (i.e., Buyer) must agree to accept and become subject to the terms and conditions of the existing license as though it were the original licensee (i.e., Seller) (18 C.F.R. § 9.3(a)).

Thus, PG&E believes that the Project would be categorically exempt under Section 15301(b) of the CEQA Guidelines.

The CPUC can also rely on the fact that the Buyer will need to obtain one or more additional approvals to repair the penstock headworks, based on the future design and scope of the repair project. FERC must approve the repair project and, in doing so, comply with the National Environmental Protection Act (NEPA). This will trigger whatever level of environmental review is appropriate under NEPA. The work may also require a permit from the United States Forest Service (USFS), which could also require NEPA compliance. Therefore, it would be premature for the Commission to conduct further CEQA review on the repair work at this time without knowing the details of the planned work, and when future approvals are required.¹¹

The CPUC has previously found a Section 851 application involving future utility infrastructure repair work categorically exempt from CEQA. In 2020, PG&E submitted a Section 851 application seeking approval to sell the Kern Canyon Hydroelectric Project,¹² which included future repair to restore the diversion dam that had been damaged in a winter storm. The Commission found in D.20-09-027 that the sale of the Kern Canyon Project was categorically exempt from CEQA under Section 15301, because “Buyer asserts an intent to repair the Kern Canyon Hydroelectric Project and resume prior operations without modification. Therefore, we find the sale exempt from CEQA as proposed in this application. In the event Buyer resolves to modify the operations of the Kern Canyon Hydroelectric Project, Buyer will be responsible for obtaining any necessary CEQA approval from the lead CEQA agency.”¹³ This instant application, like the Kern Canyon application, will result in repairs to existing hydroelectrical

¹¹ See, e.g., *Friends of the Sierra Railroad v. Tuolumne Park and Recreation District* (2007) 147 Cal.App.4th 643, 657.

¹² Application (A.) 20-02-005.

¹³ D.20-09-027, *mimeo*, p. 8.

infrastructure with no expansion of the former use and this application thus merits a similar finding of categorical exemption.

VIII. TRIBAL LANDS POLICY

On December 5, 2019, the Commission adopted a policy titled, “Investor-Owned Utility (IOU) Real Property – Land Disposition – First Right of Refusal for Disposition of Real Property Within the Ancestral Territories of California Native American Tribes” (Policy). The Policy “creates an expectation that, for any future disposition of Real Property, the IOU will offer tribes a right of first refusal before putting the property on the market.” The Policy does not strictly apply to the sale at hand, the commencement of which predates the Policy. Also, the Policy does not provide requirements for such sales of operational properties.¹⁴ Nonetheless, PG&E is committed to supporting the Commission’s objectives related to the Policy, including the continued protection of cultural resources and providing for meaningful consideration of tribal interests as part of Commission proceedings.

The RFO process for the Project was launched together with the offer for the Kern Canyon project in June 2018, prior to the adoption of the Policy. Therefore, PG&E did not provide a right of first offer to the tribes whose ancestral territory surrounds the Project.¹⁵ PG&E did, however, inform the tribes of the upcoming RFO process and potential transfer of the FERC hydro project.

Furthermore, to promote the spirit of the Policy and the Commission’s objectives around tribal engagement, PG&E sent advance notice letters to the tribes identified by the Native American Heritage Commission (NAHC) as being registered to receive information about projects in this geographic region. This notice, sent in January 2022, informed the tribes of the

¹⁴ The Project comprises two separate parcels totaling approximately 43 acres. The smaller, three-acre parcel is used exclusively by the 70 kV transmission line. The larger parcel totals approximately 40 acres, 11 of which are within the FERC project boundary and are directly associated with the operations of the Project; the Policy does not provide requirements for such sales of operational properties.

¹⁵ See D.02-09-027, *mimeo*, p. 10.

pending sale of the project and the upcoming Section 851 application seeking approval of the proposed sale, and invited input either to PG&E or the Commission. See Attachment D for the list of tribes who were provided with the notice. The notice itself is provided in Attachment E. PG&E received no responses from the January notice.

In terms of future protection of cultural resources and tribal interests, the FERC license for the Project requires protection of archeological and historic sites which are discovered during project operation. Additionally, the Real Property will be transferred with a Conservation Easement in place. The Conservation Easement, held by SRT, includes the protection of this Beneficial Public Value: “identified historical and cultural values, to the extent they are protected by state and federal law” and ensures that public access to and informal uses shall be allowed to continue on the Real Property.

IX. RELATED PROCEEDINGS

Section 8 of the Federal Power Act (FPA)¹⁶ provides that the FERC license may be transferred only with the written approval of the FERC. PG&E, as the licensee, must file an application with the FERC that sets forth the qualifications of Buyer to hold the license and to operate the Project. Therefore, PG&E and Buyer jointly filed a license transfer application with the FERC on February 1, 2022. PG&E expects the FERC to approve the transfer effective upon close of the transaction because it is in the public’s interest and because, as described more fully in Chapter 2 of PG&E’s testimony, Buyer has clearly demonstrated its capability to operate the Project.

Additionally, FERC Standard License Article 5^{17/} requires licensees to acquire title in fee or the right to use in perpetuity all lands and other properties necessary to operate their licensed projects. Licensees are also required to obtain prior FERC permission to sell, lease or otherwise dispose of such land rights. PG&E and Buyer’s joint application therefore also includes a

¹⁶ 16 U.S.C. § 801.

¹⁷ 54 FPC 1792, 1799 (October 1975) at 19.

Request for Approval to Transfer an Interest in Project Lands. PG&E expects approval from FERC in approximately three to four months.

X. COMPLIANCE WITH THE COMMISSION’S RULES OF PRACTICE AND PROCEDURE

PG&E provides the following information in compliance with the Commission’s Rules of Practice and Procedure.

A. Categorization, Hearings, and Issues to be Considered (Rule 2.1(c) and Rule 7.1)

1. Proposed Category

PG&E proposes that this application be categorized as a “ratesetting” proceeding.

2. Evidentiary Hearing

PG&E submits that hearings are unnecessary to address this application, as PG&E's proposals here, including the attachments and supporting testimony, constitute a sufficient record for the Commission to rule on PG&E's proposals. PG&E proposes a procedural schedule in Section 5 below.

3. Issues to be Considered

PG&E proposes the following list of issues to be considered in this proceeding:

- Whether PG&E’s proposed sale of the Project should be approved;
- Whether PG&E’s proposed ratemaking treatment should be approved; and
- Whether the Project is exempt from the requirements of CEQA.

4. Relevant Safety Considerations

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring utilities’ applications to clearly state the relevant safety considerations. The Commission has previously explained that the “[s]afe and reliable provision to utilities at predictable rates promotes public safety.”¹⁸

¹⁸ D.14-12-053, *mimeo*, pp. 12-13.

PG&E has considered safety in connection with this application and does not expect there to be implications for safety, as Buyer plans to operate the Project consistent with its previous operations and in full compliance with the requirements of the existing FERC Project license and other existing permits. Buyer has significant experience designing, rehabilitating and operating hydroelectric assets such as those covered in this application. Additionally, Buyer has experience operating and maintaining other electric transmission lines that similarly serve to interconnect their generation assets. As required in the standard interconnection agreement, the interconnection customer shall maintain the generation facility and the interconnection facilities (which would include the 70 kV line) in a safe and reliable manner.

5. Proposed Schedule

PG&E proposes the following procedural schedule:

Activity	Date
Application Filed	February 24, 2022
Responses/Protests	March 28, 2022
Reply to Responses/Protests	April 7, 2022
Prehearing Conference	April 22, 2022
Scoping Memo	May 2, 2022
Proposed Decision	June 2, 2022
Commission Decision	July 14, 2022

The above schedule assumes no need for intervenor testimony, evidentiary hearings and briefing. If any of those steps appear necessary, PG&E would be pleased to present an alternative schedule at the prehearing conference.

B. Legal Name and Location of Applicant Information (Rules 2.1(a), 2.1(b), and 3.6(a))

Since October 10, 1905, PG&E has been an operating public utility corporation, organized under the laws of the State of California. PG&E is engaged principally in the business of furnishing gas and electric service in California. PG&E's principal place of business is in transition from 77 Beale Street, San Francisco, California 94105 to 300 Lakeside Drive, Oakland, California 94612.

Correspondence and service to PG&E for this application should be addressed to:

Steven Frank
Law Department
Pacific Gas and Electric Company
P.O. Box 7442
Mail Code B30A
San Francisco, CA 94120
Telephone: (415) 971-5091
Facsimile: (415) 973-5520
Email: steven.frank@pge.com

Dwight Ockert
Regulatory Affairs
Pacific Gas and Electric Company
P.O. Box 7442
Mail Code B23A
San Francisco, CA 94120
Telephone: (415) 973-2176
Email: DXOY@pge.com

Correspondence and service to Buyer for this application should be addressed to:

Sorenson Engineering, Inc.
Attention: Ted S. Sorenson, P.E.
711 E Turtle Point Drive
Ivins, UT 84738
Telephone: (208) 589-6908
Email: ted@tsorenson.net

C. Articles of Incorporation (Rule 2.2)

A certified copy of PG&E's Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020 with PG&E's Application 20-07-002. These articles are incorporated herein by reference.

D. Balance Sheet and Income Statement (Rule 3.2(a)(1))

PG&E's latest available balance sheet and income statement were filed on February 15, 2022 in Application 22-02-005 and are incorporated by reference herein.

E. Most Recent Proxy Statement (Rule 3.2 (a)(8))

PG&E's most recent proxy statement was filed with the Commission on June 1, 2021, in Application 21-06-001. This proxy statement is incorporated herein by reference.

F. Description of the Property Involved in the Agreement, Including Book Cost and Original Cost (Rule 3.6(b))

The Project includes approximately 43 acres of land owned in fee by PG&E and related non-consumptive water rights and consists of a 6.4 MW powerhouse, three diversions, approximately four miles of water conveyance, a 70 kV switchyard, and approximately four miles of 12 kV electric line connecting to a pump and the hydroelectric project headworks. The Tule-Springville 70 kV line connects the 6.4 MW powerhouse to SCE's Springville Substation. A complete description of the Project assets is found in the PSA in Schedules 2.1(a) and 2.1(b). There are no assets excluded from this sale as described in the PSA in Schedule 2.2. The Book Cost is approximately \$2.7 million, and the Original Cost is \$21.0 million as of January 31, 2022.

G. Detailed Reasons upon the Part of Each Applicant for Entering into the Proposed Transaction, and all Facts Warranting the Same (Rule 3.6(c))

The reasons why PG&E is selling the Project are discussed above and include: (1) it is not cost-effective for PG&E's customers to have PG&E own the Project, (2) significant investment that would be required to repair and refurbish the Project, (3) it is not a flexible

generation resource due to lack of water storage capability and seasonal dependence on water availability, and (4) the remote location relative to the rest of PG&E's hydroelectric system and service territory. Removal of the Project from PG&E's UOG portfolio is a portfolio optimization and cost reduction activity.

Reasons why Buyer is purchasing the Project include: (1) Buyer has indicated to PG&E that the sale will enable Buyer to expand their business into California. Due to its experience with designing, rehabilitating and operating other small hydroelectric generating facilities, Buyer is expected to be able to more efficiently rehabilitate and operate the Project as well as comply with the FERC license and other compliance requirements.

H. Purchase Price and The Terms for Payment (Rule 3.6(d))

PG&E and Buyer negotiated a Transfer Payment of \$5.3 million from PG&E to Buyer for the Project. CPUC approval of the proposed sale pursuant to Section 851 and GO 173 is a condition of closing under the PSA. PG&E will operate and maintain the Project until regulatory approvals (including FERC and CPUC) are complete and the transaction closes. An appraisal was not performed for the Project because the Project was subject to a public RFO, which helped determine the market value for the Project. The RFO process is described in detail in Chapter 2 of the testimony accompanying this application.

I. Purchase and Sale Agreement (Rule 3.6(f))

Pursuant to Rule 3.6(f), a copy of the PSA is appended hereto as Attachment A. The document conveying interests in land from PG&E to Buyer is attached to the PSA as Exhibit C.

XI. SERVICE

A copy of a Notice of Availability of this application and its supporting testimony has been served on the service list for PG&E's 2023 General Rate Case Phase I application (A.21-06-021).

Additionally, the Commission has directed PG&E to serve "any future Public Utilities Code Section 851 applications regarding land and/or hydroelectric facilities on local

jurisdictions, such as cities, counties, special use districts, and federal and state resource agencies.”¹⁹ In compliance with this order, PG&E is serving the Notice of Availability of this application on the following entities:

- Tulare County
- Sequoia Riverlands Trust
- Southern California Edison Company
- California Public Utilities Commission, Public Advocates Office
- California Public Utilities Commission, Energy Division
- California Independent System Operator
- California Natural Resources Agency
- California Environmental Protection Agency
- United States Environmental Protection Agency
- United States Department of the Interior
- United States Department of Agriculture - Forest Service
- Federal Energy Regulatory Commission

Further, as stated in Section VIII of this Application, PG&E is serving this application to the Native American tribes identified by the Native American Heritage Commission as being registered to receive information about Projects in this geographic region. These tribes are listed on Attachment D of this application. For those tribes with email addresses, PG&E will send those tribes the Notice of Availability. For those tribes without an email address, PG&E will send a hard copy of the application and supporting testimony via U.S. mail.

XII. ATTACHMENTS

In addition to the testimony and workpapers supporting this application, PG&E has included the following attachments:

- A.** Purchase and Sale Agreement, Exhibits and Schedules
- B.** Map of Project Area

¹⁹ D.99-04-015 at Ordering Paragraph 8, 1999 Cal. PUC LEXIS 238, 23-24; D.99-04-022 at Ordering Paragraph 7, 1999 Cal. PUC LEXIS 154, 27.

- C. Table Showing Transfer Payment, Expenses and Tax Effects
- D. List of Tribes from NAHC
- E. Advance Notice letter to Tribes on January 20, 2022

XIII. CONCLUSION

Pacific Gas and Electric Company respectfully requests the Commission to issue an order as follows:

1. Authorizing PG&E to sell to Buyer the Project and associated assets in accordance with the terms and conditions of the Purchase and Sale Agreement;
2. Approving the ratemaking treatment requested by PG&E;
3. Determining that the Project is exempt from the requirements of CEQA;
4. Granting such other and further relief as the Commission deems proper.

Respectfully Submitted,

By: /s/ Steven W. Frank

STEVEN W. FRANK

Pacific Gas and Electric Company

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San Francisco, CA 94105

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Facsimile: (415) 973-5520

Email: steven.frank@pge.com

Attorney for

PACIFIC GAS AND ELECTRIC COMPANY

Dated: February 24, 2022

Tule Hydro LLC supports and signs this Application as Buyer under the Purchase and Sale Agreement, pursuant to Rule 3.6 of the Commission's Rules of Practice and Procedure:

By: /s/ Ted S. Sorenson

TED S. SORENSON, P.E.

Sorenson Engineering, Inc.
Attention: Ted S. Sorenson, P.E.
711 E Turtle Point Drive
Ivins, UT 84738
Telephone: (208) 589-6908
Email: ted@tsorenson.net

Dated: February 24, 2022

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 24th, at San Francisco, California.

By: /s/ Jan Nimick
JAN NIMICK
VICE PRESIDENT, POWER GENERATION

ATTACHMENT A

EXECUTION VERSION

TULE PROJECT ASSET PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

PACIFIC GAS AND ELECTRIC COMPANY, AS SELLER

AND

TULE HYDRO LLC, AS PURCHASER

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- Exhibit C: Deed
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- Exhibit E: Conservation Easement Assignment and Assumption Agreement

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- Schedule 2.1(g): Project Records
- Schedule 2.1(h): Assumed Contracts
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TULE PROJECT ASSET PURCHASE AND SALE AGREEMENT

This TULE PROJECT ASSET PURCHASE AND SALE AGREEMENT (“Agreement”) is made as of [December 01, 2021] (“Execution Date”) by and between Pacific Gas and Electric Company, a California corporation (“PG&E”), and Tule Hydro LLC, a Utah limited liability company registered to do business in California (“Purchaser”). PG&E and Purchaser are referred to herein sometimes individually as a “Party” and collectively as the “Parties”.

RECITALS

A. PG&E owns the Project (which is defined in Article I below) and certain assets associated with the Project.

B. PG&E desires to sell and transfer to Purchaser, and Purchaser desires to purchase and acquire from PG&E, the Assets (which are defined in Article II below) as set forth in this Agreement.

C. PG&E and Purchaser are entering into this Agreement to evidence their respective duties, obligations and responsibilities with respect to the Acquisition (as defined in Article I below).

NOW, THEREFORE, in consideration of the respective representations, warranties, covenants and agreements contained in this Agreement, intending to be legally bound, PG&E and Purchaser agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Defined Terms. The following terms when used in this Agreement (or in the Schedules and Exhibits attached to this Agreement) with initial letters capitalized have the meanings set forth below:

“Acquisition” means the sale by PG&E and purchase by Purchaser of the Assets and related transactions contemplated in this Agreement.

“Affiliate” of a Person means any other Person that (a) directly or indirectly controls the specified Person; (b) is controlled by or is under direct or indirect common control with the specified Person; or (c) is an officer, director, employee, representative, agent or subsidiary of the Person. For the purposes of this definition, “control”, when used with respect to any specified Person, means (i) the power to direct the management or policies of the specified Person, directly or indirectly, whether through the ownership of voting securities, partnership or limited liability company interests, by contract or otherwise; or (ii) the direct or indirect ownership of fifty percent (50%) or more of the voting securities or interests of that Person.

“Agreement” means this Tule Project Asset Purchase and Sale Agreement, together with the Exhibits and Schedules attached hereto.

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“Article” means a numbered article of this Agreement. An Article includes all of the numbered sections of this Agreement that begin with the same number as that Article.

“Assets” means those assets identified in Section 2.1 (Sale and Purchase).

“Assignment and Assumption Agreement” means the Assignment and Assumption Agreement described in Section 7.2(a)(ii), to be executed by the Parties at the Closing.

“Assumed Contracts” means those contracts more particularly described in Schedule 2.1(h).

“Assumed Liabilities” means any and all obligations and liabilities of PG&E or any Affiliate of PG&E of any kind or nature whatsoever that are related to, arising from or associated with any of the Assets, regardless of when any such obligation or liability arose or was incurred, excepting therefrom only those obligations and liabilities that are Retained Liabilities, those items listed in Section 2.3(b), or that arise pursuant to Section 11.2 (Indemnification by PG&E).

“Authorized Representative” means any Person authorized to act on behalf of a Party with respect to the proceedings described in Section 12.9 (Dispute Resolution), as so designated by a Party in a written notice to the other Party made in accordance with Section 12.9. Each Party may change its designation of an “Authorized Representative” from time to time by providing notice thereof as described in this definition.

“Bill of Sale” means the bill of sale described in Section 7.2(a)(i) and attached hereto as Exhibit A, to be executed by the Parties at the Closing.

“BK Governing Documents” has the meaning set forth in Section 2.5(a)(iii).

“Business Day” means a day other than a Saturday, Sunday or a day on which banks are legally closed for business in the State of California.

“CAISO” means the California Independent System Operator Corporation or its regulatory successor, as applicable.

“CEQA” means the California Environmental Quality Act (California Public Resources Code §§ 21000 et seq.).

“Catastrophic Failure” means either (a) an event of natural causes that occurs prior to the Closing and that renders the Project completely inoperable, or (b) the Project becomes substantially inoperable due to the failure of a major component of the Powerhouse prior to the Closing that is fundamental to the operation of such Powerhouse. Purchaser acknowledges that the Project is not currently operating due to damage at the penstock headworks. For purposes of this Agreement, Catastrophic Failure shall include further damage to the Project that would render the Project completely inoperable even if penstock headworks were operational, including without limitation destruction of the penstock or other integral structures.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.).

“Closing” has the meaning set forth in Section 7.1.

“Closing Date” has the meaning set forth in Section 7.1.

“Code” means the Internal Revenue Code of 1986 (26 U.S.C. §§ 1 et seq.).

“Commercially Reasonable Efforts” means efforts which are reasonably within the contemplation of the Parties at the time of executing this Agreement and which do not require the performing Party to expend any funds other than expenditures which are customary and reasonable in transactions of the kind and nature contemplated by this Agreement in order for the performing Party to satisfy its obligations hereunder.

“Confidential Information” means information or data that the Disclosing Party considers to be a trade secret or competitively sensitive and may include written, verbal or visual information. In order to be considered Confidential Information, written information has to be identified at the time of the disclosure with an appropriate legend, marking, stamp or positive written identification on the face thereof as Confidential Information. In order to be considered Confidential Information, verbal or visual information has to be so identified at the time of the verbal or visual disclosure and the Disclosing Party shall notify the receiving Party in writing within thirty (30) calendar days of the disclosure and specifically identify the Confidential Information previously disclosed. Magnetic tape, computer software or any other similar type of machine readable format shall be considered as a verbal disclosure and shall only be considered Confidential Information to the extent the Disclosing Party complies with the requirements for verbal disclosures set forth above, including the thirty (30) calendar day notification requirement. Confidential Information does not include information or data that:

(a) was in the public domain at the time of the disclosure or subsequently is made available to the general public without restriction and without breach of this Agreement by the receiving Party;

(b) was known by the receiving Party at the time of the disclosure without restrictions on its use or independently was developed by the receiving Party, as shown by adequate documentation;

(c) is disclosed to the receiving Party by a third Person without restriction and without breach of any agreement or other duty to keep the information or data confidential;

(d) is used or disclosed as required by applicable law, including without limitation the Freedom of Information Act, the California Public Records Act, the Ralph M. Brown Act, or a court order, subpoena or other lawful order of a court or government authority of competent jurisdiction; or,

(e) is requested by any governmental or quasi-governmental authority (including, but not limited to, the CPUC or FERC) with authority over the approval of this and related agreements to this Acquisition.

“Confidentiality Agreement” means that certain Confidentiality and Non-Disclosure Agreement between PG&E and Tule Hydro LLC, dated as of September 22, 2021.

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“Conservation Easement” means the [Deed of Conservation Easement and Agreement] dated December 10, 2014, between PG&E and Land Trust, as recorded in the Official Records of Tulare County, California on December 10, 2014 as Document Number 2014-0065875.

“Conservation Easement Assignment and Assumption Agreement” means that certain Assignment and Assumption Agreement by and among PG&E, Purchaser and Land Trust in the form attached hereto as Exhibit E, with such additional revisions as may be mutually acceptable to the Parties.

“Consent” means any consent, approval or authorization of any Person.

“CPUC” means the California Public Utilities Commission or its regulatory successor, as applicable.

“CPUC Application” means PG&E’s application seeking an order from the CPUC in connection with this Agreement and the Acquisition contemplated herein.

“CPUC Approval” means a final and non-appealable order or orders of the CPUC that grants in their entirety and without conditions, restrictions or modifications all approvals PG&E has requested in the CPUC Application, including without limitation (a) authorization for PG&E to sell the Assets to Purchaser in accordance with the terms and conditions of this Agreement, (b) approval of all related ratemaking treatment requested by PG&E.

“CPUC Approval Notice Date” has the meaning set forth in Section 10.1 (CPUC Approval).

“CPUC Filing Date” means the date that PG&E files the CPUC Application with the CPUC.

“CPUC Preliminary Notice” has the meaning set forth in Section 10.1 (CPUC Approval).

“Damages” has the meaning set forth in Section 11.2(a) (Purchaser Claims).

“Deed” means the deed for the Fee Parcel described in Section 7.2(a)(iii) and attached hereto as Exhibit C.

“Direct Claim” means any claim by an Indemnitee on account of an Indemnifiable Loss that does not result from a Third Party Claim.

“Disclosing Party” has the meaning set forth in Section 10.2(a) (Confidentiality).

“Disclosure Order” has the meaning set forth in Section 10.2(b) (Confidentiality).

“Due Diligence Materials” has the meaning set forth in Section 10.5. (Disclaimer of Other PG&E Representations and Warranties).

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“Easements” means all of those easements in which PG&E has an interest and that are related to the Project and the operation, maintenance, access, and transmission associated therewith including those set forth in Section 1 of Schedule 2.1(i).

“Easements Assignment and Assumption Agreement” means the easements assignment and assumption agreement described in Section 7.2.(a)(iv) to be executed by the Parties at the Closing.

“Election to Terminate” has the meaning set forth in Section 3.6 (Catastrophic Failure).

“Environmental Laws” means any Governmental Rules relating to or imposing liability or standards of conduct with respect to the protection of human health, safety or the environment (including ambient air, soil, surface water, groundwater, wetlands, land or subsurface strata), including Governmental Rules relating to (a) emissions, discharges, releases or threatened releases of Hazardous Substances into the environment; (b) manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances; and (c) exposure to Hazardous Substances or conditions, including CERCLA, the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251, et seq.), the Clean Air Act (42 U.S.C. §§ 7401, et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601, et seq.), the Oil Pollution Act (33 U.S.C. §§ 2701 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651, et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §§ 11001, et seq.), the Endangered Species Act (16 U.S.C. §§ 1531, et seq.), the Porter-Cologne Water Quality Control Act (Cal. Water Code §§ 13000, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code §§ 25249.5, et seq.), the Hazardous Substance Account Act (Cal. Health & Safety Code §§ 25300, et seq.), the Hazardous Waste Control Act (Cal. Health & Safety Code §§ 25100, et seq.), the California Clean Air Act (Cal. Health & Safety Code §§ 39000, et seq.), the California Endangered Species Act (Cal. Fish & Game Code §§ 2050, et seq.), the California Environmental Quality Act (California Public Resources Code §§ 21000 *et seq.*) and the California Native Plant Protection Act (Cal. Fish & Game Code §§ 1900, et seq.).

“Escrow” has the meaning set forth in Section 7.1 (Open Escrow; Closing).

“Escrow Fees” has the meaning set forth in Section 7.4(b) (Sales Taxes, Transfer Taxes, Escrow Fees, and Land Trust Transfer Fees).

“Escrow Instructions” has the meaning set forth in Section 7.1 (Open Escrow; Closing).

“Excluded Assets” has the meaning set forth in Section 2.2 (Excluded Assets).

“Executive(s)” has the meaning set forth in Section 12.9(b)(i) (Dispute Resolution).

“Execution Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Exhibit” means a designated exhibit attached to this Agreement.

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“Fee Parcel” means that certain parcel of real property on which the Project is located and that PG&E owns in fee, as described in Schedule 2.1(c).

“FERC” means the Federal Energy Regulatory Commission or its regulatory successor, as applicable.

“FERC Approval” means a final and non-appealable order or orders of the FERC that grants in their entirety and without conditions, restrictions or modifications all approvals the Parties have requested in the FERC Transfer Application and in any subsequent submission made in connection therewith, including, without limitation, approval of the transfer of the License to Purchaser.

“FERC Transfer Application” has the meaning set forth in Section 3.4(a).

“Governing Documents” means the applicable documents under which the specified Person is organized and existing, including, in the case of PG&E, its articles of incorporation and bylaws, and in the case of Purchaser, its certificate of organization and operating agreement.

“Governmental Approvals” means all consents and approvals of Governmental Authorities, other than Permits, CPUC Approval, and FERC Approval, necessary under applicable Governmental Rules for the consummation of the transactions contemplated by this Agreement.

“Governmental Authority” means any federal, state, local or other governmental, regulatory or administrative agency, governmental commission, department, board, subdivision, court, tribunal, or other governmental arbitrator, arbitral body or other authority, in each case having legal jurisdiction over the matter or Person in question or over any of the Assets.

“Governmental Approvals, Permits and Consents” means the certain Governmental Approvals, Permits and Consents identified in Schedule 2.1(d).

“Governmental Rules” means any applicable laws (including common law), Permits, statutes, treaties, rules, regulations, ordinances, codes, judgments, enactments, decrees, injunctions, writs and orders, decisions, directives and agreements, authorizations or other restrictions of or enacted by any Governmental Authority, or any binding interpretation or administration of any of the foregoing.

“Hazardous Substance” means, collectively, (a) any chemical, material or substance that is listed or regulated under applicable Governmental Rules as a “hazardous” or “toxic” substance or waste, or as a “contaminant” or “pollutant” or words of similar import, (b) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls (“PCBs”), and (c) any other chemical or other material or substance, exposure to which is prohibited, limited or regulated by any Governmental Rules.

“In-Progress Work” has the meaning set forth in Section 10.9(b) (In-Progress Work).

“Indemnifiable Loss” means any Damages, and any claims, demands or suits (by any Person), including the costs and expenses of any and all actions, suits, proceedings, demands,

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assessments, judgments, settlements and compromises relating thereto and including reasonable attorneys' fees and expenses in connection therewith.

"Indemnitee" has the meaning set forth in Section 11.6 (Notice of Claim).

"Indemnitor" has the meaning set forth in Section 11.6 (Notice of Claim).

"Initial Negotiation End Date" has the meaning set forth in Section 12.9(b)(i) (Dispute Resolution).

"Knowledge" means, with respect to each Party, the actual, current knowledge after reasonable inquiry of the Persons listed in Schedule 1.1 for each Party of any fact, circumstance or condition irrespective of the group and title set forth in Schedule 1.1. For purposes of this definition, "reasonable inquiry" includes consultation with those consultants to and employees of each Party and its Affiliates who the Persons set forth in Schedule 1.1 reasonably believe are likely to have any material knowledge of the matter which is the subject of the fact, circumstance or condition in question.

"Land Conservation Commitment" has the meaning set forth in Section 2.5(a)(iii).

"Land Trust" means Sequoia Riverlands Trust, a California nonprofit corporation.

"Land Trust Transfer Fees" has the meaning set forth in Section 7.4(b).

"LCP" has the meaning set forth in Section 2.5(a)(iv).

"Leases" means those certain lease agreements identified in Schedule 2.1(j).

"Leases Assignment and Assumption Agreement" means the leases assignment and assumption agreement described in Section 7.2.(a)(v) to be executed by the Parties at the Closing.

"License" means PG&E's FERC hydroelectric operating license for the Project, FERC Project No. 1333, as more particularly described in Schedule 2.1(e).

"Liens" means (a) with respect to real property, liens, charges, pledges, options, mortgages, deeds of trust, security interests, claims, easements, and other encumbrances affecting title to real property, and (b) with respect to personal property, liens, charges, pledges, options, and security interests; in the case of (a) or (b), whether imposed by law, agreement, understanding, or otherwise.

"Maintenance Agreement" has the meaning set forth in Section 10.9(a) (Election for Maintenance Agreement).

"Manager" has the meaning set forth in Section 12.9(b)(i) (Dispute Resolution).

"Material Adverse Change" means any change or effect that materially impairs, or is reasonably likely to materially impair, the existing use of the Assets as hydroelectric generating facilities.

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“Natural Hazards Expert” means the company retained by PG&E to conduct disclosure searches for natural hazards, and known as JCP-LGS Hazard Disclosures

“Natural Hazards Report” means the Natural Hazards Disclosure Report No. 2888088 dated July 6, 2021, prepared by the Natural Hazards Expert.

“Notice of Claim” has the meaning set forth in Section 11.6 (Notice of Claim).

“Party” and “Parties” have the meanings set forth in the introductory paragraph of this Agreement. “Permits” means any license, approval, waiver, exemption, variance, franchise, permit, authorization, consent, ruling, certification, or similar order of or from, or filing or registration with, or notice to, any Governmental Authority having jurisdiction over any of the Assets, including the License.

“Permitted Encumbrances” means (a) the Deed, (b) the Conservation Easement, along with the Conservation Easement Assignment and Assumption Agreement, (c) the Leases, along with the Leases Assignment and Assumption Agreement, (d) Liens for Taxes and other governmental charges and assessments which are not yet delinquent, (e) statutory Liens (including mechanics’ and materialmen’s liens and other like Liens and inchoate liens incurred in connection with worker’s compensation, unemployment insurance, and social security laws) arising in the ordinary course of business securing payments not yet delinquent (or any such Lien for a delinquent payment that has been waived in writing by the holder thereof or any such Lien for a delinquent payment for which PG&E has obtained a waiver, bond or other security in accordance with Governmental Rules to fully protect the Assets from any and all claims that may be made on account of any such Lien), (f) Liens, encumbrances or title imperfections with respect to any of the Assets created by or resulting from the acts or omissions of Purchaser, (g) any existing zoning, entitlement, conservation restriction and other land use and environmental regulations of any Governmental Authority and any conditions, obligations and liabilities arising under any Permit, (h) any imperfection of title that does not and could not individually or in the aggregate with other such Liens detract from the value, usefulness or productivity of the Assets or interfere with the operation of the Project, and (i) all Liens and all exceptions set forth in the Preliminary Title Report not otherwise addressed in (a) through (j) of this definition and accepted in writing by Purchaser.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, trust, association or unincorporated organization, district, or any Governmental Authority.

“PG&E” has the meaning set forth in the introductory paragraph of this Agreement.

“PG&E Remediation Period” means that time period which commences as of the Closing Date and concludes as of the first date following the third (3rd) anniversary of the Closing Date.

“Powerhouse” means the powerhouse described in Schedule 2.1(a).

“Pre-Closing Environmental Condition” means a release or discharge of a Hazardous Substance prior to the Closing Date at the Fee Parcel in violation of Environmental Laws at the time of such release or discharge.

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“Preliminary Title Report” means that certain Preliminary Title Report dated as of October 2014 issued by Chicago Title Company and attached hereto as Exhibit D, as will be updated pursuant to Section 3.7(b).

“Prepaid Assumed Liabilities” has the meaning set forth in Section 2.3(c) (Reimbursement for Any Prepaid Assumed Liabilities).

“Project” means the Powerhouse and related facilities described in Schedule 2.1(a).

“Project Records” means those records in PG&E’s possession relating to the operation and maintenance of the Project that are identified in Schedule 2.1(g).

“Prudent Utility Practices” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of California during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and compliance with Governmental Rules. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of reasonable and prudent practices, methods, actions, standards and procedures.

“Purchaser” has the meaning set forth in the introductory paragraph of this Agreement.

“Purchaser Claims” has the meaning set forth in Section 11.2(a) (Purchaser Claims).

“Purchaser Group” has the meaning set forth in Section 11.2(a) (Purchaser Claims).

“Quitclaim Deed” has the meaning set forth in Section 7.2(vi).

“Referral Date” has the meaning set forth in Section 12.9(b)(i) (Dispute Resolution).

“Regulatory Disclosure” has the meaning set forth in Section 10.2(b) (Confidentiality).

“Remediation” means any or all of the following activities to the extent they relate to or arise from the presence of Hazardous Substances in soil or groundwater, or both, at the Fee Parcel: (a) performing any activities that are remedial or removal actions under CERCLA, or that result in response costs as defined under CERCLA, including monitoring, investigation, cleanup, containment, remediation, removal, mitigation, response or restoration work; (b) obtaining any Governmental Approvals, Permits or Consents necessary to conduct any such work; (c) preparing and implementing any plans or studies for such work; (d) obtaining a written notice from all applicable Governmental Authorities with jurisdiction over the Fee Parcel under Environmental Laws that no material additional work is required by such Governmental Authority; and (e) any other activities reasonably determined by PG&E to be required under Environmental Laws to address the presence of Hazardous Substances at the Fee Parcel.

“Restoration Work” has the meaning set forth in Section 3.6 (Catastrophic Failure).

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“Retained Liabilities” means those payment and performance obligations for Remediation of any Pre-Closing Environmental Condition as expressly allocated to PG&E in Section 10.11 (Environmental Matters).

“Sales Taxes” has the meaning set forth in Section 7.4(b) (Sales Taxes, Transfer Taxes, Escrow Fees, and Land Trust Transfer Fees).

“Schedule” means a designated schedule attached to this Agreement.

“Seller Claims” has the meaning set forth in Section 11.3(a) (PG&E Claims).

“Seller Group” has the meaning set forth in Section 11.3(a) (PG&E Claims).

“Settlement Agreement” has the meaning set forth in Section 2.5(a)(i).

“Stewardship Council” has the meaning set forth in Section 2.5(a)(iv).

“Stipulation” has the meaning set forth in Section 2.5(a)(ii).

“Tangible Personal Property” means the certain personal property and spare parts described in Schedule 2.1(b).

“Tax” means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, fees or other charges based on the use or ownership of real property), personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated tax, or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, including any item for which liability arises as a transferee or successor-in-interest.

“Tax Claim” has the meaning set forth in Section 10.3(d) (Cooperation and Defense of Tax Claims).

“Third Party Claim” means a claim by a Person that is not a member of the Seller Group or the Purchaser Group, including any claim in respect of contract, tort, or other liabilities or for the costs of conducting Remediation or seeking an order or demanding that a Person undertake Remediation.

“Title Company” means Chicago Title Company, or another recognized title insurance company to which the Parties may mutually agree.

“Title Policy” means a California Land Title Association (CLTA) standard owner’s title insurance policy issued the Title Company and insuring the Fee Parcel as vested in Purchaser, subject only to the Permitted Encumbrances, and in an amount equal to such commercially reasonable insurance amount as requested by Purchaser and approved by the Title Company. Such Title Policy shall also include any Easements that are insurable by the Title Company.

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“Transfer Taxes” has the meaning set forth in Section 7.4(b) (Sales Taxes, Transfer Taxes, Escrow Fees, and Land Trust Transfer Fees).

“Transfer Payment” means Five Million, Three Hundred Forty-Seven Thousand, Nine Hundred Seventy-Nine Dollars and no cents (US \$5,347,979.00).

“UCC” means the Uniform Commercial Code as in effect in California.

“Unrecorded Land Rights” means those certain unrecorded interests in land which PG&E holds with respect to the Project and the operation, maintenance, access, and transmission associated therewith, as described in Section 2 of Schedule 2.1(i).

“Water Rights” means those water rights owned and utilized by PG&E in the operation of the Project that are identified in Schedule 2.1(f).

“Watershed Lands” has the meaning set forth in Section 2.5(a)(iii).

1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) references in the singular include references in the plural and vice versa, reference to any gender includes each other gender, reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity;

(b) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(c) reference to any Article, Section, Schedule or Exhibit means such Article, Section, Schedule or Exhibit to this Agreement, and references in any Article, Section, Schedule, Exhibit or definition to any clause means such clause of such Article, Section, Schedule, Exhibit or definition;

(d) “hereunder,” “hereof,” “hereto” and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof or thereof, and except where the context otherwise requires, “or” shall have the inclusive meaning frequently designated by “and/or”;

(e) “including” (and correlative terms) means “including without limitation” and “including, but not limited to”, examples shall not be construed to limit, expressly or by implication, the matter they illustrate, and relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”; and

(f) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.

ARTICLE 2

SALE AND PURCHASE OF THE PROJECT ASSETS

2.1 Sale and Purchase. At the Closing, subject to the terms and conditions of this Agreement, including satisfaction (or waiver by the Party entitled thereto) of the conditions precedent to the Closing set forth in Articles IV, V and VI, PG&E shall sell, convey, assign, transfer and deliver to Purchaser, and Purchaser shall purchase, acquire and assume from PG&E, all of PG&E's right, title and interest in and to the following assets (collectively, "Assets"):

- (a) the Project described in Schedule 2.1(a);
- (b) the Tangible Personal Property described in Schedule 2.1(b);
- (c) the Fee Parcel described in Schedule 2.1(c);
- (d) the Governmental Approvals, Permits and Consents identified in Schedule 2.1(d);
- (e) the License described in Schedule 2.1(e);
- (f) the Water Rights described in Schedule 2.1(f);
- (g) the Project Records identified in Schedule 2.1(g);
- (h) the Assumed Contracts identified in Schedule 2.1(h);
- (i) the Easements and Unrecorded Land Rights identified in Schedule 2.1(i); and
- (j) the Leases identified in Schedule 2.1(j).

2.2 Excluded Assets. Nothing in this Agreement shall constitute or be construed as conferring on Purchaser, and Purchaser is not acquiring pursuant to this Agreement, any right, title or interest in or to any of the assets listed or described in Schedule 2.2, all of which are specifically excluded from the sale (collectively, "Excluded Assets").

2.3 Assumption by Purchaser.

(a) Assumption of Liabilities and Obligations. Upon the Closing, Purchaser shall assume and retain the Assumed Liabilities. PG&E shall have no liability or obligation for any of the Assumed Liabilities on and after the Closing Date.

(i) PG&E shall pay or otherwise satisfy in the ordinary course of business all of the liabilities and obligations related to the Assets accruing prior to the Closing

Date, including the costs to operate and maintain the Project as required by Section 3.1 (Pre-Closing Operations, Maintenance, and Repair) and the In-Progress Work.

(ii) Purchaser shall pay or otherwise satisfy in the ordinary course of business all of the liabilities and obligations related to the Assets accruing on, from, and after the Closing Date, including any In-Progress Work.

(b) PG&E Retained Liabilities. Purchaser shall not assume any (i) Retained Liabilities, (ii) any liabilities of PG&E relating to accounts payable, indebtedness, legal services, accounting services, or other professional services performed in connection with the sale of the Assets, or (iii) any wages, salaries, pension obligations, health benefits, or other related liabilities concerning any PG&E employee. Upon the Closing, PG&E shall continue to be responsible for any Retained Liabilities and all other items listed in this Section 2.3(b).

(c) Reimbursement for Any Prepaid Assumed Liabilities. Purchaser covenants and agrees that Purchaser shall be responsible for all of the Assumed Liabilities as of the Closing Date. To the extent that PG&E prepays any Assumed Liabilities that are not yet due and payable until or after the Closing Date, including any liabilities for the payment of Taxes under Section 10.3(a) (collectively, "Prepaid Assumed Liabilities"), then the total amount of such Prepaid Assumed Liabilities shall be disclosed by PG&E to Purchaser in writing prior to the Closing and subtracted from the payment PG&E is required to make under Section 2.4(a) (Transfer Payment by PG&E). To the extent that the amount of any Prepaid Assumed Liabilities cannot be determined by PG&E as of the Closing Date, then such amount shall be determined by PG&E as soon thereafter as possible and PG&E shall disclose the claim to Purchaser in writing together with an explanation about how the claim constitutes an Assumed Liability that should be Purchaser's obligation. If the documentation provided by PG&E satisfactorily demonstrates that the claim is an Assumed Liability, then Purchaser shall promptly pay PG&E any payment required because of such prepayment, in the form of a wire transfer in United States dollars in immediately available funds to the account(s) designated by PG&E.

2.4 Transfer Payment by PG&E.

(a) Transfer Payment and Payment. The Transfer Payment is additional consideration for the purchase of the Assets. PG&E shall pay to Purchaser the Transfer Payment, as adjusted pursuant to Section 2.4(b).

(b) The Transfer Payment shall be reduced by the following:

(i) the total amount of any Prepaid Assumed Liabilities pursuant to Section 2.3(c) (which shall include Purchaser's share of real and personal property taxes as provided in Section 10.3(a)), and

(ii) Purchaser's share of the Transfer Taxes, Escrow Fees, and Land Trust Transfer Fees pursuant to Section 7.4(b).

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(c) The Parties shall prepare and file all tax forms and tax returns as required by applicable federal and state law.

(d) The Transfer Payment, as adjusted pursuant to Section 2.4(b), shall be paid through Escrow in accordance with Article 7.

2.5 Conservation Easement.

(a) Purchaser acknowledges that PG&E has informed Purchaser of the following:

(i) PG&E is a party to that certain Settlement Agreement as modified and approved by the CPUC in its Opinion and Order of December 18, 2003 (Decision 03-12-035) ("Settlement Agreement").

(ii) In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("Stipulation").

(iii) The Settlement Agreement and the Stipulation (collectively, "BK Governing Documents") require PG&E to ensure that approximately one hundred forty thousand (140,000) acres of watershed lands, all owned by PG&E ("Watershed Lands"), including the Fee Parcel, are conserved for a broad range of beneficial public values. The obligations of PG&E to convey conservation easements and to protect such beneficial public values on the Watershed Lands are set forth in the Settlement Agreement and are defined therein as the "Land Conservation Commitment".

(iv) Pursuant to the BK Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation ("Stewardship Council") was created to oversee and carry out the Land Conservation Commitment. The BK Governing Documents require the Stewardship Council to develop a Land Conservation Plan ("LCP") for protection of the Watershed Lands for the benefit of the citizens of California. The LCP is required to include, among other things, objectives to preserve or enhance the beneficial public values identified on each parcel of the Watershed Lands. The LCP was formally adopted by the Stewardship Council and submitted to PG&E in November 2007. PG&E subsequently provided the LCP to the CPUC in April 2008 as part of its application seeking authorization for a streamlined approval process for real property transactions necessary to implement the LCP.

(v) The Conservation Easement was entered into in furtherance of the Land Conservation Commitment and PG&E's obligations pursuant to the BK Governing Documents.

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(vi) PG&E desires, through this Agreement and the other agreements to be entered into pursuant hereto, to ensure the permanent protection of the beneficial public values on the Fee Parcel as identified in the LCP while allowing the ongoing use of the Fee Parcel for hydroelectric operations, water delivery and other related activities.

(b) Purchaser acknowledges that the Conservation Easement is a Permitted Encumbrance.

(c) The Parties agree to record the fully executed and acknowledged Conservation Easement Assignment and Assumption Agreement in the Official Records of Tulare County on the Closing Date as provided in Section 7.3(a).

ARTICLE 3

CERTAIN PRE-CLOSING COVENANTS

3.1 Pre-Closing Operations, Maintenance, and Repair. Between the Execution Date and the Closing Date, PG&E at its sole cost and expense shall:

(a) retain all control over and, as between the Parties, shall make all decisions with respect to the operations, maintenance and repair of the Assets;

(b) operate, maintain and repair the Assets in compliance with all applicable Governmental Rules insofar as they relate to the Project;

(c) operate, maintain and repair the Assets in accordance with Prudent Utility Practices;

(d) provide Purchaser with an opportunity to review and comment on PG&E's plans to make any material capital expenditure on the Assets prior to making such expenditure;

(e) consult with Purchaser pursuant to the customary and usual communication practices of the Parties with respect to any decision that either Party reasonably determines could have a material impact on the operation of the Assets; and

(f) consult with Purchaser by telephone conference call on a monthly basis, or on such other basis as may be agreed upon by the Parties, with respect to any decision that either Party reasonably determines could have a material impact on the scheduling or marketing of generation from the Project

3.2 Reasonable Access and Consultation.

(a) Between the Execution Date and the Closing Date, and upon reasonable advance written notice received from Purchaser, PG&E shall afford Purchaser and its representatives access, during regular business hours, to the Project to confirm

PG&E's compliance with Section 3.1 (Pre-Closing Operations, Maintenance, and Repair). Purchaser shall exercise such right of access in a manner that does not unreasonably interfere with the activities of PG&E or its contractors.

(b) Between the Execution Date and the Closing Date, PG&E shall consult and coordinate with Purchaser as reasonably appropriate with respect to actions undertaken by PG&E with regard to the License and the relicensing of the Project. In the event Purchaser desires to provide direction to PG&E with respect to the relicensing of the Project, Purchaser shall do so in writing and at reasonable and appropriate intervals. PG&E shall follow such direction if PG&E determines that, in its sole discretion after consultation with Purchaser, doing so could not result in a material adverse impact on PG&E's position or interests in its relicensing of the Project in the event the Closing does not occur.

3.3 Commercially Reasonable Efforts. Upon the terms and subject to the conditions of this Agreement, each of the Parties shall use its Commercially Reasonable Efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable consistent with Governmental Rules to consummate and make effective in the most expeditious manner practicable the Acquisition contemplated by this Agreement. Each of the Parties shall cooperate with the other and its representatives with respect to all filings, submissions and acknowledgements that a Party elects to make or, pursuant to Governmental Rules, shall be required to make in connection with the Acquisition contemplated by this Agreement. PG&E and Purchaser agree to provide such reasonable assistance that the other may reasonably request to support the transfer of the Assets pursuant to this Agreement.

3.4 Notifications.

(a) PG&E and Purchaser shall prepare a mutually acceptable joint application to the FERC for its approval of the transfer of the License to Purchaser pursuant to Section 8 of the Federal Power Act (16 U.S.C. § 801) and Part 9 of the FERC Regulations (18 C.F.R. Part 9) ("FERC Transfer Application"). PG&E and Purchaser shall cooperate to file the agreed-upon final version of the FERC Transfer Application with the FERC on behalf of the Parties within sixty (60) days after the Execution Date.

(b) Between the Execution Date and the Closing Date, after obtaining Knowledge thereof, PG&E shall provide prompt written notice to Purchaser of any material change in any of the information contained in PG&E's representations and warranties made in Article VIII or any Exhibits or Schedules and promptly shall furnish any information which Purchaser may reasonably request in relation to such change; provided, however, that such notice shall not operate to cure any breach of PG&E's representations and warranties made in Article VIII or any Exhibits or Schedules.

(c) Between the Execution Date and the Closing Date, after obtaining Knowledge thereof, PG&E promptly shall, and in any event within fifteen (15) Business Days after receipt thereof, provide to Purchaser all material notices, correspondence and other communications from any Governmental Authority relating to PG&E's ownership, operation, maintenance and repair of the Assets, with the exception of routine or standard communications from the CAISO.

3.5 Publicity. Prior to (a) the Closing or (b) if this Agreement is terminated pursuant to Section 12.12 (Termination), the close of business on the date that constitutes the six (6) month anniversary of the date of such termination, no Party or any Affiliate of a Party shall issue any press release or otherwise make any public statement with respect to this Agreement or the Acquisition contemplated hereby without the other Party's prior written consent, except as may be required by Governmental Rule or stock exchange rule (in which case the Party subject to such requirement shall consult with the other Party regarding the content of any such press release or announcement prior to its release). However, this Agreement shall not restrict or affect any public statement made by any PG&E or Purchaser director, officer or employee at a public meeting or in meeting minutes concerning this Agreement or the implementation and consummation of the Acquisition contemplated by this Agreement. Nothing in this Section is intended to affect a Party's obligations under Section 10.2 (Confidentiality).

3.6 Catastrophic Failure. If a Catastrophic Failure occurs between the Execution Date and the Closing Date, the Parties promptly shall meet and confer to discuss the scope of the work required to restore the Project to the condition it was in prior to the occurrence of the Catastrophic Failure ("Restoration Work"). Either Party shall have the right to terminate this Agreement under Section 12.12 by written notice to the other no earlier than sixty (60) calendar days from the date that the Parties first met and conferred as required in the preceding sentence ("Election to Terminate") if (a) the Parties cannot agree upon the scope of the Restoration Work; (b) the Parties cannot agree upon whether to perform the Restoration Work; or (c) the Parties agree not to perform the Restoration Work. In the event neither Party timely exercises its Election to Terminate following a Catastrophic Failure, then the Parties shall negotiate thereafter, in good faith, with respect to the specific terms and conditions for the performance of the Restoration Work including its scope, and shall use Commercially Reasonable Efforts to implement such terms and conditions in accordance with the Parties' intent to consummate and make effective in the most expeditious manner practicable the Acquisition contemplated by this Agreement. To the extent that PG&E has Knowledge of a Catastrophic Failure, PG&E shall have a duty to notify Purchaser within a reasonable time after obtaining such Knowledge, in no event later than ten (10) Business Days after obtaining such Knowledge.

3.7 Title Review.

(a) Purchaser shall have thirty (30) calendar days following the Execution Date to notify PG&E in writing as to any items (other than Permitted Encumbrances) on the Preliminary Title Report that are unacceptable to Purchaser. If Purchaser fails to furnish PG&E with such an objection notice within said thirty (30) day period, Purchaser shall be deemed to have irrevocably waived any right to object to such information, and this Agreement shall continue in full force and effect.

(b) The Parties acknowledge and agree that PG&E shall have no obligation to cure any such timely objection(s). However, if Purchaser furnishes PG&E with such an objection notice within said ten (30) day period, PG&E may elect by notice to Purchaser either (i) to attempt to cure or otherwise remedy such objection (in which event, PG&E may postpone the close of escrow for up to thirty (30) days to effect said cure) or (ii) not to cure or otherwise remedy Purchaser's objection. If PG&E is unable or unwilling to cure such objection(s), and if the Title Company does not agree to insure over,

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without additional costs in excess of Ten Thousand Dollars (\$10,000.00) to Purchaser, any such objection(s), then Purchaser may elect by written notice to PG&E to either accept title to the Fee Parcel subject to the objection(s) or terminate this Agreement pursuant to Section 12.12.

3.8 Title Company Research on Easements.

(a) PG&E shall provide the research performed by Title Company with respect to the Easements to Purchaser within five (5) business days after PG&E receives the same from the Title Company. Purchaser shall have thirty (30) calendar days following the receipt of the research performed by Title Company to notify PG&E in writing as to any items in the research documentation that are unacceptable to Purchaser. If Purchaser fails to furnish PG&E with such an objection notice within said thirty (30) day period, Purchaser shall be deemed to have irrevocably waived any right to object to such information, and this Agreement shall continue in full force and effect.

(b) The Parties acknowledge and agree that PG&E shall have no obligation to cure any such timely objection(s). However, if Purchaser furnishes PG&E with such an objection notice within said ten (30) day period, PG&E may elect by notice to Purchaser either (i) to attempt to cure or otherwise remedy such objection (in which event, PG&E may postpone the close of escrow for up to thirty (30) days to effect said cure) or (ii) not to cure or otherwise remedy Purchaser's objection. If PG&E is unable or unwilling to cure such objection(s), and if the Title Company does not agree to insure over, without additional costs in excess of Ten Thousand Dollars (\$10,000.00) to Purchaser, any such objection(s), then Purchaser may elect by written notice to PG&E to either assume assignment of the Easements subject to the objection(s) or terminate this Agreement pursuant to Section 12.12.

ARTICLE 4

MUTUAL CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BOTH PARTIES AT THE CLOSING

Each Party's respective obligations under this Agreement are subject to the satisfaction (or waiver by both Parties), on or prior to the Closing, of each of the following mutual conditions precedent:

4.1 Interconnection Data. PG&E shall have provided to Purchaser data in its possession or that it can obtain with reasonable efforts that is reasonably necessary to support (a) the execution of an interconnection agreement and a transmission agreement between and among Purchaser, any Participating Transmission Operator, and the CAISO for the Project and (b) the execution of a Meter Service Agreement and a Participating Generator Agreement between Purchaser and the CAISO; provided, however, that PG&E's provision of any such data hereunder shall be consistent with FERC regulations, rules and standards as determined by PG&E.

4.2 Interconnection Agreement. Purchaser shall have completed the appropriate interconnection and/or wheeling process with the CAISO, the Participating Transmission

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Operator, and/or any other necessary entities for the Project, including confirmation to the reasonable satisfaction of Purchaser that the Project meets current CAISO interconnection standards, including without limitation the installation of the required CAISO meter; the execution of an interconnection agreement between and among Purchaser Southern California Edison Company, and the CAISO in form and substance reasonably satisfactory to Purchaser; the execution of a Meter Service Agreement and a Participating Generator Agreement between Purchaser and the CAISO, and any other transmission, interconnection, or related agreements reasonably necessary to ensure Purchaser's ability to deliver power from the Project.

4.3 Section 851 Authorization. The CPUC shall have authorized the sale of the Assets to Purchaser in accordance with the terms and conditions of this Agreement under Section 851 of the California Public Utilities Code.

4.4 FERC Approval. FERC Approval of the License transfer shall have been obtained.

(a) While the FERC Approval is a pre-Closing condition, the parties anticipate and agree that the FERC Approval will be contingent upon final Closing, submittal to FERC of certified copies of the Closing conveyance documents, transferee acceptance of the FERC Approval by signing and returning an acceptance sheet, and possibly other contingencies to be set forth in the FERC Approval.

4.5 Conservation Easement. PG&E, Purchaser and Land Trust shall have executed and acknowledged the Conservation Easement Assignment and Assumption Agreement.

ARTICLE 5

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER AT THE CLOSING

In addition to the mutual conditions in Article IV above, Purchaser's obligations under this Agreement, including the obligation to take the actions required to be taken by Purchaser at the Closing, are subject to the satisfaction (or waiver by Purchaser in its sole discretion), on or prior to the Closing, of each of the following conditions precedent:

5.1 Compliance with Provisions. PG&E shall have performed or complied in all material respects with all covenants, agreements and conditions contained in this Agreement on its part required to be performed or complied with at or prior to the Closing and shall not otherwise be in breach in any material respect of any of its covenants and agreements contained herein as of the Closing.

5.2 No Conflict. Neither the consummation nor the performance of any component of the Acquisition contemplated by this Agreement shall, directly or indirectly (with or without notice or lapse of time), contravene or conflict with or result in a violation of any applicable Governmental Rule.

5.3 Representations and Warranties. All representations and warranties of PG&E contained in Article VIII shall be true and correct in all material respects as of the Closing.

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5.4 No Adverse Proceedings or Events. With respect to any suit, action or other proceeding against any Party or its Affiliates by any Governmental Authority (including administrative proceedings) there is no order, judgment or injunction that has been issued, or if such proceeding is still pending, is reasonably likely to be issued, which restrains or prohibits one or more components of the Acquisition contemplated by this Agreement, including the Closing.

5.5 Deliveries. PG&E shall have delivered, or caused to be delivered, to Purchaser at the Closing the applicable payment, documents and other deliverables listed in Section 7.2(a) (Deliveries by PG&E).

5.6 Title Review for Fee Parcel. Purchaser shall have approved the status of the title to the Fee Parcel pursuant to Section 3.7, and the Title Company is prepared to issue the Title Policy to Purchaser, at PG&E's sole cost and expense.

5.7 No Termination. Neither Party shall have exercised any termination right such Party is entitled to exercise pursuant to Section 12.12 (Termination).

5.8 Schedules and Exhibits. PG&E shall have updated all Schedules and Exhibits as provided in Article VIII to reflect information current as of the Closing Date, and Purchaser shall have received, reviewed and approved the updated Schedules and Exhibits pursuant to Article VIII.

5.9 Governmental Approvals, Permits and Consents. Subject to Section 10.8 (Transfer and Amendment), Purchaser shall have received the Governmental Approvals, Permits and Consents that are identified in Schedule 2.1(d), each of which shall be in full force and effect when transferred or immediately before being re-issued in the name of Purchaser.

5.10 Only Permitted Encumbrances. The Assets shall be conveyed to Purchaser free and clear of any Liens other than Permitted Encumbrances.

ARTICLE 6

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PG&E AT THE CLOSING

In addition to the mutual conditions in Article IV above, PG&E's obligations under this Agreement, including to complete the sale of the Assets, to transfer the Assets to Purchaser, to pay the Transfer Payment to Purchaser, and to take the other actions required to be taken by PG&E at the Closing, are subject to the satisfaction (or waiver by PG&E in its sole discretion), on or prior to the Closing, of each of the following conditions precedent:

6.1 Compliance with Provisions. Purchaser shall have performed or complied in all material respects with all covenants, agreements and conditions contained in this Agreement on its part required to be performed or complied with at or prior to the Closing and shall not otherwise be in breach in any material respect of any of its covenants and agreements contained herein as of the Closing.

6.2 No Conflict. Neither the consummation nor the performance of any of the components of the Acquisition contemplated by this Agreement shall, directly or indirectly (with

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or without notice or lapse of time), contravene or conflict with or result in a violation of any applicable Governmental Rule.

6.3 Representations and Warranties. All representations and warranties of Purchaser contained in Article IX shall be true and correct in all material respects as of the Closing Date.

6.4 No Adverse Proceedings or Events. With respect to any suit, action or other proceeding against any Party or its Affiliates by any Governmental Authority (including administrative proceedings) there is no order, judgment or injunction that has been issued, or if such proceeding is still pending, is reasonably likely to be issued, which restrains or prohibits one or more components of the Acquisition contemplated by this Agreement, including the Closing.

6.5 Deliveries. Purchaser shall have delivered, or caused to be delivered, to PG&E at the Closing the deliverables listed in Section 7.2(b) (Deliveries by Purchaser).

6.6 No Termination. Neither Party shall have exercised any termination right such Party is entitled to exercise pursuant to Section 12.12 (Termination).

6.7 CPUC Approval. PG&E shall have obtained CPUC Approval.

6.8 Governmental Approvals, Permits and Consents. PG&E shall have received all required Governmental Approvals, Permits and Consents for the sale and transfer of the Assets in form and substance reasonably acceptable to PG&E.

ARTICLE 7

CLOSING

7.1 Open Escrow; Closing. Within ten (10) days after the later of the CPUC Approval or FERC Approval, Purchaser shall open an escrow ("Escrow") with Title Company by delivering a fully-executed copy of escrow instructions detailing the Closing deliverables and process set forth in this Agreement ("Escrow Instructions") to the Title Company. Subject to the satisfaction or waiver of the conditions set forth in this Agreement, and unless earlier terminated under Section 12.12 (Termination), the consummation of Purchaser's purchase of PG&E's right, title and interest in and to the Assets contemplated hereby ("Closing") shall take place at the Title Company as soon as practicable following the satisfaction or waiver of all conditions precedent to the Closing. The "Closing Date" shall be the date that the Title Company records the Deed and other transaction documents in accordance with Section 7.3.

7.2 Deliveries at Closing.

(a) Deliveries by PG&E. At least one (1) business day before the Closing Date, PG&E shall deposit or cause to be deposited with the Title Company the items described below:

(i) a bill of sale in the form of Exhibit A ("Bill of Sale") duly executed by PG&E with respect to the (1) Project; (2) Tangible Personal Property; and (3) Project Records;

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each Schedule for which shall be updated as contemplated in Section 5.8 and Article VIII of this Agreement and attached to the Bill of Sale;

(ii) an assignment and assumption agreement in the form of Exhibit B1 (“Assignment and Assumption Agreement”) duly executed by PG&E with respect to the (1) Governmental Approvals, Permits and Consents; (2) License; and (3) Assumed Contracts; each Schedule for which shall be updated as contemplated in Section 5.8 and Article VIII of this Agreement and attached to the Assignment and Assumption Agreement;

(iii) a grant deed in the form of Exhibit C (“Deed”) duly executed by PG&E transferring and conveying good, marketable and insurable fee simple title to the Fee Parcel and appurtenant Water Rights to Purchaser in recordable form;

(iv) an assignment and assumption of easements in the form of Exhibit B2 (“Easements Assignment and Assumption Agreement”) duly executed by PG&E with respect to the Easements, the Schedule for which shall be updated as contemplated in Section 5.8 and Article 8 of this Agreement and, as updated, attached to the Easements Assignment and Assumption Agreement;

(v) an assignment and assumption of leases in the form of Exhibit B3 (“Leases Assignment and Assumption Agreement”) duly executed by PG&E with respect to the Leases, the Schedule for which shall be updated as contemplated in Section 5.8 and Article 8 of this Agreement and, as updated, attached to the Leases Assignment and Assumption Agreement;

(vi) a quitclaim deed of Unrecorded Land Rights in the form of Exhibit B4 (“Quitclaim Deed”) duly executed by PG&E with respected to the Unrecorded Land Rights, the Schedule for which shall be updated as contemplated in Section 5.8 and Article 8 of this Agreement and, as updated, attached to the Quitclaim Deed.

(vii) evidence in form and substance reasonably satisfactory to Purchaser that, at or prior to the Closing, all Liens on the personal and real property included in the Assets, other than Permitted Encumbrances, have been discharged by PG&E or by the Person in whose favor such Liens exist, which evidence shall in any case be satisfied by UCC termination statements or the equivalent instruments or documents previously delivered to and approved by Purchaser, and at no expense to Purchaser;

(viii) a certificate executed on behalf of PG&E by an authorized officer or representative of PG&E, dated as of the Closing Date, representing and certifying that (1) the conditions specified in Articles IV and VI hereof have been fulfilled, (2) the representations and warranties made by PG&E under Article VIII (as they may have been updated pursuant to this Agreement) are true and correct in all material respects as of the Closing Date with the same effect as though those representations and warranties had been made again at and as of the Closing Date, (3) the information in the Schedules (as it may be updated pursuant to this Agreement) is true and correct in all material respects as of the Closing Date, and (4) all of the terms, covenants and conditions to be complied with and performed by PG&E on or prior to the Closing Date have been complied with or performed in all material respects;

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(ix) an executed and acknowledged original of the Conservation Easement Assignment and Assumption Agreement which shall be recorded in the Official Records of Tulare County on the Closing Date immediately after the recording of the Deed;

(x) [Intentionally Omitted]

(xi) PG&E's signed counterpart of the Escrow closing statement for the Title Company in a form as mutually agreed to by the Parties, together with such other instruments and documents as may be reasonably required by the Title Company; and

(xii) The payment required under Section 2.4(b).

(b) Deliveries by Purchaser. At least one (1) business day before the Closing Date, Purchaser shall deposit or cause to be deposited with the Title Company the items described below:

(i) an executed and acknowledged original of the Conservation Easement Assignment and Assumption Agreement, which shall be recorded in the Official Records of Tulare County on the Closing Date immediately after the Deed is recorded pursuant to Section 2.5(c);

(ii) a certificate executed on behalf of Purchaser by an authorized officer or representative of Purchaser, dated as of the Closing Date, representing and certifying that (1) the conditions specified in Articles IV and V hereof have been fulfilled; (2) the representations and warranties made by Purchaser under Article IX are true and correct in all material respects as of the Closing Date with the same effect as though those representations and warranties had been made again at and as of the Closing Date, and (3) all of the terms, covenants and conditions to be complied with and performed by Purchaser on or prior to the Closing Date have been complied with or performed in all material respects;

(iii) Purchaser's acknowledgement and execution, as applicable, of the Bill of Sale and the Assignment and Assumption Agreement, Easements Assignment and Assumption Agreement, and Leases Assignment and Assumption Agreement, each as delivered by PG&E hereunder;

(iv) [Intentionally Omitted]; and

(v) Purchaser's signed counterpart of the Escrow closing statement for the Title Company in a form as mutually agreed to by the Parties together with such other instruments and documents as may be reasonably required by the Title Company.

7.3 Close of Escrow. At the Closing, the Parties shall instruct the Title Company to close Escrow by the following actions:

(a) Recording the Deed and Conservation Easement Assignment and Assumption Agreement, and instructing the Tulare County Recorder to deliver the original

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documents to Purchaser after recording, and to deliver conformed copies of the recorded documents to PG&E;

(b) Delivering the Bill of Sale, Assignment and Assumption Agreement, Easements Assignment and Assumption Agreement, and Leases Assignment and Assumption Agreement to Purchaser;

(c) Delivering to or for the account of Purchaser, the Transfer Payment paid by PG&E (subject to reductions pursuant to Sections 2.4 and 7.4(b)(b)); and

(d) Delivering to Purchaser the Title Policy.

7.4 Recordation Costs, Sales Taxes, Transfer Taxes, and Escrow Fees. In connection with the Acquisition contemplated by this Agreement, the Parties agree to pay the following costs in accordance with this Section 7.3:

(a) Recordation Fees. PG&E shall bear the cost of the recording fees for recordation of the Deed and the Conservation Easement Assignment and Assumption Agreement.

(b) Sales Taxes, Transfer Taxes, Escrow Fees and Land Trust Transfer Fees. Purchaser shall bear the cost for any sales Taxes arising in connection with the sale and transfer of the Assets hereunder ("Sales Taxes"). The Parties shall split equally, and share on an equal basis, the total liability for (i) any transfer Taxes arising in connection with the sale and transfer of the Assets hereunder ("Transfer Taxes"), (ii) the Escrow fees charged by the Title Company for the Acquisition contemplated hereunder ("Escrow Fees"), and (ii) any fees due to the Land Trust as a result of the transfer of the Assets to Purchaser, including the fees contemplated by Section 13.1 of the Conservation Easement ("Land Trust Transfer Fees"). Purchaser shall pay its share of the Transfer Taxes, Escrow Fees, and Land Trust Transfer Fees, as provided in Section 2.4(b) ("Transfer Payment by PG&E"). Each Party agrees to provide such cooperation as the other may reasonably request to lawfully minimize its respective incurrence of Transfer Taxes in connection with the sale or transfer of the Assets; provided that, such cooperation shall not obligate a Party to take any action inconsistent with the other provisions of this Agreement.

7.5 Possession of Assets. PG&E shall deliver possession of the Assets to Purchaser on the Closing Date upon the close of Escrow. PG&E shall leave the Tangible Personal Property and on-site Project Records at the Project site and possession shall be deemed delivered to Purchaser on the Closing Date. For any Project Records not located on the Project site, PG&E shall compile and deliver those records to Purchaser at least one business day prior to the Closing.

ARTICLE 8

REPRESENTATIONS AND WARRANTIES OF PG&E

PG&E represents and warrants to Purchaser as of the Execution Date and as of the Closing Date as set forth in this Article VIII, which representations and warranties shall survive the Closing in accordance with Section 11.1 (Survival of the Parties' Representations, Warranties and

Covenants); provided that, PG&E shall have no liability for any immaterial breach of any representation or warranty contained herein. PG&E shall update the Schedules and Exhibits as contemplated in Section 5.8 and this Article VIII at such times as PG&E deems appropriate, but at a minimum on or before the date that is thirty (30) calendar days prior to the expected date for the Closing and shall notify Purchaser of any Material Adverse Changes of which PG&E has Knowledge. When PG&E provides an updated Schedule, or Exhibit to Purchaser, it shall also provide such supporting evidence as is reasonably requested by Purchaser to allow Purchaser to make a determination as to whether it believes that such updated Schedule or Exhibit evidences a Material Adverse Change. Purchaser shall review the updated Schedule or Exhibit and such evidence as is provided by PG&E, and within thirty (30) calendar days after its receipt of the same or such longer period as may be agreed by the Parties, shall advise PG&E whether it believes the updated Schedule or Exhibit reflects a Material Adverse Change. If Purchaser fails to advise PG&E within such thirty (30) calendar day period that an updated Schedule or Exhibit reflects a Material Adverse Change, then such updated Schedule or Exhibit shall be deemed not to reflect a Material Adverse Change. In the event Purchaser advises PG&E that it has determined that an updated Schedule or Exhibit reflects a Material Adverse Change, Purchaser shall specify the reasons for such determination. Any dispute as to whether or not an updated Schedule or Exhibit evidences a Material Adverse Change shall be resolved in accordance with Section 12.9 (Dispute Resolution). If the Parties agree, or it is determined under Section 12.9, that a Material Adverse Change has occurred, then Purchaser may terminate this Agreement.

8.1 Transaction Representations.

(a) Organization and Existence. PG&E is a duly organized and validly existing corporation in good standing under the laws of California and is qualified to transact business in the State of California.

(b) Execution, Delivery and Enforceability. Subject to CPUC Approval and FERC Approval, PG&E has all requisite power and authority to enter into and carry out its obligations under this Agreement. The execution, delivery and performance by PG&E of this Agreement, and the consummation of the Acquisition contemplated hereby, have been duly authorized by all necessary corporate or company action required on the part of PG&E. This Agreement has been duly and validly executed and delivered by PG&E and constitutes the valid and legally binding obligation of PG&E, enforceable against PG&E in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

(c) No Violation. None of the execution and delivery of this Agreement, the performance or compliance with any provision hereof, or the consummation of the Acquisition contemplated hereby will:

(i) violate, or conflict with, or result in a breach of any provision of the Governing Documents of PG&E;

(ii) subject to obtaining CPUC Approval and FERC Approval, violate any Governmental Rule or Consent, or result in the termination of, or require the material modification of any Governmental Rule or Consent, in each case that PG&E is required to comply with to own or operate the Project; or

(iii) result in the creation or imposition of any Lien, other than Permitted Encumbrances, upon any of the Assets, or a breach of, or constitute a default under, or give to any other Person any right of termination, amendment, acceleration or cancellation of any agreement to which PG&E is a party that would affect the Assets.

8.2 Compliance with Governmental Rules and Disclosure. To the Knowledge of PG&E, no material violation exists under any Governmental Rules (including Environmental Laws) applicable to the Assets. To the Knowledge of PG&E, PG&E has disclosed to Purchaser all material information regarding its ownership, operation, maintenance and repair of the Assets that is in its possession.

8.3 Litigation. There is no pending or, to the Knowledge of PG&E, threatened actions, suits, proceeding, investigation, request for information, or notice of violation by any Governmental Authority or other Person which could reasonably be expected to result, or has resulted, in (a) the institution of legal proceedings to prohibit or restrain the performance of this Agreement or the consummation of the Acquisition contemplated hereby, (b) a claim for damages as a result of this Agreement or the consummation of the Acquisition contemplated hereby, or (c) potential fines, penalties, or other liability arising out of an alleged violation of Environmental Law involving the Assets. To the Knowledge of PG&E, there is no reasonable basis for such a litigation, claim, investigation or proceeding, which directly and specifically relates to the Assets.

8.4 Brokers. All negotiations relating to this Agreement and the Acquisition contemplated hereby have been carried on by PG&E without the intervention of any other Person and in such a manner as not to give rise to any valid claim against Purchaser (by reason of PG&E's actions) for a brokerage commission, finder's fee or other like payment to any Person. To the extent that any such legitimate claim is presented to Purchaser by Bodington & Company, PG&E agrees that it is responsible for payment of such claim.

8.5 No Third Party Options. Except for the agreement to transfer the Assets to Purchaser subject to the terms and conditions of this Agreement (including with respect to the Conservation Easement), there are no existing agreements, options or commitments granting to any Person the right to acquire any interest in any of the Assets.

8.6 Zoning and Condemnation. To the Knowledge of PG&E, there are no pending or threatened proceedings or governmental actions to modify the zoning classification of, or to condemn or take by power of eminent domain or to classify as a landmark or otherwise impose any similar restraint or restriction on, all or any part of the Assets (except with respect to the terms and conditions of this Agreement relating to the Conservation Easement).

8.7 Title. PG&E has title or the ownership rights to the Fee Parcel, the Water Rights, the Project, the Project Records, the Easements, and the Tangible Personal Property free and clear of all Liens other than Permitted Encumbrances.

8.8 Permits. To the Knowledge of PG&E, PG&E has obtained and properly maintained all Permits necessary for the operation of the Assets and all such Permits are in full force and effect.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to PG&E as of the Execution Date and as of the Closing Date as set forth in this Article IX, which representations and warranties shall survive the Closing in accordance with Section 11.1 (Survival of the Parties' Representations, Warranties and Covenants); provided that, Purchaser shall have no liability for any immaterial breach of any representation or warranty contained herein.

9.1 Transaction Representations.

(a) Organization and Existence. Purchaser is a duly organized and validly existing limited liability company in good standing under the laws of the State of Utah and is qualified to do business in the State of California.

(b) Execution, Delivery and Enforceability. Subject to CPUC Approval and FERC Approval, Purchaser has all requisite power and authority to enter into and to carry out its obligations under this Agreement. The execution, delivery and performance by Purchaser of this Agreement, and the consummation of the Acquisition contemplated hereby, have been duly authorized by all necessary action required on the part of Purchaser. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes the valid and legally binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

(c) No Violation. Neither the execution and delivery of this Agreement, nor the compliance with any provision hereof, nor the consummation of the Acquisition contemplated hereby will:

(i) violate or conflict with, or result in a breach of any provision of the Governing Documents of Purchaser; or

(ii) subject to CPUC Approval and FERC Approval, violate any Governmental Rule or Consent, or result in the termination of, or require the material modification of any Governmental Rule or Consent, in each case applicable to Purchaser.

(d) Due Diligence Investigation and Other Acknowledgements. Purchaser acknowledges and agrees that, upon satisfaction or waiver of the Closing conditions set forth in Articles IV and V, (i) it has been afforded access to and the opportunity to inspect all of the Assets, (ii) it has been provided and has reviewed all of the documents listed or described in PG&E's Schedules, and (iii) it is relying upon its own

inspections, review and investigations of the Assets, and the accuracy of the representations and warranties of PG&E contained in Article VIII in the purchase of the Assets and the consummation of the Acquisition contemplated by this Agreement. Purchaser acknowledges and agrees that it has reviewed and accepted the disclaimers set forth in Section 10.5 (Disclaimer of Other PG&E Representations and Warranties).

9.2 Litigation. There is no pending or, to the Knowledge of Purchaser, threatened action, suit, proceeding, investigation or request for information by any Governmental Authority or other Person which could result, or has resulted, in (a) the institution of legal proceedings to prohibit or restrain the performance of this Agreement, or the consummation of the Acquisition contemplated hereby, or (b) a claim for damages as a result of this Agreement, or the consummation of the Acquisition contemplated hereby. To the Knowledge of Purchaser, there is no reasonable basis for such a litigation, claim, investigation or proceeding, which directly and specifically relates to any of the Assets.

9.3 Brokers. All negotiations relating to this Agreement and the Acquisition contemplated hereby have been carried on by Purchaser without the intervention of any other Person and in such a manner as not to give rise to any valid claim against PG&E (by reason of Purchaser's actions) for a brokerage commission, finder's fee or other like payment to any Person.

ARTICLE 10

OTHER COVENANTS AND AGREEMENTS

10.1 CPUC Approval. PG&E agrees to file the CPUC Application for CPUC Approval within sixty (60) calendar days after the Execution Date. Prior to doing so, PG&E shall provide Purchaser with a reasonable opportunity to review the draft CPUC Application and to comment on its contents, and to consult with Purchaser with respect to any conditions or requirements applicable to the ownership or operation of the Assets proposed in the draft CPUC Application. PG&E shall provide notice to Purchaser of the CPUC Filing Date within five (5) Business Days thereafter. By no later than the date that is five (5) Business Days after the CPUC issues one or more draft orders with respect to the grant or denial of relief requested from it in the CPUC Application, PG&E shall provide Purchaser with a copy of such draft order or orders ("CPUC Preliminary Notice"). If the applicable order or orders issued by the CPUC with respect to the grant or denial of relief requested from it in the CPUC Application would, if final and non-appealable, constitute CPUC Approval, then PG&E shall notify Purchaser that the CPUC Approval has been obtained not later than five (5) Business Days following the date that the applicable order or orders have become final and non-appealable ("CPUC Approval Notice Date"). If the applicable order or orders issued by the CPUC with respect to the grant or denial of relief requested from it in the CPUC Application could not, even if final and non-appealable, constitute CPUC Approval, but would satisfy the mutual condition precedent in Section 4.3 (Section 851 Authorization), then the Parties promptly shall meet and confer with respect to such order(s); provided that, PG&E shall determine in its sole discretion whether to waive the condition precedent to Closing in Section 6.7 (CPUC Approval).

10.2 Confidentiality.

(a) Neither Party shall disclose any Confidential Information to a third party, other than (i) such Party's employees, officers, lenders, counsel, accountants, advisors, rating agencies, equity investors, potential lenders or potential equity investors who have a need to know such information and have agreed to keep such terms confidential, (ii) to the CPUC under seal for purposes of review, (iii) disclosure of terms specified in and pursuant to this Section 10.2; (iv) in order to comply with any applicable law, regulation, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (v); (v) in order to comply with any applicable regulation, rule, or order of the CPUC or the California Energy Commission; or (vi) as PG&E deems necessary in order to demonstrate the reasonableness of its actions to duly authorized governmental or regulatory agencies including the CPUC or any division thereof.

(b) In connection with requests made pursuant to clause (iv) of Section 10.2(a) ("Disclosure Order") and disclosures pursuant to clause (v) or (vi) of Section 10.2(a) ("Regulatory Disclosures") each Party shall, to the extent practicable, use reasonable efforts to (i) notify the other Party prior to disclosing the Confidential Information, and (ii) prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be (x) prohibited from complying with a Disclosure Order or making the Regulatory Disclosures, or (y) liable to the other Party for monetary or other damages incurred in connection with such disclosures of the Confidential Information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

(c) The confidentiality obligation hereunder shall not apply to any information that was or hereafter becomes available to the public other than as a result of a disclosure in violation of this Section 10.2.

(d) If this Agreement is terminated pursuant to Section 12.12 (Termination), each Party shall promptly return or certify the destruction of, if so requested by the other Party, any Confidential Information provided to it and shall use Commercially Reasonable Efforts to return any copies thereof that may have been provided to others in accordance with this Section 10.2.

(e) The obligations of the Parties in this Section 10.2 shall survive the termination of this Agreement, the discharge of all other obligations owed by the Parties to each other, any transfer of title to any of the Assets, and the Closing of the Acquisition contemplated in this Agreement.

10.3 Tax Matters.

(a) Real and Personal Property Taxes. State and local real and personal property Taxes relating to the Assets (excluding Transfer Taxes, and Land Trust Transfer Fees, which shall be shared equally pursuant to Section 7.4(b)) for the tax year in which the Closing occurs shall be the responsibility of (i) PG&E for the period accruing up to the

Closing Date and (ii) Purchaser for the period accruing on, from, and after the Closing Date. If either Party pays any State or local real or personal property Taxes relating to the Assets (excluding Transfer Taxes) with respect to any period for which the other Party is responsible pursuant to this Section 10.3(a), upon receipt of a request from the paying Party, the responsible Party agrees to promptly reimburse the paying Party for the responsible Party's prorated share of such Taxes. All such Taxes assessed on an annual basis (whether calendar or other twelve (12) month period) shall be prorated on the assumption that an equal amount of Taxes applies to each day of the tax year, regardless of how many installment payments are billed or made.

(b) Tax Refunds. PG&E shall be entitled to any refunds or credits of Taxes relating to the Assets for the period prior to the Closing Date which PG&E has paid prior to or on the Closing Date. Purchaser shall promptly notify and forward to PG&E the amounts of any such refunds or credits within sixty (60) calendar days after receipt thereof.

(c) Pending or Threatened Actions. After the Closing Date, Purchaser shall notify PG&E in writing, within fifteen (15) calendar days after its receipt of any correspondence, notice or other communication from a taxing authority or any representative thereof, of any pending or threatened Tax audit, or any pending or threatened judicial or administrative proceeding that involves Taxes relating to any of the Assets for the period prior to the Closing Date, and furnish PG&E with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to any such Taxes relating to any of the Assets for the period prior to the Closing Date.

(d) Cooperation and Defense of Tax Claims. Notwithstanding any provision of this Agreement to the contrary, with respect to any claim for refund, audit, examination, notice of deficiency or assessment or any judicial or administrative proceeding that involves Taxes relating to any of the Assets for the period either (i) prior to the Closing Date, or (ii) on and after the Closing Date (collectively, "Tax Claim"), the Parties shall reasonably cooperate with each other in contesting any Tax Claim, including making available original books, records, documents and information for inspection, copying and, if necessary, introduction as evidence at any such Tax Claim contest and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder with respect to such Tax Claim or to testify at proceedings relating to such Tax Claim. PG&E shall control all proceedings taken in connection with any Tax Claim that pertains to the period prior to the Closing Date, and the Parties shall jointly control all proceedings taken in connection with any Tax Claim pertaining to the period on and after the Closing Date. Purchaser has no right to settle or otherwise compromise any Tax Claim which pertains to the period prior to the Closing Date; and neither Party has the right to settle or otherwise compromise any Tax Claim which pertains to the period on and after the Closing Date without the other Party's prior written consent.

(e) Survival. The obligations of the Parties under this Section 10.3 shall survive the Closing until sixty (60) calendar days following the expiration of the applicable statute of limitations period after giving effect to any waivers or extensions thereof.

10.4 Power Sale Revenue Allocation. All Project power sale revenue collected by PG&E or Purchaser (either before or after the Closing Date) shall be allocated to PG&E and Purchaser based upon whether such revenue was earned for power generated and sold prior to or after the Closing Date. PG&E shall be entitled to revenue from power generated prior to the Closing Date, and Purchaser shall be entitled to revenue from power generated from and after the Closing Date. If a Party collects or receives any payment that, under the above principles, the other Party is entitled to, then the Party receiving the payment will remit the collected monies to other Party. Upon request by either Party within 90 days after the Closing Date, Purchaser, in coordination with PG&E, will prepare an accounting and reconciliation statement concerning any payments owed by a Party pursuant to this section. Upon completion of the statement, any Party owing money under this section will pay the amount owed to the other Party within 30 days from the date of the statement.

10.5 Disclaimer of Other PG&E Representations and Warranties. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, PG&E MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO ANY OF THE ASSETS OR AS TO THE RISKS AND OTHER INCIDENTS OF ANY OF THE ASSETS.

WITHOUT LIMITING THE FOREGOING, AND EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, PG&E MAKES NO REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY, USAGE OR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE ASSETS OR ANY PART THEREOF, OR AS TO THE WORKMANSHIP THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, OR COMPLIANCE OF SUCH PROPERTIES OR ASSETS WITH ANY LAWS, INCLUDING ENVIRONMENTAL LAWS, OR AS TO THE CONDITION OF ANY OF THE ASSETS OR ANY PART THEREOF, ANY SUCH REPRESENTATIONS AND WARRANTIES BEING HEREBY EXPRESSLY DISCLAIMED.

EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, THE ASSETS ARE SOLD “AS IS, WHERE IS” ON THE CLOSING DATE, AND IN THEIR RESPECTIVE CONDITION ON SUCH CLOSING DATE “WITH ALL FAULTS.”

WITHOUT LIMITING THE FOREGOING, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NO MATERIAL OR INFORMATION PROVIDED BY OR COMMUNICATIONS BY PG&E OR ITS REPRESENTATIVES TO PURCHASER, WILL CAUSE OR CREATE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, CONDITION, VALUE OR QUALITY OF ANY OF THE ASSETS OR ANY PART THEREOF.

ANY AND ALL DOCUMENTS AND OTHER MATERIALS PROVIDED TO PURCHASER BY OR ON BEHALF OF PG&E (COLLECTIVELY, “DUE DILIGENCE MATERIALS”) WERE MADE AVAILABLE TO PURCHASER AS A COURTESY, AND THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, PG&E DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE

ACCURACY OR COMPLETENESS OF THE DUE DILIGENCE MATERIALS, AND PURCHASER AGREES THAT IT HAS NOT BEEN AUTHORIZED TO RELY UPON THE DOCUMENTS, REPORTS AND OTHER MATERIALS INCLUDED IN THE DUE DILIGENCE MATERIALS AND THAT PG&E SHALL HAVE NO LIABILITY FOR THE CONTENTS AND ACCURACY OF THE DUE DILIGENCE MATERIALS. PURCHASER ACKNOWLEDGES AND AGREES THAT PG&E AND ITS AFFILIATES HAVE GONE THROUGH NUMEROUS MANAGEMENT CHANGES AND PERSONNEL CHANGES OVER THE YEARS, AND THE EMPLOYEES WHO CURRENTLY MANAGE THE ASSETS MAY HAVE LITTLE OR NO KNOWLEDGE OF THE LOCATION OR CONTENTS OF THE FILES AND RECORDS RELATING TO THE ASSETS. IN LIGHT OF THE VOLUMINOUS FILES AND RECORDS OF PG&E, AND THE UNCERTAINTY OF THE LOCATION OR CONTENT OF SUCH FILES, PURCHASER ACKNOWLEDGES AND AGREES THAT IT WILL RELY SOLELY ON ITS OWN INVESTIGATIONS REGARDING THE DUE DILIGENCE MATERIALS IN MAKING ITS DECISION TO COMPLETE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

10.6 Disclaimer of Other Purchaser Representations and Warranties. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, PURCHASER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THIS ACQUISITION OR AS TO THE RISKS AND OTHER INCIDENTS OF ANY OF THE ASSETS.

10.7 [Intentionally Omitted]

10.8 Transfer and Amendment. To the extent that Governmental Rules do not permit, prior to or by the Closing, the transfer, amendment or issuance in the name of Purchaser of any Governmental Approval or Permit required to be transferred from PG&E to Purchaser hereunder and Purchaser is not a co-holder thereof, then the Parties shall use Commercially Reasonable Efforts to prepare and submit prior to or at the Closing all applications, documentation, amendments, certifications or other filings requested or required by Governmental Rules or Governmental Authorities to obtain such transfer, amendment or re-issuance of such Governmental Approval or Permit. The Parties use of such Commercially Reasonable Efforts and submission of such documents by the Closing, together with the Parties' commitments under Section 10.9(c) shall satisfy the condition precedent in Section 5.9 (Governmental Approvals, Permits and Consents) with respect to any such Governmental Approval or Permit. Each Party shall provide such cooperation as may be reasonably requested by the other Party, prior to and after the Closing Date, to assist the requesting Party with transferring, amending, or issuing in the name of Purchaser any such Governmental Approval or Permit, and shall cooperate with the requesting Party in executing such applications and other documents as are required to effectuate any transfers (or issuance, as applicable) thereof to Purchaser.

10.9 Post-Closing Maintenance and Assignments; Further Assurances.

(a) Election for Maintenance Agreement. No later than ninety (90) calendar days prior to the expected date for the Closing, Purchaser may elect by written notice to PG&E to initiate negotiations for a maintenance agreement with PG&E with respect to the Project. If Purchaser makes this election, the Parties shall engage in

negotiations for such a maintenance agreement. In the event the Parties successfully negotiate and agree to execute such maintenance agreement ("Maintenance Agreement"), each Party shall deliver a duly authorized executed version of the Maintenance Agreement to the other Party promptly following its respective execution; provided that, the respective deliveries of such executed Maintenance Agreement shall not be a condition precedent to, or delay in any way, the Closing.

(b) In-Progress Work. Upon the Closing, Purchaser shall assume and retain the obligations and liabilities for all work and activities then in-progress by PG&E relating to the Assets ("In-Progress Work"). No later than ninety (90) calendar days prior to the expected date for the Closing, PG&E shall provide to Purchaser a list of such In-Progress Work and thereafter provide to Purchaser on a monthly basis any updates to such list up to the Closing Date. No less than five (5) Business Days following the Closing Date, the Parties shall meet and confer with the objective to develop a plan to transfer, to the extent practicable, In-Progress Work from PG&E to Purchaser, and to provide Purchaser with applicable records or documentation of such In-Progress Work. The transfer of In-Progress Work shall be conducted in good faith and in such a manner and time frame as to result in a timely, cost-effective and functionally viable transition for both Parties. Consistent with Section 2.3(a) (Assumption of Liabilities and Obligations), PG&E shall be responsible for the costs incurred prior to the Closing Date for In-Progress Work and Purchaser shall be responsible for the costs incurred on, from and after the Closing Date for In-Progress Work, including the costs incurred by PG&E to continue the performance of any In-Progress Work on behalf of Purchaser after the Closing Date.

(c) Post-Closing Cooperation.

(i) In the event that any Governmental Approval, Permit, Consent or agreement required to be conveyed or otherwise transferred by PG&E to Purchaser at the Closing is not issued in the name of Purchaser at or before the Closing, and if Purchaser nevertheless proceeds to Closing, PG&E agrees to maintain in effect, for a reasonable period, such Governmental Approval, Permit, Consent or agreement for the benefit of and at the expense of Purchaser, and Purchaser agrees to perform all obligations and to bear all liabilities under such Governmental Approval, Permit, Consent or agreement, until an applicable amendment or replacement Governmental Approval, Permit, Consent or agreement has been approved by the relevant Governmental Authority or Person and such amendment or replacement has been issued to or received by Purchaser as the Person authorized under such Governmental Approval, Permit, Consent or agreement, as applicable.

(ii) From time to time following the Closing Date, PG&E shall execute, acknowledge and deliver such additional documents, instruments of conveyance, transfer, assignment or assurance, and take such other action as Purchaser may reasonably request to more effectively assign, convey and transfer to Purchaser the entirety of the Assets and fully vest title in Purchaser with respect to the Assets as provided in this Agreement. Without limiting the generality of the foregoing, after the Closing Date and upon the discovery by PG&E of any items included within the definition of the Assets, but not transferred, conveyed or assigned to or assumed by Purchaser in the Bill of Sale, the Assignment and Assumption Agreement, the Easements Assignment and Assumption Agreement, the Leases Assignment and Assumption Agreement, the

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Deed, the Quitclaim Deed) or any other applicable instrument of conveyance, PG&E shall (1) promptly deliver written notice to Purchaser of the existence and non-transfer or non-assumption of such item and (2) subsequently transfer, convey or assign to Purchaser such item in a manner consistent with this Agreement as if it were a part of the assets transferred under the Agreement as of the Closing Date.

(iii) After the Closing, PG&E shall notify all relevant Governmental Authorities and all third Persons from whom Consents have been obtained or to whom notice must be given of the change in ownership of the Assets resulting from the Acquisition contemplated herein, in each case to the extent required by Governmental Rules or the agreements to which such Consents relate.

(iv) Upon receipt of FERC Approval, Purchaser shall do all things necessary and appropriate to satisfy the contingencies set forth in the FERC Approval. It is anticipated that such actions will include, without limitation, submittal by Purchaser to FERC of: (a) an executed 'acceptance sheet' acknowledging Purchaser's acceptance of the FERC Approval and its terms and conditions; and (b) certified copies of all instruments of conveyance from the Closing. In the event of a delay between the Closing and the date of the transfer of the License from PG&E to Purchaser, Section 10.9(c)(i) shall govern.

(d) Scheduling Coordinator Services. No later than ninety (90) calendar days prior to the expected date for the Closing, Purchaser may elect by written notice to PG&E to initiate negotiations for a scheduling coordinator agreement with PG&E with respect to the Project. If Purchaser makes this election, the Parties shall engage in negotiations for such agreement. In the event the Parties successfully negotiate and agree to execute such agreement ("Scheduling Coordinator Agreement"), each Party shall deliver a duly authorized executed version of the Scheduling Coordinator Agreement to the other Party promptly following its respective execution; provided that, the respective deliveries of such executed Scheduling Coordinator Agreement shall not be a condition precedent to, or delay in any way, the Closing.

10.10 Disclosure Requirements. PG&E is, or may be, required under California law to disclose if the Fee Parcel lie within the following natural hazard areas or zones (a) a special flood hazard area designated by the Federal Emergency Management Agency (Government Code Section 8589.3); (b) an area of potential flooding shown on a dam failure inundation map (Government Code Section 8589.4); (c) a very high fire hazard severity zone ("Fire Hazard Severity Zone") (Government Code Section 51183.5); (d) a wildland area that may contain substantial forest fire risks and hazards ("Wildland Fire Zone") (Public Resources Code Section 4136); (e) an earthquake fault zone (Public Resources Code Section 2621.9); or (f) a seismic hazard zone (Public Resources Code Section 2694). Purchaser acknowledges and understands that (i) if the Fee Parcel are located in a Fire Hazard Severity Zone, the owner is subject to the maintenance requirements of Government Code Section 51182; and (ii) if the Fee Parcel are located in a Wildland Fire Zone, it is subject to the maintenance requirements of Public Resources Code Section 4291, and it is not the State of California's responsibility to provide fire protection services to any building or structure located within a Wildland Fire Zone unless the Department of Forestry

and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Public Resources Code Section 4142. In addition, if the Fee Parcel are situated in one or more of the hazard zones described above, the ability to improve the Fee Parcel, obtain insurance, or receive assistance after a disaster may be limited. Purchaser further acknowledges that the maps on which the natural hazard disclosures are based only estimate where natural hazards exist, and are not definitive indicators of whether or not a property will be affected by a natural disaster. PG&E has employed the services of a Natural Hazards Expert to examine the maps and other information specifically made available to the public by government agencies for the purpose of enabling PG&E to fulfill the foregoing disclosure obligations. A copy of the Natural Hazards Report has been provided to Purchaser. Purchaser acknowledges that the Natural Hazards Report deals with matters within the scope of the Natural Hazards Expert's professional license or expertise. PG&E shall not be liable for any error, inaccuracy or omission of any information relating to natural hazards disclosures not within its personal knowledge. Except as expressly provided herein, PG&E has made no representations regarding the seismic, geologic or other natural hazards affecting the Fee Parcel, or the effect thereof on the future use or development thereof, and Purchaser should make its own inquiry and investigation of such hazards. Further, Purchaser hereby waives, to the fullest extent permitted by law, any other disclosure requirements relating to natural hazards imposed on PG&E by California law.

10.11 Environmental Matters. From the Closing Date until the conclusion of the PG&E Remediation Period, PG&E shall undertake and pay for Remediation of any Pre-Closing Environmental Condition to the extent that Remediation is required under Environmental Laws, subject to the following conditions:

(a) Purchaser has provided PG&E with written notice within the PG&E Remediation Period of the existence of the Pre-Closing Environmental Condition; and

(b) Purchaser's written notice of the Pre-Closing Environmental Condition specifies, in reasonable detail, the facts known to Purchaser regarding the existence of the Pre-Closing Environmental Condition and includes the results of independent laboratory tests evidencing the presence of Hazardous Substances at the Fee Parcels.

ARTICLE 11

SURVIVAL AND INDEMNIFICATION

11.1 Survival of the Parties' Representations, Warranties and Covenants. The representations and warranties of PG&E and Purchaser contained in this Agreement or in any instrument delivered in connection herewith shall survive the Closing only until the expiration of six (6) months after the Closing Date. Unless a specified survival period is otherwise set forth in this Agreement (in which event such specified period will control), the covenants in this Agreement or in any instrument delivered in connection herewith shall survive the Closing and remain in effect until six (6) months after the Closing Date. Any indemnification claim that is not asserted by a Notice of Claim (given as herein provided) relating thereto within the applicable survival period specified above may not be pursued and is hereby irrevocably waived after such

period. Any Third Party Claim for an Indemnifiable Loss asserted within such period of survival as herein provided will be timely made for purposes hereof.

11.2 Indemnification by PG&E.

(a) Purchaser Claims. Except as otherwise provided in Section 11.2(b) (PG&E's Exceptions) and subject to the limitations set forth in this Article XI, PG&E shall indemnify, defend and hold harmless Purchaser and each of its officers, directors, employees, attorneys, agents and successors and assigns (collectively, "Purchaser Group"), from and against any and all damages, claims, losses, liabilities, obligations, costs and expenses, including reasonable legal, accounting and other expenses, and the costs and expenses (collectively, "Damages") of any and all actions, suits, proceedings, demands, assessments, judgments, settlements and compromises, which arise out of or relate to the following (collectively, "Purchaser Claims"):

- (i) any breach or violation by PG&E of this Agreement;
- (ii) any breach of the representations or warranties of PG&E set forth in Article VIII;
- (iii) any loss or damage directly resulting from PG&E's ownership, operation, or maintenance or management of the Excluded Assets;
- (iv) any personal injury or death to a third party or property damage that (1) occurs before the Closing Date and (2) was caused or ultimately determined to be caused directly or indirectly by PG&E's operation, or maintenance, or management of the Project; or
- (v) any Retained Liabilities.

(b) PG&E's Exceptions. Purchaser Claims shall not include any damages, claims, losses, liabilities and expenses to the extent Purchaser has agreed to provide indemnification therefore pursuant to Section 11.3 (Indemnification by Purchaser), which Purchaser has agreed to assume pursuant to this Agreement, or which result from Purchaser's negligence or willful misconduct.

11.3 Indemnification by Purchaser.

(a) PG&E Claims. Except as otherwise specifically provided in Section 11.3(b) and subject to the limitations set forth in this Article XI, Purchaser shall indemnify, defend and hold harmless PG&E and its parents and Affiliates and each of their officers, directors, employees, attorneys, agents and successors and assigns (collectively, "Seller Group"), from and against any and all Damages of any and all actions, suits, proceedings, demands, assessments, judgments, settlements and compromises, which arise out of or relate to the following (collectively, "Seller Claims"):

- (i) any breach or violation by Purchaser of this Agreement;
- (ii) any breach of the representations or warranties of Purchaser set forth in Article IX;

(iii) Purchaser's ownership, operation, maintenance or use of any of the Assets; or

(iv) any Assumed Liabilities.

(b) Purchaser Exceptions. Seller Claims shall not include any damages, claims, losses, liabilities and expenses to the extent PG&E has agreed to provide indemnification therefor pursuant to Section 11.2 (Indemnification by PG&E), which PG&E has agreed to assume pursuant to this Agreement, or which result from PG&E's negligence or willful misconduct.

11.4 Each Party's Limitation of Liability to the Other Party/Liquidated Damages.

Notwithstanding any other provision of this Agreement:

(a) Of PG&E. PG&E's aggregate liability to Purchaser and any member of the Purchaser Group for Damages incurred by Purchaser or any member of the Purchaser Group under Section 11.2 (Indemnification by PG&E) or otherwise for a breach or default of this Agreement, whether as a result of a single claim or multiple claims, shall be limited to the amount of One Million Dollars (US \$\$ 1,000,000) in the aggregate for all such breaches or defaults, together with any interest recoverable thereon pursuant to this Agreement or applicable law. The limitations contained in this section shall apply to claims of any nature against PG&E including indemnification obligations, except for those indemnification obligations under Section 11.2(a) for breaches of any representations, warranties or covenants in this Agreement which breach is the result of or arises out of fraud, intentional misrepresentation or intentional torts of PG&E.

(b) Of Purchaser. Purchaser's aggregate liability to PG&E and any member of the Seller Group for Damages incurred by PG&E or any member of the Seller Group under Section 11.3 (Indemnification by Purchaser) or otherwise for a breach or default of this Agreement, whether as a result of a single claim or multiple claims, shall be limited to the amount of One Million Dollars (US \$\$ 1,000,000) in the aggregate for all such breaches or defaults, together with any interest recoverable thereon pursuant to this Agreement or applicable law. The limitations contained in this section shall apply to claims of any nature against Purchaser including indemnification obligations, except for those indemnification obligations under Section 11.3(a) for breaches of any representations, warranties or covenants in this Agreement which breach is the result of or arises out of fraud, intentional misrepresentation or intentional torts of Purchaser.

(c) Liquidated Damages. Notwithstanding Section 11.4(b) and in the event PG&E terminates this Agreement because of a breach or default of Purchaser prior to the Closing, Purchaser shall pay to PG&E as liquidated damages a sum equal to One Hundred Thousand Dollars (US \$100,000). Purchaser shall make such payment no later than five (5) Business Days following the date of termination in the form of a wire transfer in United States dollars in immediately available funds to the account(s) designated by PG&E. PG&E's receipt of such payment shall be its sole remedy for such breach or default by Purchaser prior to the Closing, in lieu of any other damages, monetary relief, or other

remedy to which it otherwise might be entitled under this Agreement or at law on account of any such default. The Parties have determined and agree that the actual amount of damage that would be suffered by PG&E as a result of such a default by Purchaser is difficult or impracticable to determine as of the Execution Date and that the amount of the liquidated damages is a reasonable estimate of the amount of such damages.

11.5 Insurance Recovery. The amount of Damages for which a Party may be liable under this Agreement for a given claim shall be reduced dollar for dollar by the amount of Damages recovered by the Party seeking indemnity from an insurer or other third party with respect to such claim; provided, that a Party need not collect its claims or exhaust its rights to a claim with an insurer prior to receipt of the indemnity hereunder.

11.6 Notice of Claim. Subject to the terms of this Agreement and upon obtaining knowledge of a claim for which it is entitled to indemnity under this Article XI, the Party seeking indemnification hereunder (“Indemnatee”) shall promptly notify the Party against whom indemnification is sought (“Indemnitor”) in writing of any damage, claim, loss, liability or expense which the Indemnatee has determined has given or could give rise to a claim under Section 11.2 or Section 11.3 (such written notice is referred to as a “Notice of Claim”). A Notice of Claim shall specify, in reasonable detail, the facts known to the Indemnatee regarding the claim. Subject to the terms of this Agreement, the failure to provide (or timely provide) a Notice of Claim shall not affect the Indemnatee’s rights to indemnification, except as otherwise provided by the specific time frames set forth in this Article XI; provided, however, the Indemnitor is not obligated to indemnify the Indemnatee for the increased amount of any claim which would otherwise have been payable to the extent that the increase resulted from the failure to deliver timely a Notice of Claim.

11.7 Defense of Third Party Claims.

(a) Notice of Claim. If an Indemnatee receives notice of the assertion or commencement of a Third Party Claim against it with respect to which an Indemnitor is obligated to provide indemnification under this Agreement, such Indemnatee shall give such Indemnitor a Notice of Claim as promptly as practicable, but in any event not later than ten (10) calendar days after such Indemnatee’s receipt of notice of such Third Party Claim. Such Notice of Claim shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate, if reasonably practicable, the estimated amount of the Indemnifiable Loss that has been or may be sustained by the Indemnatee. The Indemnitor shall have the right to participate in, or, by giving written notice to the Indemnatee, to assume the defense of any Third Party Claim at such Indemnitor’s own expense and by such Indemnitor’s own counsel (as is reasonably satisfactory to the Indemnatee), and the Indemnatee shall cooperate in good faith in such defense.

(b) Defense of Claim. If, within ten (10) calendar days after giving a Notice of Claim regarding a Third Party Claim to an Indemnitor pursuant to Section 11.7(a), an Indemnatee receives written notice from such Indemnitor that the Indemnitor has elected to assume the defense of such Third Party Claim as provided in the last sentence of Section 11.7(a), the Indemnitor shall not be liable for any legal expenses subsequently incurred by the Indemnatee in connection with the defense thereof; provided, however, that

if the Indemnitor fails to take reasonable steps necessary to defend diligently such Third Party Claim within ten (10) calendar days after receiving written notice from the Indemnitee that the Indemnitee believes the Indemnitor has failed to take such steps, or if the Indemnitor has not undertaken fully to indemnify the Indemnitee in respect of all Indemnifiable Losses relating to the matter, the Indemnitee may assume its own defense, and the Indemnitor shall be liable for all reasonable costs or expenses, including attorneys' fees, paid or incurred in connection therewith. Without the prior written consent of the Indemnitee, the Indemnitor shall not enter into any settlement of any Third Party Claim which would lead to liability or create any financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification hereunder; provided, however, that the Indemnitor may accept any settlement without the consent of the Indemnitee if such settlement provides a full release to the Indemnitee and no requirement that the Indemnitee acknowledge fault or culpability. If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification hereunder and the Indemnitor desires to accept and agrees to such offer, the Indemnitor shall give written notice to the Indemnitee to that effect. If the Indemnitee fails to consent to such firm offer within ten (10) calendar days after its receipt of such notice, the Indemnitee may continue to contest or defend such Third Party Claim and, in such event, the maximum liability of the Indemnitor to such Third Party Claim shall be the amount of such settlement offer, plus reasonable costs and expenses paid or incurred by the Indemnitee up to the date of such notice.

(c) Failure to Provide Notice. A failure to give timely notice or to include any specified information in any notice as provided in Sections 11.7(a) or 11.7(b) shall not affect the rights or obligations of any Party hereunder except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise materially damaged as a direct result of such failure.

(d) Direct Claims. Any Direct Claim must be asserted by giving the Indemnitor written notice thereof, stating the nature of such claim in reasonable detail and indicating the estimated amount, if practicable. The Indemnitor shall have a period of sixty (60) calendar days from receipt of such notice within which to respond to such Direct Claim. If the Indemnitor does not respond within such sixty-day period, the Indemnitor shall be deemed to have accepted such Direct Claim. If the Indemnitor rejects such Direct Claim, the Indemnitee shall be free to seek enforcement of its rights to indemnification under this Agreement.

(e) Subrogation of Rights. Upon making any indemnity payment, the Indemnitor shall, to the extent of such indemnity payment, be subrogated to all rights of the Indemnitee against any third party in respect of the Indemnifiable Loss to which the indemnity payment relates; provided that (i) the Indemnitor is in compliance with its obligations under this Agreement in respect of such Indemnifiable Loss, and (ii) until the Indemnitee recovers full payment of its Indemnifiable Loss, any and all claims of the Indemnitor against any such third party on account of said indemnity payment are hereby made expressly subordinated and subjected in right of payment to the Indemnitee's rights

against such third party. Without limiting the generality or effect of any other provision hereof, each such Indemnatee and Indemnitor shall execute upon request all instruments reasonably necessary to evidence and perfect the above-described subrogation and subordination rights.

ARTICLE 12

MISCELLANEOUS AGREEMENTS AND ACKNOWLEDGMENTS

12.1 Expenses. Except as otherwise provided herein, each Party is responsible for its own costs and expenses (including attorneys' and consultants' fees, costs and expenses) incurred in connection with this Agreement and the consummation of the Acquisition contemplated by this Agreement.

12.2 Entire Document. This Agreement (including the Exhibits and Schedules to this Agreement) contains the entire agreement between the Parties with respect to the Acquisition contemplated hereby, and supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the Execution Date of this Agreement, written or oral. No waiver and no modification or amendment of any provision of this Agreement is effective unless made in writing and duly signed by the Parties referring specifically to this Agreement, and then only to the specific purpose, extent and interest so provided.

12.3 Exhibits and Schedules. The Exhibits and Schedules delivered pursuant to the terms of this Agreement are an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

12.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered by electronic mail (including pdf or any electronic signature complying with the federal ESIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.) or other applicable law) or other agreed transmission method and any other counterpart so delivered shall have the same legal effect as an original.

12.5 Severability. If any provision hereof is held invalid or unenforceable by any arbitrator or court or as a result of future legislative action, this holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof.

12.6 Assignability. This Agreement is binding upon and inures to the benefit of the successors and assigns of the Parties, but is not assignable by any Party without the prior written consent of the other Party, which consent may be granted or withheld in such Party's sole discretion. Any such assignment is conditioned on the assignee's agreement in writing to assume the assigning Party's duties and obligations under this Agreement. Any assignment effected in accordance with this Section 12.6 shall not relieve the assigning Party of its obligations and liabilities under this Agreement unless otherwise agreed by the Parties.

12.7 Captions. The captions of the various Articles, Sections, Exhibits and Schedules of this Agreement have been inserted only for convenience of reference and do not modify, explain, enlarge or restrict any of the provisions of this Agreement.

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12.8 Governing Law. The validity, interpretation and effect of this Agreement are governed by and shall be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

12.9 Dispute Resolution.

(a) Intent of the Parties. Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement is the dispute resolution procedure set forth in this Section 12.9. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless shall continue to pursue resolution of the dispute by means of this procedure.

(b) Management Negotiations.

(i) The Parties shall attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each, a "Manager"). Either Manager may request a meeting (such meeting to be held in person or telephonically) to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive(s)"), who shall have authority to settle the dispute. Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another written notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(ii) Within five (5) Business Days of the Referral Date the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) calendar days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

(iii) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(iv) If the matter is not resolved within forty-five (45) calendar days of the Referral Date, or if the Party receiving the written request to meet, pursuant to subsection (i) above, refuses or does not meet within the ten (10) Business Day period specified in subsection (i) above, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 12.9(c).

(c) Mediation and Arbitration. If the dispute cannot be so resolved by negotiation as set forth in Section 12.9(b) above, it shall be resolved at the request of either Party through a two-step dispute resolution process administered by JAMS. As the first

step the Parties agree to mediate any controversy before a mediator from the JAMS, pursuant to the applicable JAMS commercial mediation rules, in San Francisco, California. Either Party may begin mediation by serving a written demand for mediation. The mediator shall not have the authority to require, and neither Party may be compelled to engage in, any form of discovery prior to or in connection with the mediation. If within sixty (60) calendar days after service of a written demand for mediation, the mediation does not result in resolution of the dispute, then the controversy shall be settled by arbitration conducted by a retired judge or justice from JAMS conducted in San Francisco, California, administered by and in accordance with the applicable JAMS commercial arbitration rules (“Arbitration”). The period commencing from the date of the written demand for mediation until the appointment of a mediator shall be included within the sixty (60) day mediation period. Any mediator(s) and arbitrator(s) shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate arbitration by filing with JAMS a notice of intent to arbitrate within sixty (60) calendar days of service of the written demand for mediation.

(d) Arbitration Procedures. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) calendar days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(i) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two “last and best” offers submitted, and shall not determine an alternative or compromise remedy.

(ii) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other damages contemplated by this Agreement.

(iii) The arbitrator’s award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The Sacramento County Superior Court may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in *Advanced Micro Devices, Inc. v. Intel Corp.*, 9 Cal. 4th 362 (1994), and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court

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judge enforcing California law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys' fees.

(iv) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him.

Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

12.10 No Consequential Damages. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE, EXCEPT UNDER ARTICLE XI IN RESPECT OF THIRD PARTY CLAIMS. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF ARTICLE XI, IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES, INCLUDING THE LIMITATIONS OF LIABILITY AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES, BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE, AND SHALL APPLY IRRESPECTIVE OF WHETHER A PARTY OR ANY AFFILIATE THEREOF, OR ANY PARTNER, MEMBER, SHAREHOLDER, OFFICER, DIRECTOR OR EMPLOYEE OF A PARTY OR AN AFFILIATE THEREOF, ASSERTS A THEORY OF LIABILITY IN CONTRACT, TORT, NEGLIGENCE, MISREPRESENTATION (INCLUDING NEGLIGENT MISREPRESENTATION), STRICT LIABILITY, STATUTORY LIABILITY, OR ANY THEORY OF LIABILITY.

12.11 Notices. All notices, requests, demands and other communications under this Agreement must be in writing and must be delivered in person or sent by overnight delivery using a nationally recognized delivery service, or by electronic mail (with a copy of the notice given no later than the next Business Day in one of the other forms described in this Section 12.11), and properly addressed as follows:

If to PG&E:

Stephanie Maggard, Director, Portfolio Strategy
Pacific Gas and Electric Company
245 Market Street, N11E
San Francisco, CA 94105
Email: stephanie.maggard@pge.com

With copies to:

Jason Hannigan, Senior Counsel

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Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Email: jason.hannigan@pge.com

If to Purchaser:

Manager

Ted S. Sorenson, PE
711 E Turtle Point Drive
Ivins, UT 84738

Email: ted@tsorenson.net

With copies to:

Miriah R. Elliott
711 E Turtle Point Drive
Ivins, UT 84738
Email: miriah@tsorenson.net

Any Party may from time to time change its address for the purpose of notices to that Party by a similar notice specifying a new address, but no such change is effective until it is actually received by the Party sought to be charged with its contents.

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 12.11 are effective upon delivery, provided that in the case of a notice sent by electronic mail a copy of the notice given is sent no later than the next Business Day following the date on which the electronic mail was sent in one of the other forms described in this Section 12.11.

12.12 Termination.

(a) Rights To Terminate. This Agreement may, by written notice given to the non-terminating Party on or prior to the Closing Date or within any other specific time period set forth below after the occurrence of the event giving rise to the Party's right to terminate, in the manner provided in this Section 12.12, be terminated at any time prior to the Closing Date as provided below:

(i) by PG&E if there has been a material misrepresentation or a material default or breach by Purchaser with respect to any of Purchaser's representations and warranties in this Agreement or the due and timely performance of any of Purchaser's covenants and agreements contained in this Agreement, and such misrepresentation, default or breach is not cured (1) within ten (10) calendar days of written notice from PG&E specifying particularly such misrepresentation, default or breach in the case of any of Purchaser's payment obligations, or (2) within thirty (30) calendar days of written notice from PG&E specifying particularly such

EXECUTION VERSION

misrepresentation, default or breach in all other cases; provided, however, no right of termination shall arise under this subsection (2) if such misrepresentation, default or breach is not able to be cured in such thirty-day period, and Purchaser is in the process of curing the misrepresentation, default or breach in such thirty-day period and shall have cured the misrepresentation, default or breach within ninety (90) calendar days of written notice from PG&E thereof;

(ii) by Purchaser if there has been a material misrepresentation or a material default or breach by PG&E with respect to PG&E's representations and warranties in this Agreement or the due and timely performance of PG&E's covenants and agreements contained in this Agreement, and such misrepresentation, default or breach is not cured (1) within ten (10) calendar days of written notice from Purchaser specifying particularly such misrepresentation, default or breach in the case of any of PG&E's payment obligations, or (2) within thirty (30) calendar days of written notice from Purchaser specifying particularly such misrepresentation, default or breach in all other cases, provided, however, no right of termination shall arise under this subsection (2) if such misrepresentation, default or breach is not able to be cured in such thirty-day period, and PG&E is in the process of curing the misrepresentation, default or breach in such thirty-day period and shall have cured the misrepresentation, default or breach within ninety (90) calendar days of written notice from Purchaser thereof;

(iii) by Purchaser or PG&E if a Catastrophic Failure has occurred and an Election to Terminate has been made in accordance with Section 3.6;

(iv) by Purchaser if it has made an election to terminate in accordance with Section 3.7(b);

(v) as provided in the opening paragraph of Article VIII;

(vi) by mutual agreement of the Parties; or

(vii) by PG&E if the mutual conditions precedent set forth in Article 4 have not been satisfied or waived on or before the date that is eighteen (18) months after execution of this Agreement.

(b) Effect of Termination. If this Agreement is terminated pursuant to Section 12.12(a), all further obligations and liabilities of the Parties hereunder shall terminate, except (i) as otherwise contemplated by this Agreement, (ii) for the obligations set forth in Section 3.5 (Publicity), Section 10.2 (Confidentiality), Article XI (Indemnification), and Article XII (Miscellaneous Agreements and Acknowledgements), and (iii) for the obligations of the Parties set forth in the Confidentiality Agreement; provided, that if such termination is the result of a misrepresentation or default or breach by a Party under this Agreement, the other Party shall have the right to exercise any and all rights and remedies, including the recovery of Damages permitted under this Agreement or available at law or in equity, subject to the limitations of liability set forth in Section 11.4 (Each Party's Limitation of Liability to the Other Party/Liquidated Damages) and Section 12.10 (No Consequential Damages).

12.13 No Third Party Beneficiaries. Except as may be specifically set forth in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights

EXECUTION VERSION

or remedies under or by reason of this Agreement on any Persons other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Persons to any Party, nor give any third Persons any right of subrogation or action against any Party.

12.14 No Joint Venture. Nothing contained in this Agreement creates or is intended to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to any Party.

12.15 Construction of Agreement. Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in the manner that most accurately reflects the Parties' intent as of the date they executed this Agreement.

12.16 Conflicts. In the event of any conflicts or inconsistencies between the terms of this Agreement and the terms of any Exhibit or Schedule, the terms of this Agreement shall govern and prevail. In the event of any conflict between the allocation of liability between the Parties under applicable Environmental Laws and the allocation of liability between the Parties under this Agreement, the allocation of liability under applicable Environmental Laws shall govern.

12.17 Consent to Venue and Jurisdiction. EACH OF PG&E AND PURCHASER CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA FOR ADJUDICATION OF A PRELIMINARY INJUNCTION OR OTHER PROVISIONAL JUDICIAL REMEDY AS PROVIDED IN SECTION 12.9 (DISPUTE RESOLUTION). EACH OF PG&E AND PURCHASER ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. NOTHING IN THIS SECTION 12.17 IS INTENDED TO MODIFY OR EXPAND THE TERMS AND PROVISIONS OF SECTION 12.9(a).

[Remainder of page intentionally left blank]

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date set forth above.

TULE HYDRO LLC

E-SIGNED by Ted Sorenson
on 2021-11-30 21:45:01 GMT

By: _____
Ted S. Sorenson, Manager

PACIFIC GAS AND ELECTRIC COMPANY

E-SIGNED by James Welsch
on 2021-12-01 21:13:29 GMT

By: _____
James M. Welsch, Senior Vice President,
Generation and Chief Nuclear Officer

EXHIBIT A

BILL OF SALE

This BILL OF SALE, dated as of [_____,] (the “Effective Date”), is made by and between Pacific Gas and Electric Company, a California corporation (“Seller”), and Tule Hydro, LLC, a Utah limited liability company registered to do business in California (“Buyer”).

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Seller irrevocably sells, conveys, assigns, transfers, and delivers to Buyer all of its right, title and interest in and to the assets identified in Attachment 1 hereto (“Bill of Sale Assets”).

This Bill of Sale is given pursuant to that certain Tule River Project Asset Purchase and Sale Agreement dated as of _____ by and between Seller and Buyer (the “Purchase Agreement”), providing for, among other things, the conveyance of the Bill of Sale Assets.

Buyer hereby accepts the foregoing sale, conveyance, assignment and transfer and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the duties, liabilities and obligations of Seller relating to the Bill of Sale Assets in accordance with the Purchase Agreement. Buyer will be entitled to possession of the Bill of Sale Assets at the location of such assets at the time of close of escrow under the Purchase Agreement and Seller will reasonably cooperate in the transfer and delivery of the Bill of Sale Assets to Buyer’s possession and control.

This Bill of Sale is made without any covenant, warranty or representation by Seller of any kind whatsoever, except as expressly set forth in the Purchase Agreement, and is made subject to the disclaimers set forth in Section 10.5 of the Purchase Agreement and all other terms and conditions of the Purchase Agreement.

This Bill of Sale may be executed in any number of counterparts, each of which is an original, but all of which together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

EXHIBIT A

IN WITNESS WHEREOF, the duly authorized representatives of the undersigned parties have executed and delivered this Bill of Sale as of the Effective Date set forth above.

SELLER:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

BUYER:

TULE HYDRO, LLC,
a Utah limited liability company registered to do business in California

By: _____

Print Name: _____

Its: _____

ATTACHMENT 1
BILL OF SALE ASSETS

A. Tule River Project Description

[INSERT FROM SCHEDULE 2.1(a)]

B. Tangible Personal Property

[INSERT FROM SCHEDULE 2.1(b)]

C. Project Records

[INSERT FROM SCHEDULE 2.1(g)]

EXHIBIT B1

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Assignment”), dated as of [__,_] (the “Effective Date”), is made by and between Pacific Gas and Electric Company, a California corporation (“Assignor”), and Tule Hydro LLC, a Utah limited liability company registered to do business in California (“Assignee”).

WITNESSETH:

WHEREAS, Assignor and Assignee are parties to that certain Tule River Project Asset Purchase and Sale Agreement, dated as of _____ (the “Purchase Agreement”);

WHEREAS, the Purchase Agreement provides for, among other things, the execution and delivery of an assignment and assumption agreement to effect the sale by Assignor to Assignee of all of Assignor’s right, title and interest in and to the Tule River Assets identified in Attachment 1 hereto (“Assigned Assets”); and

WHEREAS, Assignor desires to assign and transfer to Assignee, and Assignee desires to assume and accept, all of Assignor’s rights, duties and obligations under and pursuant to the Assigned Assets in accordance with the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used herein without other definition have the meanings given to them in the Purchase Agreement.
2. Assignment. Assignor hereby irrevocably sells, conveys, assigns and transfers to Assignee all of its right, title and interest in and to, and all of its duties, liabilities and obligations under or pursuant to, the Assigned Assets.
3. Assumption. Assignee hereby assumes and accepts all of Assignor’s right, title and interest in and to, and all of Assignor’s duties, liabilities and obligations under or pursuant to, the Assigned Assets, and agrees to perform under and be bound by the terms of the Assigned Assets.
4. Disclaimer. The assignment and assumption hereunder is made without any covenant, warranty or representation by Assignor of any kind whatsoever, except as expressly set forth in the Purchase Agreement, and is made subject to the disclaimers set forth in Section 10.5 of the Purchase Agreement and all other terms and conditions of the Purchase Agreement.
5. Effectiveness. This assignment shall become effective as of the Closing Date.
6. Further Assurances. Assignor and Assignee each agrees to execute and deliver such additional instruments as may reasonably be requested by the other to give effect to,

EXHIBIT B1

document or further assure the transfer, acceptance and assumption of the Assigned Assets as provided for herein.

7. Successors and Assigns. This Assignment is binding upon and inures to the benefit of the successors and assigns of the Assignor and Assignee, respectively.

8. General. In the event of any conflict or ambiguity between the terms of the Purchase Agreement and the terms of this Assignment, the terms of the Purchase Agreement shall govern. This Assignment may be executed in any number of counterparts, each of which is an original, but all of which together constitute one and the same instrument. If any provision of this Assignment is held invalid or unenforceable, such provision shall be deemed to be severed from this Assignment, and the validity and enforceability of the remaining provisions contained herein shall not be affected or impaired in any way thereby.

9. Governing Law. The validity, interpretation and effect of this Assignment shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law.

[Remainder of Page Intentionally Left Blank]

EXHIBIT B1

IN WITNESS WHEREOF, the duly authorized representatives of the undersigned parties have executed and delivered this Assignment as of the Effective Date set forth above.

ASSIGNOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

ASSIGNEE:

TULE HYDRO LLC,
a Utah limited liability company registered to do business in California

By: _____

Print Name: _____

Its: _____

EXHIBIT B1

ATTACHMENT 1

ASSIGNED ASSETS

A. Governmental Approvals, Permits and Consents

[INSERT FROM SCHEDULE 2.1(d)]

B. Kern Canyon License

[INSERT FROM SCHEDULE 2.1(e)]

EXHIBIT B2

Assignment of Rights, REV 9/18

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY***245 Market Street, N10A, Room 1015******P.O. Box 770000******San Francisco, California 94177***

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- ☐ This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- ☐ Computed on Full Value of Property Conveyed, or
- ☐ Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- ☐ Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Signature of declarant or agent determining tax**LD#****ASSIGNMENT**

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, hereby assigns to TULE HYDRO, LLC, a Utah limited liability company, hereinafter called Assignee all of PG&E's right, title and interest in and under those certain rights of way and easements for electric distribution and transmission facilities granted by and described in the deeds set forth in Exhibit "A" attached hereto and made a part hereof.

PG&E also apportions and partially assigns to Grantee the right of way and easement for the Tule-Springville 70kV line granted by the U.S. Department of Agriculture Forest Service in the Electric Transmission Line Easement, Authorization ID SQF02262019, dated March 1, 2019.

Assignee hereby accepts the foregoing assignment. [Placeholder to refer to any modification by the USFS]

This assignment of rights is executed pursuant to the California Public Utilities Commission (CPUC) Resolution/Decision _____ dated _____, authorizing the sale of PG&E's _____ facilities described in PG&E's Application _____ to the CPUC dated _____.

Dated _____, 20____.

ASSIGNOR:
PACIFIC GAS AND ELECTRIC COMPANY

By _____

Name: _____

EXHIBIT B2

ASSIGNEE:
TULE HYDRO LLC,
a Utah limited liability company

By: _____

Name: _____

Its: _____

EXHIBIT B2

EXHIBIT A
Summary of Rights

[INSERT FROM SECTION 1 OF SCHEDULE 2.1(I)]

Exhibit “A”

PG&E L.D.	Grantor/Document Title	Date	Recording Information (Official Records)		
			County	Book or Year	Page or Document ID#
2221-28-0025	Velma Gill	7/23/1969	Tulare	2953	721
2221-28-0024	Will Gill & Sons	7/29/1957	Tulare	2024	731
2221-29-0027	Will Gill & Sons	11/22/1957	Tulare	2034	374
N/A	Tulare County Request No. 79172	11/7/1978	Tulare	3591	172
2220-29-0025	Mark L. Borrer and Fern A. Borrer	1/28/1972	Tulare	3019	540
N/A	Tulare County Resolution No. 78 3013	2/21/1974	Tulare	3162	201
2220-29-0025	Mark L. Borrer and Fern A. Borrer	1/28/1972	Tulare	3019	540
2221-29-0028	Southern Pacific Railroad	5/1/1919	Tulare	N/A	N/A

EXHIBIT B3

ASSIGNMENT AND ASSUMPTION OF LEASES AND OCCUPANCY AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND OCCUPANCY AGREEMENTS ("AGREEMENT"), DATED FOR REFERENCE PURPOSES ONLY AS OF _____, 20__, IS MADE BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION ("ASSIGNOR"), AND TULE HYDRO, LLC, A UTAH LIMITED LIABILITY COMPANY ("ASSIGNEE").

RECITALS

A. This Agreement is delivered pursuant to that certain Purchase and Sale Agreement ("Purchase and Sale Agreement") dated _____, by and among Assignor, as Grantor, Assignee, as Fee Grantee, relating to the real property located in the County of Tulare, State of California, as more particularly described in Exhibit A attached hereto and made a part hereof ("Real Property").

B. Unless otherwise specifically provided herein, all provisions of this Agreement shall be effective as of the date ("Effective Date") that the grant deed conveying title to the Real Property to Assignee is recorded in the official records of Tulare County.

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment.

Assignor hereby sells, transfers, assigns and conveys to Assignee all of Assignor's right, title and interest, if any, in and to the leases, licenses and other occupancy agreements, as amended, affecting the Real Property, and all guarantees thereof, set forth on Exhibit B attached hereto and made a part hereof (the "Leases"), to the extent the same are assignable by their respective terms and not revoked, terminated or subject to revocation or termination upon such assignment.

2. Acceptance and Assumption.

Assignee hereby accepts the foregoing transfer, assignment and conveyance and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Leases first arising and accruing on and after the Effective Date.

3. No Representation or Warranty.

The assignment is made without any covenant, representation or warranty by, or recourse against, Assignor or Assignor's Affiliates (as defined below) of any kind whatsoever.

4. Waiver and Release.

Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's present or future officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals and representatives, and their respective heirs, successors and assigns (collectively, "Assignor's Affiliates"), and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Leases. With respect to the foregoing release, Assignee hereby acknowledges that such release is made with the advice of counsel and with full knowledge and understanding of the consequences and effects of such release.

EXHIBIT B3

Further, as to unknown and unsuspected claims as of the Effective Date, Assignee hereby acknowledges that such release is made with the full knowledge, understanding and agreement that California Civil Code Section 1542 provides as follows, and Assignee hereby agrees that the protection afforded by said Code Section and any similar law of any other state, territory or jurisdiction is specifically waived:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

ASSIGNEE:

TULE HYDRO LLC, a Utah Limited Liability Company

By _____

Name: _____

Its: _____

By _____

Name: _____

Its: _____

5. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

EXHIBIT B3

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Agreement.

ASSIGNOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Dated: _____, ____

By: _____

Name: _____

ASSIGNEE:

TULE HYDRO LLC, a Utah Limited Liability Company

Dated: _____, ____

By _____

Name: _____

Its: _____

Dated: _____, ____

By _____

Name: _____

Its: _____

Dated: _____, ____

By _____

Name: _____

Its: _____

EXHIBIT B3

1. EXHIBITS.

The following Exhibits attached to this Lease are incorporated herein by this reference:

Exhibit A	Legal Description of Properties
Exhibit B	Leases

(No further text on this page)

EXHIBIT B3

Exhibit A

Legal Description of Properties

SBE 135-04-003-2 (portion)
APN 220-030-017
LCPID # 703
PG&E LD 2125-04-0005

All that certain parcel of land situate in the southeast one-quarter of Section 7, Township 20 South, Range 31 East, Mount Diablo Base and Meridian, recorded on February 26, 1912, in Volume 194, page 83 of Deeds, of the County of Tulare; being that portion excepted by Pacific Gas and Electric Company from the deed to Doyle Springs Association recorded on October 27, 1969, in Book 2864, page 113 of Official Records, County of Tulare, State of California, particularly described as follows:

Beginning at the blazed oak tree marking the south one-quarter of said Section 7; thence, South 88 degrees 30 minutes East along the southerly boundary line of said Section 7, 1563.43 feet; thence, North 71 degrees 16 minutes 30 seconds West 263.18 feet; thence, West 808 feet, more or less, to a point on the westerly boundary line of the southeast one-quarter of said Section 7; thence, Southerly, along the westerly boundary Line of the southeast one-quarter of said Section 7, a distance of 1195 feet, more or less, to the point of beginning.

EXHIBIT B3

EXHIBIT B

LEASES

[INSERT FROM SCHEDULE 2.1(j)]

[FOLLOWS THIS PAGE]

EXHIBIT B4

Assignment of Rights, REV 9/18

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY**245 Market Street, N10A, Room 1015****P.O. Box 770000****San Francisco, California 94177**

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- ☐ This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- ☐ Computed on Full Value of Property Conveyed, or
- ☐ Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- ☐ Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Signature of declarant or agent determining tax**LD#****QUITCLAIM DEED**

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, hereby quitclaims, transfers and conveys to TULE HYDRO, LLC, a Utah limited liability company, all of PG&E's right, title and interest in and under those certain rights of way and easements for electric distribution and transmission facilities granted by and described in the unrecorded deeds set forth in Exhibit "A" attached hereto and made a part hereof.

PG&E also hereby quitclaims, transfers and conveys all of PG&E's right, title and interest in and to its prescriptive claims associated with the construction, reconstruction, repair, replacement, access, patrol, operation and maintenance of portions of the Tule-Springville 70kV line, and appurtenances thereto, as set forth in Exhibit "B" attached hereto and made a part hereof.

The interests in real property hereby assigned or quitclaimed are no longer necessary or useful to PG&E in the performance by it of its duties to the public.

Dated _____, 20__.

PACIFIC GAS AND ELECTRIC COMPANY

By _____

Name: _____

EXHIBIT B4

TULE HYDRO LLC,
a Utah limited liability company

By: _____

Name: _____

Its: _____

EXHIBIT B4

[INSERT FROM SECTION 2 OF SCHEDULE 2.1(i)]

Exhibit "A" Unrecorded Easements

PG&E L.D.	Grantor	Original Grantee	Date	County	Tower No. or Span
2221-28-0023	Will Gill and Fred Gill	San Joaquin Light and Power Corporation	5/1/1913	Tulare	012/011 012/012 013/001 013/002 013/003 013/004 013/005 013/006 013/007 013/008 013/009 013/010 013/011 013/012 013/013 013/014 013/015 013/016 014/001 014/002 014/003 014/004 014/005 014/006
2221-29-0025	Not Legible	San Joaquin Light and Power Corporation	3/6/1913	Tulare	Span 016/006 016/007 016/008 016/009 016/010 016/011 016/012 016/013 016/014 016/015 016/016 017/001 017/002 017/003 017/005
2221-29-0024	Frank and Ellen Conlee	San Joaquin Light and Power Corporation	3/17/1913	Tulare	017/020 018/002 018/003 018/004 018/005 018/006 018/007 018/008 018/009 018/010 018/011 018/012 Span 018/013

EXHIBIT B4

PG&E L.D.	Grantor	Original Grantee	Date	County	Tower No. or Span
					Span 018/014 Span
2221-29-0026	Not Legible	San Joaquin Light and Power Corporation	7/28/1913	Tulare	Span 018/20 018/021 Span 018/022 018/023 018/024 Span
2220-29-0023	H. E. Sickles	San Joaquin Light and Power Corporation	11/1912	Tulare	Span 021/004 021/005 021/006 021/007 021/008 021/009 021/010 021/011
2221-29-0023	Not Legible	San Joaquin Light and Power Corporation	11/15/1913	Tulare	Span 019/002 019/003 019/004 019/005 019/006 019/007 019/008 Span 019/009 Span 019/010 019/011

EXHIBIT B4

[INSERT FROM SECTION 2 OF SCHEDULE 2.1(i)]

Exhibit “B” Prescriptive Claim

Tower No. or Span	Structure Type	APN	County		
Span 021/011 021/012 021/013 021/014 021/015 021/016 021/017 021/018 021/019 Span	Light Duty Steel Pole	307-270-001	Tulare		
Span 022/011 Span	Light Duty Steel Pole	307-020-004-000	Tulare		

EXHIBIT C

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

☐ This is a conveyance where the consideration and
Value is less than \$100.00 (R&T 11911).

☐ Computed on Full Value of Property Conveyed, or

☐ Computed on Full Value Less Liens
& Encumbrances Remaining at Time of Sale

☐ Exempt from the fee per GC 27388.1 (a) (2); This
document is subject to Documentary Transfer Tax

Signature of declarant or agent determining tax _____

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD# _____

DEED

GRANT DEED

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantor, hereby grants, (without warranty express or implied), to TULE HYDRO LLC, a Utah limited liability company, hereinafter called Grantee, the real property, situate in unincorporated Tulare County, State of California, described as follows (the "Property"):

(APN 220-030-017)

(SBE 135-54-008-1, 143-54-001-5)

PARCEL ONE

All that certain parcel of land situate in the Southeast one-quarter of Section 7, Township 20 South, Range 31 East, Mount Diablo Base and Meridian, in the deed recorded on February 26, 1912 in Volume 194, Page 83 of Deeds, of the County of Tulare; being that portion excepted by Pacific Gas and Electric Company from the deed to Doyle Springs Association recorded on October 27, 1969 in Book 2864, Page 113 of Official Records, of the County of Tulare, State of California, particularly described as follows:

Beginning at the blazed oak tree marking the South one-quarter corner of said Section 7; thence South 88°30' East along the Southerly boundary line of said Section 7, 1563.43 feet; thence North 1151.18 feet; thence West 575.00 feet; thence North 71°16'30" West 263.18 feet; thence West 808 feet, more or less, to a point on the Westerly boundary line of the Southeast one-quarter of said Section 7; thence Southerly, along the Westerly boundary line of the Southeast one-

EXHIBIT C

quarter of said Section 7, a distance of 1195 feet, more or less, to the point of beginning.

PARCEL TWO

The portions of Sections 31 and 32, Township 20 South, Range 30 East, Mount Diablo Base and Meridian, conveyed by A. G. Wishon and Etta E. Wishon, husband and wife, to San Joaquin Light and Power Corporation, Grantor's predecessor in interest, dated September 1, 1911, and recorded April 10, 1914, in Volume 217, Page 186 of Deeds, Tulare County Records.

Together with:

All of Grantor's right, title and interest in and to the following water right:

- (a) Grantor's post-1914 appropriative water right associated with the Tule River Project, as specified in Grantor's water right license #469 (Application 1458) which was issued by the State Water Resources Control Board.
- (b) Grantor's pre-1914 appropriative water rights associated with the Tule River Project, which are described in Grantor's Statements of Water Diversion and Use #1011 and #1012 which are on file with the State Water Resources Control Board.
- (c) All riparian water rights appurtenant to the above-described Property.

The conveyance by Grantor to Grantee pursuant to this Grant Deed is subject to:

- (a) a lien securing payment of non-delinquent real estate taxes and assessments; and
- (b) any exceptions to title disclosed by public records.

The conveyance of Parcel 1 only, pursuant to this Grant Deed, is subject to:

- (a) the Deed of Conservation Easement and Agreement between Pacific Gas and Electric Company and Sequoia Riverlands Trust, dated December 10, 2014, and recorded December 10, 2014, as Document # 2014-0065875 in the Official Records of Tulare County.

The Property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.

The California Public Utilities Commission, in Decision No. _____, has approved transfer of this Property under Public Utilities Code Section 851.

EXHIBIT C

The provisions hereof shall insure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property.

Dated _____, 20____.

GRANTOR:
PACIFIC GAS AND ELECTRIC
COMPANY,
a California corporation,

By: _____

Name: _____

GRANTEE:
TULE HYDRO LLC,
a Utah limited liability company,

By: _____

Name: _____

Its: _____

PG&E ADMINISTRATION BLOCK

(ATTACH TO TULE RIVER GRANT DEED)

Area, Region, or Location: 4
Land Services Office: Fresno
Line of Business: Hydro (24)
Business Doc. Type: Conveyance Out
MTRSQ: 22.20.31.07.
FERC License Number: 1333
PG&E Drawing Number: NA
LD of Affected Documents: 2220-21-0023 & 0024
LD of Cross Referenced Documents: NA
Type of Interest:
SBE Parcel: 135-54-008-1 & 143-53-001-5
Order or PM: 8180585
JCN: NA
County: Tulare
Utility Notice Number: NA
851 Approval Application No: _____; Decision: _____
Prepared By: jjw2
Checked By: AEC0/R9M1
Approved By:
Revised By:



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

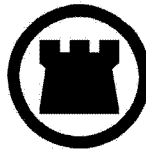
This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Andy Kern
Countersigned



Chicago Title Company

BY

Benjamin L. [Signature]
President

ATTEST

[Signature]
Secretary



Chicago Title Company

ISSUING OFFICE: 2540 W. Shaw Lane, Suite 112 • Fresno, CA 93711
559 492-4251 • FAX 559 448-8526

PRELIMINARY REPORT

Amended

Title Officer: Christine Upton

Title No.: 08-**42306876**-H-CU

Locate No.: CACTI7754-7754-4423-0042306876

TO: Pacific Forest & Watershed Lands Stewardship Council
15 N. Ellsworth Ave. Suite 100
San Mateo, CA 94401

ATTN: Teresa Moreno
YOUR REFERENCE: 80801783

SHORT TERM RATE: NO

PROPERTY ADDRESS: Tulare, California

EFFECTIVE DATE: October 24, 2014, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Pacific Gas and Electric Company, a California Corporation, as to Parcel 1
SWD Investments-Tule River Ranch, Inc. a California Corporation, as to Parcel 2
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

GH\GH 06/27/2008

EXHIBIT D

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF TULARE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: APN: 220-030-017

All that certain parcel of land situate in the Southeast one-quarter of Section 7, Township 20 South, Range 31 East, Mount Diablo Base and Meridian, recorded on February 26, 1912 in Volume 194, Page 83 of Deeds, of the County of Tulare; being that portion excepted by Pacific Gas and Electric Company from the deed to Doyle Springs Association recorded on October 27, 1969 in Book 2864, Page 113 of Official Records, of the County of Tulare, State of California, particularly described as follows:

Beginning at the blazed oak tree marking the South one-quarter corner of said Section 7; thence South 88° 30' East along the Southerly boundary line of said Section 7, 1563.43 feet; thence North 1151.18 feet; thence West 575.00 feet; thence North 71° 16' 30" West 263.18 feet; thence West 808 feet, more or less, to a point on the Westerly boundary line of the Southeast one-quarter of said Section 7; thence Southerly, along the Westerly boundary line of the Southeast one-quarter of said Section 7, a distance of 1195 feet, more or less, to the point of beginning.

PARCEL 2: APN: 220-400-023

All that certain parcel land situate in Section 31 and 32, Township 20 South, Range 30 East, Mount Diablo Base and Meridian, recorded on April 10, 1914 in Volume 217, Page 186 of Deeds of the County of Tulare, State of California, particularly described therein as follows:

A strip of land twenty feet wide the center line of which commences at a point on the South line of said Section 31, 875 feet West of the one-quarter section corner; thence North 31° 46' East 1300 feet; thence North 42° East 700 feet to West line of Power House grounds.

Together with a strip of land twenty feet wide the centerline of which commences on the East line of Power House grounds at a point which is 2199 feet North and 820 feet East of the one-quarter section corner on the South line of said Section 31; thence North 48° 30' East 1460 feet; thence North 64° East 800 feet; thence North 72° 45' East 1272 feet; thence North 51° 45' East 105 feet to the North line of the South one-half of the Northwest one-quarter of said Section 32, said point being 3960 feet North and 4815 feet East of the place of beginning.

EXHIBIT D

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

THE FOLLOWING MATTERS AFFECT PARCEL 1:

1. Property taxes, including any assessments collected with taxes, to be levied for the fiscal year 2014-2015 and subsequent years. Taxes are not available at this time.
2. **Any adverse claim** based upon the assertion that:
 - a. Said land or any part thereof is now or at any time has been below the highest of the high watermarks of the North Fork of Tule River, in the event the boundary of said river has been artificially raised or is now or at any time has been below the high watermark, if said river is in its natural state.
 - b. Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the North Fork of Tule River, or has been formed by accretion to any such portion.
3. **Rights and easements** for navigation and fishery which may exist over that portion of said land lying beneath the waters of North Fork of Tule River.
4. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to:	Doyle Springs Association
Purpose:	road
Recorded:	Book 2864, Page 113, of Official Records
Affects:	a portion of said land
5. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to:	Southern California Edison Company
Purpose:	poles and pole lines
Recorded:	Book 3037, Page 153, of Official Records
Affects:	portion of said land

The exact location and extent of said easement is not disclosed of record.
6. The effect of an unrecorded Lease, as amended from time to time to Doyle Springs Association, upon the terms, covenants and conditions therein provided, as disclosed to this company in writing.

EXHIBIT D

ITEMS: (continued)

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

7. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: proposed

THE FOLLOWING MATTERS AFFECT PARCEL 2:

8. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area:	136-006
Tax Identification No.:	220-400-023-000
Fiscal Year:	2014-2015
1st Installment:	\$4,023.78, Open
2nd Installment:	\$4,023.78, Open
Exemption:	\$0.00
Land:	\$780,000.00
Improvements:	\$0.00
Personal Property:	\$0.00
Bill No.:	220400023000

Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

9. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to:	John Sinclair, as Trustee fo Tule River Shooting and Fishing Association of Tulare County
Purpose:	water, whether in wells, springs, ditches, or Middle Tule River; together with the right to take fish from the waters of Tule River, with rights of ingress and egress
Recorded:	April 8, 1893, Book 61, Page 285, of Deeds
Affects:	Southeast quarter of Section 31

EXHIBIT D

ITEMS: (continued)

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

- 11. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Tulare County Power Company, a Corporation
Purpose: certain water ditch known as the Elster Ditch or Webb Ditch
Recorded: July 24, 1911, Book 187, Page 405, of Deeds
Affects: Southerly bank of the middle fork of Tule River near the center of Section 31, and runs thence in a Southerly and Westerly direction

- 12. Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: as set forth in said document
Purpose: public utilities
Recorded: March 4, 1916, Book 235, Page 417, of Deeds
Affects: portion of Section 31

- 13. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: County of Tulare
Purpose: road
Recorded: March 4, 1929, Book 305, Page 448, of Official Records
Affects: a strip of land 50 feet in width through Sections 31 and 32

- 14. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company
Purpose: public utilities
Recorded: August 16, 1982, Instrument No. 36780, Book 3990, Page 244, of Official Records
Affects: as contained therein

Reference is made to said document for full particulars.

- 15. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Bell, a Corporation
Purpose: public utilities
Recorded: April 26, 1989, Instrument No. 22023, Book 4829, Page 84, of Official Records
Affects: as contained therein

Reference is made to said document for full particulars.

EXHIBIT D

ITEMS: (continued)

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

- 16.** Recitals as shown on that certain map recorded Book 35, Page 93 of Maps, which, among other things recites the following:
- 1) Development of any kind prohibited over a portion of said.
 - 2) Septic disposal systems prohibited over a portion of said land.
 - 3) Existing irrigation pipe line easement 10' wide for fire suppression water service, repair and maintenance for the benefit of Lot 1 per this map.
 - 4) Pipeline inlet North Bank Middle Tule River.
- 17.** No open Deeds of Trust: CONFIRM BEFORE CLOSING
- 18.** Any right, interest or claim that may exist, arise or be asserted against the Title under or pursuant to the Perishable Agricultural Commodities Act of 1930, as amended, 7 USC 499a et seq., the Packers and Stockyard Act of 1921, as amended, 7 USC 181 et seq., or any similar state laws.

END OF ITEMS

- Note 1.** The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.
- Note 2.** The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
- Note 3.** The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
- Note 4.** The names(s) of the proposed insured(s) furnished with this application for title insurance is/are:
- No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
- Note 5.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

EXHIBIT D

NOTES: (continued)

Title No. 08-**42306876**-H-CU
Locate No. CACTI7754-7754-4423-0042306876

Note 6. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 7. ***IMPORTANT RECORDING NOTE***

For Kings County, please send all original documents for recording to the following office:

Chicago Title Company
1460 W. 7th Street, Ste 102
Hanford, CA 93230
Attn: Recording Desk
Phone: (559) 584-3381

For Tulare County, please send all original documents for recording to the following office:

Chicago Title Company
1750 W. Walnut Ave, Ste A
Visalia, CA 93277
Attn: Recording Desk
Phone: (559) 636-4300

Please direct all other title communication and copies of documents, including recording release instructions, policy write-up instructions, lenders instructions and settlement statements, to the Title Only Department of the issuing office.

Note 8. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 9. Please contact Escrow Office for Wire Instructions.

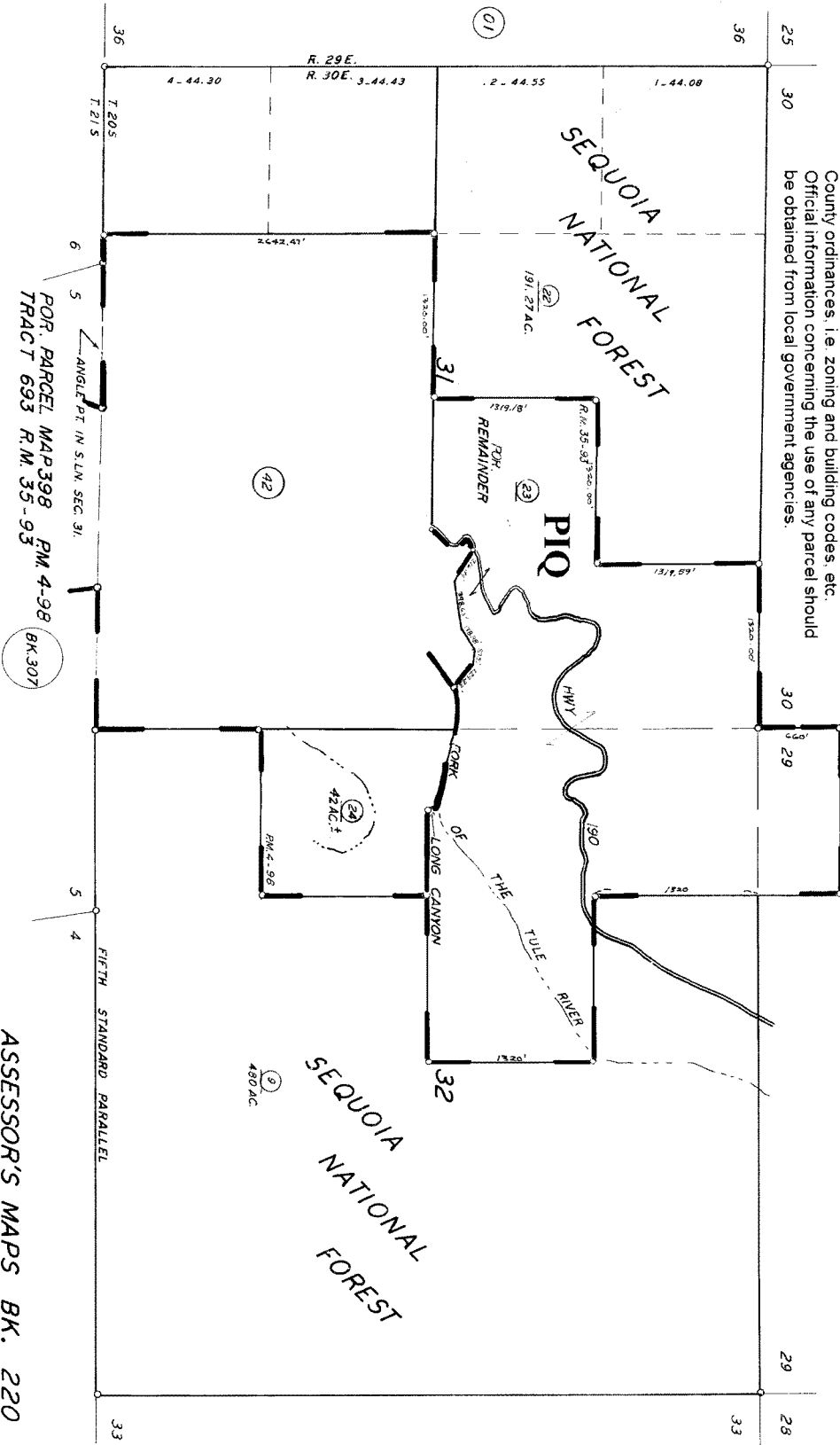
Note 10. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

POR. SEC. 29. & ALL SEC'S. 31 & 32, T.205., R.30E., M.D.B. & M.

This Map is being furnished as a convenience to locate the herein described land in relation to adjoining streets and other lands. The Company does not guarantee dimensions, distances, bearings, or acreage stated thereon, nor is it intended to illustrate legal building sites or supersede City or County ordinances, i.e. zoning and building codes, etc. Official information concerning the use of any parcel should be obtained from local government agencies.

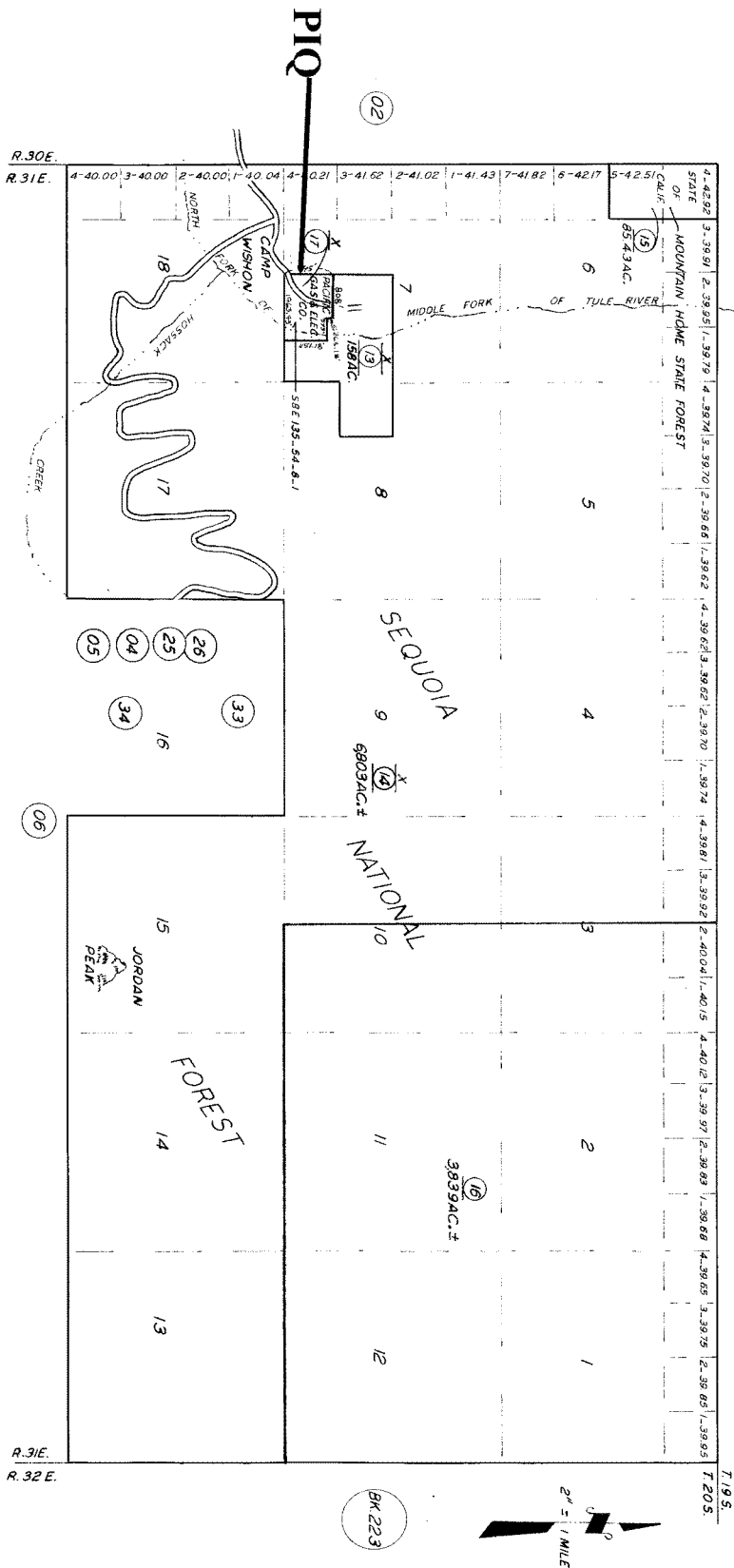
TAX CODE AREA
136-006 220-40



ASSESSOR'S MAPS BK. 220 PG. 40.
COUNTY OF TULARE, CALIF.

N 1/2 T. 20 S., R. 31 E., M. D. B. & M.

TAX CODE AREA 220-03
136-005
136-006



This Map is being furnished as a convenience to locate the herein described land in relation to adjoining streets and other lands. The Company does not guarantee dimensions, distances, bearings, or acreage stated thereon, nor is it intended to illustrate legal building sites or supersede City or County ordinances, i.e. zoning and building codes, etc. Official information concerning the use of any parcel should be obtained from local government agencies.

ATTACHMENT ONE

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date—unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
- or
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:

(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

(c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy; or

(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXHIBIT D

ATTACHMENT ONE (CONTINUED)

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
(b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

EXHIBIT D

ATTACHMENT ONE (CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03) EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protectionThis Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 10,000.00</u>
Covered Risk 15:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered

Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

EXHIBIT D

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

Collection and Use of Information

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (*e.g.*, name, address, phone number, email address); (2) demographic information (*e.g.*, date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about

each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browser history (including time spent at a domain, time and date of your referring/exit web pages and URLs, and number of clicks. The name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may place a "cookie" to your computer. A cookie is a small piece of data sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data on your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our affiliates and other third parties may use cookies to identify and keep track of you. Among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but the functionality of the Website may be impaired or not function as intended. See the [Third Party Opt Out](#) section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information about you, including a cookie number; time and date of a page view; a description of the page on which the Web Beacon resides. We also carry Web Beacons placed by third party advertisers. These Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the [Third Party Opt Out](#) section below.

Unique Identifier. We may assign you a unique identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (*e.g.*, click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements for products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use your personalized information about your online usage activity.

(privacy)(01-14)

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Effective: January 24

You can opt-out of online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide

information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information from Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or

EXHIBIT D

Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such

others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain

(privacy)(01-14)

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reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices with Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (*e.g.*, requests made in 2013 will receive information regarding 2012 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

Your Consent to This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

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EXHIBIT D

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Rights Reserved.

EFFECTIVE AS OF: JANUARY 24, 2014

LAST UPDATED: JANUARY 24, 2014

EXHIBIT D

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

CTC – Chicago Title Company

FNF Underwriter

CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.

EXHIBIT E

RECORDING REQUESTED BY

PACIFIC GAS AND ELECTRIC
COMPANY

Land Department

Attention: Paul Coviello

1850 Gateway Blvd, Room 7043C

Concord, CA 94520

WHEN RECORDED MAIL TO

PACIFIC GAS AND ELECTRIC
COMPANY

245 Market Street, N10A, Room 1015

P.O. Box 770000

San Francisco, California 94177

The undersigned Grantor declares that the
documentary transfer tax is \$-0- (R&T Code
11911 not applicable—No realty sold/no
consideration)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

A.P.N.: 220-030-017

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assumption Agreement"), made as of _____, 20__ (the "Effective Date"), by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("PG&E"), [TULE HYDRO, LLC, a Utah limited liability company registered to do business in California ("TULE HYDRO")], and SEQUOIA RIVERLANDS TRUST, a California public benefit corporation ("SRT"). PG&E, TULE HYDRO and SRT are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS:

A. TULE HYDRO and PG&E have entered into that certain Tule River Asset Sale and Purchase Agreement, dated _____, _____ (the "Purchase Agreement"), pursuant to which PG&E has agreed to sell and transfer and TULE HYDRO has agreed to buy and accept that certain real property located in the County of Tulare and State of California, further described in Exhibit A attached hereto and incorporated herein (the "Property").

EXHIBIT E

B. The Property is encumbered by that certain Deed of Conservation Easement and Agreement dated December 10th, 2014 (the "Conservation Easement") between PG&E and SRT and recorded in the Official Records of Tulare County, California on December 10th, 2014 as Document No. 0065875.

C. The Parties desire to hereby provide for PG&E's assignment to TULE HYDRO of its rights and interest in and to the Conservation Easement, TULE HYDRO's assumption of all obligations of PG&E under the Conservation Easement, and as otherwise provided herein.

NOW THEREFORE, for valuable consideration, receipt of which is acknowledged, PG&E, TULE HYDRO and SRT agree as follows:

1. Definitions. Capitalized terms used herein without other definition have the meanings given to them in the Conservation Easement.
2. Assignment. PG&E hereby assigns and transfers to TULE HYDRO all rights, duties and obligations of the Grantor under the Conservation Easement.
3. Assumption. TULE HYDRO hereby accepts the foregoing assignment and transfer. TULE HYDRO also acknowledges its designation as Grantor under the Conservation Easement, and does hereby assume the performance of all duties of Grantor under all the terms, covenants and conditions of the Conservation Easement; except, however, PG&E acknowledges that it shall be responsible for costs incurred by SRT related to PG&E's sale and transfer of the Property to TULE HYDRO as said costs are contemplated in Section 13.1 and Section 17 of the Conservation Easement, pursuant to which SRT is entitled to receive from PG&E a one-time payment of a sum, if any, representing the increased cost of Conservation Easement stewardship and amendment of the Conservation Easement.
4. Reservations and Continued Use. The Parties acknowledge and agree that none of the releases of rights pursuant to Section 13.2.1 of the Conservation Easement are applicable because the conditions precedent thereto in Section 13.2.1 (a)-(c) were not satisfied.
5. No Representations or Warranties. This Assumption Agreement is made without warranty or representation by PG&E of any kind whatsoever, except as expressly set forth in the Purchase Agreement, and is made subject to the disclaimers set forth in Section 10.5 of the Purchase Agreement and all other terms and conditions of the Purchase Agreement.
6. Indemnification. TULE HYDRO shall protect, indemnify, and defend PG&E against and hold PG&E harmless from all claims, demands, liabilities, losses, damages, costs, and expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are caused by any failure by TULE HYDRO to perform the Grantor obligations arising or accruing under the Conservation Easement on and after the Effective Date. PG&E shall protect, indemnify, and defend TULE HYDRO against and hold TULE HYDRO harmless from all claims, demands, liabilities, losses, damages, costs, and expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are caused by any failure by PG&E to perform its obligations arising or accruing under the Conservation Easement prior to the Effective Date.

EXHIBIT E

7. Further Assurances. The parties agree to take such reasonable actions, including acknowledging, delivering, or executing instruments and documents, as may be required to effectuate the purposes of this Assumption Agreement.

8. Governing Law. This Assumption Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflict of laws or choice of law rules.

9. Successors and Assigns. This Assumption Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

10. Severability. If one or more provisions of this Assumption Agreement are held by a proper court to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary and permitted by law, shall be severed herefrom, and the balance of this Assumption Agreement shall be enforceable in accordance with its terms.

11. Entire Agreement; Amendment. This Assumption Agreement contains the entire understanding of the Parties relating to the subject matter hereof and shall supersede any prior written or oral agreements or communications among some or all of the Parties pertaining to such subject matter. The obligations of the Parties under this Assumption Agreement may not be altered or amended in any respect except by a writing executed by TULE HYDRO, SRT and PG&E.

12. Counterparts. This Assumption Agreement may be executed in two or more counterparts and each of such counterparts, for all purposes, shall be deemed to be an original but all of such counterparts together shall constitute but one and the same instrument, binding upon all parties to this Assumption Agreement, notwithstanding that all of such parties may not have executed the same counterpart.

13. Limitation on Liability. Each of the Parties expressly agrees that the obligations and liabilities of each Party under this Assumption Agreement and any document referenced herein shall not constitute personal obligations of the officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals and representatives of such Party. The limitations of liability contained in this Section shall apply equally and inure to the benefit of each Party's present and future officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals and representatives, and their respective heirs, successors, and assigns.

14. Effectiveness. This Assumption Agreement shall be effective as of the closing date under the Purchase Agreement.

[Signatures follow on next page.]

EXHIBIT E

IN WITNESS WHEREOF, the Parties have executed this Assumption Agreement as of the Effective Date.

TULE HYDRO:

TULE HYDRO, LLC,
a Utah limited liability company registered to
do business in California

By: _____

Print Name: _____

Title: _____

[Signatures continued on following page.]

EXHIBIT E

[Signatures continued from previous page.]

PG&E:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Title: _____

[Signatures continued on following page.]

EXHIBIT E

[Signatures continued from previous page.]

SRT:

SEQUOIA RIVERLANDS TRUST,
a California public benefit corporation

By: _____

Print Name: _____

Title: _____

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, 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 _____

[Notary]

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, 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 _____

[Notary]

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____, a Notary Public, personally appeared _____, 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 _____

[Notary]

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF TULARE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that certain parcel of land situated in the Southeast one-quarter of Section 7, Township 20 South, Range 31 East, Mount Diablo Base and Meridian, recorded on February 26, 1912 in Volume 194, Page 83 of Deeds, of the County of Tulare; being that portion excepted by Pacific Gas and Electric Company from the deed to Doyle Springs Association recorded on October 27, 1969 in Book 2864, Page 113 of Official Records, of the County of Tulare, State of California, particularly described as follows:

Beginning at the blazed oak tree marking the South one-quarter corner of said Section 7; thence South 88° 30' East along the Southerly boundary line of said Section 7, 1563.43 feet; thence North 1151.18 feet; thence West 575.00 feet; thence North 71° 16' 30" West 263.18 feet; thence West 808 feet, more or less, to a point on the Westerly boundary line of the Southeast one-quarter of said Section 7; thence Southerly, along the Westerly boundary line of the Southeast one-quarter of said Section 7, a distance of 1195 feet, more or less, to the point of beginning.

APN: 220-030-017

Schedule 1.1 List of PG&E Personnel with Knowledge (Tule)

Jack Minto: Supervisor, Hydro Maintenance

Catherine Ferguson: Supervisor, Hydro Generation

Mike Martin: Senior Environmental Field Specialist, Environmental Management

Teri Smyly, Director, Hydro License Compliance

Rebecca Doidge: Strategic Agreement Consultant, Power Gen Portfolio Strategy

Jenn Scott: Strategic Agreement Consultant, Power Gen Portfolio Strategy

Cindy Wong: Supervisor, Privately Owned Lines

Schedule 2.1(a) Project Description

The Tule River Project (FERC No. 1333) is located on the North Fork of the Middle Fork Tule River, Hossack Creek, and Doyle Springs, in Tulare County, California. The Tule River Project consists of three diversions (the six-foot-high, 98-foot-long Tule diversion dam; the 7.5-foot-high, 17-foot-long Hossack diversion dam; and the 4-foot-high, 70-foot-long Doyle Springs diversion dam); the Doyle Springs pump station; a 98-foot-long, 12-inch-diameter pipe and a 8-foot-long, 12-inch by 13-inch flume; a 1,250-foot-long, 18-inch-diameter pipe; the 3.2-mile-long Tule River conduit, consisting of an open channel, a 2.7-mile-long tunnel, and a 3,600-foot-long penstock; a powerhouse containing two Pelton-type generating units with a combined capacity of 6,750 kilowatts (kW); a tailrace; approximately 4 miles of 12 kilovolt (kV) line, a 70kV switchyard, certain houses, a shop and a substation near the powerhouse; and appurtenant facilities.

The Tule-Springville 70 kilovolt (kV) line connects the Tule River Powerhouse to Southern California Edison's Springville Substation. The pole line occupies a 100-foot wide right-of-way and extends approximately 15 miles from the westerly side of the boundary line of FERC Project No. 1333 (Tule River Project) to the Springville Substation. The conductor is supported on wooden poles and consists of 5.41 miles of #1/0 copper, 9.62 miles of #2 copper, and 0.24 miles of 336.4 MCM ACSR. Also included is a 70kv tie-in at the Springville substation.

Schedule 2.1(b) Tangible Personal Property

1. Powerhouse

- a. Furniture
 - i. 3 folding chairs
 - ii. 1 folding table
- b. Office equipment
 - i. 2 large fans
 - ii. 2 trash cans
- c. Tools
 - i. Misc. valve wrenches along column near TSV
 - ii. 1 work bench with vice and misc. tool bucket
 - iii. Misc. wrenches along wall near work bench
 - iv. 1 rolling red tool cart
- d. Maintenance Equipment
 - i. 2 ground buggies
 - ii. 2 generator aluminum scaffold platform
 - iii. 2 shop vacuums
 - iv. 1 barrel dolly
 - v. 1 switching / insulated stick
- e. Spare Material / Parts
 - i. 3 spare generator breakers
 - ii. 1 old runner – on exhibit outside
- f. Storage Cabinets / Shelves
 - i. 1 yellow hazardous storage cabinet
 - ii. 2 storage cabinets – misc. spare parts – fuses, filters, packing, tubing
 - iii. 1 storage cabinet – exciter brushes / collector ring parts
 - iv. 2 shelves on mezzanine – misc. spare parts
- g. 1 LOTO station (w/o the locks)
- h. 1 extension ladder
- i. Fire extinguishers
 - i. 1 on mezzanine
 - ii. 2 by front door
- j. 1 Emergency Response Spill Kit
- k. 1 Emergency Eye Wash Station on mezzanine
- l. 1 Man Basket – medical emergency

2. Office Building

- a. Furniture
 - i. 3 chairs
 - ii. 2 table/desks

- b. Office equipment
 - i. 1 printer
 - ii. Misc. supplies
 - c. Drawing/Procedure Cabinets
 - i. Wood cabinet/drawers – equipment binders and PH info
 - ii. Filing cabinets - misc. files
- 3. Restroom Building
 - a. Flammable / Hazardous Waste Storage – misc. paint, drum
- 4. Shop Building 1 (closest to office)
 - a. Furniture
 - i. 1 workbench and shelves
 - ii. 1 table
 - iii. 3 folding chairs
 - iv. 4 rolling chairs
 - b. Office equipment
 - i. 1 fan
 - ii. 1 microwave
 - iii. 1 trash can
 - iv. 1 refrigerator
 - v. 2 fire extinguishers
 - c. Tools
 - i. Misc. hand tools
 - ii. 1 drill press
 - iii. 1 welder
 - iv. 1 disk sander
 - v. 1 table saw
 - vi. 1 pedestal grinder
 - vii. 1 air compressor
 - viii. 2 ladders
 - ix. 1 oxygen acetylene cart
 - d. Maintenance Equipment
 - i. 1 weed wacker
 - ii. 1 pole saw
 - iii. 1 wheel barrow
 - iv. 3 oil drums
 - e. Spare Material / Parts
 - i. Rolls of dewatering flex blue hose 6-8"
 - f. Storage Cabinets / Shelves
 - i. 1 Drawing Print Cabinet – [prints damaged by mudslide in PH]

- ii. 1 storage cabinet – empty
 - iii. 1 Flammable Items Cabinet
 - iv. 1 cabinet with emergency supplies
 - v. Large shelf with misc. parts – bolts, pipe fittings
 - g. Outside
 - i. Misc. piping / angle iron
5. Shop Building 2
- a. Spare Material / Parts
 - i. 1 snow plow attachment
 - ii. Alstom spare runner parts – multiple plywood boxes
 - iii. Pelican case with runner templates
 - iv. 2 cast components – [appear to be needle bonnets]
 - v. Misc. material and other boxes of unknown spare parts
6. 2 Operator Cottages
- a. Minimal misc. contents
7. Debris Rack Building
- a. Rake
8. Superintendent's Cottage, Shed and Barn
- a. Minimal misc. contents
9. Misc. Outdoor Equipment
- a. Gaging Station Equipment
 - i. JT1: PGE Tule River Conduit Blw Tule Diversion Dam - Vaisala Sensor / Logger
 - ii. JT11: NF of MF Tule Rvr blw Doyle Springs Div Dam - Vaisala Sensor / Logger
 - iii. JT14: Doyle Springs Diversion - Vaisala Sensor / Logger
 - iv. JT2: Nf Of Mf Tule R Blw Tule Div Dam - Vaisala Sensor / Logger
 - v. JT6: PGE Tule River Conduit Near Springville - Vaisala Sensor / Logger
 - vi. JT7: Nf Of Mf Tule River Nr Springville - Vaisala Sensor / Logger
 - vii. SGV: Springville Tule Powerplant Weather Station - Handar Sensor / Logger

Schedule 2.1(c) Fee Parcels

PARCEL ONE

(Tulare Co. APN, 220-030-017)

All that certain parcel of land situate in the Southeast one-quarter of Section 7, Township 20 South, Range 31 East, Mount Diablo Base and Meridian, in the deed recorded on February 26, 1912 in Volume 194, Page 83 of Deeds, of the County of Tulare; being that portion excepted by Pacific Gas and Electric Company from the deed to Doyle Springs Association recorded on October 27, 1969 in Book 2864, Page 113 of Official Records, of the County of Tulare, State of California, particularly described as follows:

Beginning at the blazed oak tree marking the South one-quarter corner of said Section 7; thence South 88°30' East along the Southerly boundary line of said Section 7, 1563.43 feet; thence North 1151.18 feet; thence West 575.00 feet; thence North 71°16'30" West 263.18 feet; thence West 808 feet, more or less, to a point on the Westerly boundary line of the Southeast one-quarter of said Section 7; thence Southerly, along the Westerly boundary line of the Southeast one-quarter of said Section 7, a distance of 1195 feet, more or less, to the point of beginning.

PARCEL TWO

The portions of Sections 31 and 32, Township 20 South, Range 30 East, Mount Diablo Base and Meridian, conveyed by A. G. Wishon and Etta E. Wishon, husband and wife, to San Joaquin Light and Power Corporation, Grantor's predecessor in interest, dated September 1, 1911, and recorded April 10, 1914, in Volume 217, Page 186 of Deeds, Tulare County Records.

Schedule 2.1(d) Governmental Approvals, Permits and Consents

Permit to Operate Air Pressure Tank

State Serial No. A007572-40; NB#/SER # 6425
PG&E-Tule Powerhouse, Route 2, Springville, CA 93265
State of California, Department of Industrial Relations
Division of Occupational Safety and Health
Pressure Vessel Unit; Location: GENERATOR FLOOR
Date of Inspection: 05/06/2021
Permit Expires: 05/06/2026

Permit to Operate Air Pressure Tank

State Serial No. A031328-72; NB#/SER # R9502
PG&E-Tule Powerhouse, Route 2, Springville, CA 93265
State of California, Department of Industrial Relations
Division of Occupational Safety and Health
Pressure Vessel Unit; Location: PORTABLE
Date of Inspection: 05/06/2021
Permit Expires: 05/06/2024

Schedule 2.1(e) Tule River License

Tule River Project, FERC No. 1333

List of FERC Orders

No.	License Instruments	Date Issued
1	Order Issuing License / Errata Notices (2)	12/30/1993
2	Order Granting Filing of Request for Rehearing	2/28/1994
3	Order Granting Extension of Time	3/14/1994
4	Order Approving Study Flows	4/20/1994
5	Order Granting Extension of Time	5/13/1994
6	Order Amending Ramping Rate Requirement	10/24/1994
7	Order Approving and Modifying Stream Gaging Plan	11/1/1994
8	Order Granting Extension of Time	1/23/1995
9	Order Granting Extension of time	1/30/1995
10	Order on Rehearing	2/15/1995
11	Order Approving Revised Exhibit G Drawings	4/21/1995
12	Order Amending License and Modifying and Approving Fish Passage Plan	8/10/1995
13	Order Granting Extension of Time	9/7/1995
14	Order Approving As-Built Exhibits, Amending License, and Revising Annual Charges	4/21/1997
15	Order Modifying and Approving Recommendations for Improvements to Fish Bypass Facility	6/4/1997
16	Order Granting License Amendments	12/22/1998
17	Order Denying Joint Motion for Credits on Future Annual Charges Bills	7/13/2001
18	Order Denying Rehearing	9/12/2001
19	Order Permitting a Combined Answer to Motions to Intervene and Comments	1/10/2002
20	Order Granting Extension of Time for Filing Revised Exhibits	4/19/2005
21	Order Amending License and Approving Revised Exhibits	11/15/2005
22	Order Approving Exhibit G Drawings	6/20/2006
23	Order Approving Exhibit G Drawings and Revising Annual Charges	9/25/2007
24	Order Approving Memorandum of Agreement	5/14/2008
25	Order Approving Revised Exhibit F Drawings	1/12/2010
26	Letter order accepting Pacific Gas and Electric Company's 1/31/13 filing of their schedule for performing the planned outages in 2013 under P-77 et al.	2/11/2013
27	Letter order accepting Pacific Gas & Electric Company's 10/31/13 filing of the response to the follow-up items identified during the 2013 Dam Safety Operation Inspection for the Kern Canyon & Tule River Projects et al under P-178 et al.	12/30/2013

28	Letter order granting Pacific Gas & Electric Company's 12/30/13 request for a continuation of the exemptions from filing the Emergency Action Plans for the year 2014 re the Potter Valley Project under P-77 et al.	1/21/2014
29	Order granting extension of time pursuant to Article 102 re Pacific Gas and Electric Company under P-1333.	3/14/2014
30	Order Approving Change In Land Rights re Pacific Gas and Electric Company under P-1333.	4/25/2014
31	Errata Notice to the 4/7/14, 4/25/14, and on 5/4/14, Commission Orders for the City of Tacoma, Washington, Pacific Gas and Electric Company, and Grand River Dam Authority's Projects under P-460 et al.	5/21/2014
32	Letter order accepting Pacific Gas and Electric Company's May 19, 2014 letter that transmitted a schedule for the start and completion of the planned outages in 2014 re the Potter Valley Project et al under P-77 et al.	6/2/2014
33	Order Granting And Modifying Temporary Variance Of Minimum Flow Requirements re Pacific Gas and Electric Company under P-1333.	8/1/2014
34	Order Amending Temporary Variance of Minimum Flow requirements re Pacific Gas and Electric Company's Tule River Hydroelectric Project under P-1333.	9/18/2014
35	Letter order accepting Pacific Gas & Electric Company's 10/17/14 proposed plan and schedule for the updated public safety plans under P-77 et al.	12/16/2014
36	Letter order accepting Pacific Gas and Electric Company's 2/3/15 filing transmitting a schedule of planned outages through the end of the year 2015 for the Potter Valley Project et al under P-77 et al.	5/29/2015
37	Order modifying and granting temporary variance of minimum flow requirements re Pacific Gas and Electric Company under P-1333.	7/2/2015
38	Order Amending Minimum Flow Requirements pursuant to Article 105 re Pacific Gas and Electric Company under P-1333.	2/9/2016

39	Letter order granting Pacific Gas and Electric Company's 4/27/16 request for continuation of exemptions from filing Emergency Action Plans for the year 2016 re the Potter Valley Project et al under P-77 et al.	6/23/2016
40	Letter order accepting Pacific Gas and Electric Company's 7/13/16 filing of the plan and schedule to restore project operation of the Tule River Hydroelectric Project under P-1333.	9/8/2016
41	Letter order accepting Pacific Gas and Electric Company's plan and schedule re the updated responses to the Seismicity Schedule for the Potter Valley Project et al under P-77 et al.	12/14/2016
42	Letter order granting Pacific Gas and Electric Company's 11/29/2016 request for an extension of time for submitting updated regional seismicity and ground motion updates for the projects under P-77, et al.	12/14/2016
43	Order Approving Revised Exhibits A and F re Pacific Gas and Electric Company under P-1333.	2/5/2018

Schedule 2.1(f) Tule River Water Rights

1. PG&E's post-1914 appropriative water right associated with the Tule River Project, as specified in PG&E's water right license #469 (Application 1458) which was issued by the State Water Resources Control Board.
2. PG&E's pre-1914 appropriative water rights associated with the Tule River Project, which are described in PGE's Statements of Water Diversion and Use #1011 and #1012 which are on file with the State Water Resources Control Board.

Schedule 2.1(g) Project Records

Number	Document Name	Previously Provided (Y/N)	To be provided or updated upon close (Y/N/Maybe)
1	Arc Flash Label Info / Study Record	Y	M
2	Oil Test Results Records	Y	M
3	Equipment History Records	Y	M
4	Water Diversion Information Records	Y	M
5	Auto Tests Records	N	M
6	Battery Test Records	Y	M
7	Penstock Inspection Records (including monthly)	Y	M
8	Ground Grid Study Records	Y	M
9	Emergency Action Plan (EAP) Records	Y	M
10	Pressure Vessel Permit Records	N	M
11	Flow and Generation Records	Y	M
12	Description of Operations	Y	M
13	Powerhouse Data Sheet Record	Y	M
14	Powerhouse Layout Drawing Record	Y	M
15	Incident Report Record	Y	M
16	SAP Cost Data Record	N	M
17	Powerhouse Prints (equipment drawings/diagrams)	Y	M
18			
19	Operator Read Sheets	Y	M
20	Records and files relating to FERC License No. 1333	Y	M
21	Transmission Prints (drawings/diagrams)	Y	M
22	Inspections (transmission and distribution line)	Y	M
23	Transmission Line Overhead Asset Type Overview	Y	M

Schedule 2.1(h) Assumed Contracts

1. None

Schedule 2.1(i) Easements and Unrecorded Land Rights (Tule)

Section 1: Easements

PG&E L.D.	Grantor/Document Title	Date	Recording Information (Official Records)		
			County	Book or Year	Page or Document ID#
2221-28-0025	Velma Gill	7/23/1969	Tulare	2953	721
2221-28-0024	Will Gill & Sons	7/29/1957	Tulare	2024	731
2221-29-0027	Will Gill & Sons	11/22/1957	Tulare	2034	374
N/A	Tulare County Request No. 79172	11/7/1978	Tulare	3591	172
2220-29-0025	Mark L. Borrer and Fern A. Borrer	1/28/1972	Tulare	3019	540
N/A	Tulare County Resolution No. 78 3013	2/21/1974	Tulare	3162	201
2220-29-0025	Mark L. Borrer and Fern A. Borrer	1/28/1972	Tulare	3019	540
2221-29-0021	Grant Deed with reserved rights	3/2/1916	Tulare	12	309
2220-30-0023	Grant Deed with reserved rights	3/2/1916	Tulare		

Section 2: Unrecorded Land Rights

Unrecorded Easements

PG&E L.D.	Grantor	Original Grantee	Date	County	Tower No. or Span
2221-28-0023	Will Gill and Fred Gill	San Joaquin Light and Power Corporation	5/1/1913	Tulare	012/011 012/012 013/001 013/002 013/003 013/004 013/005 013/006 013/007 013/008 013/009 013/010 013/011 013/012 013/013 013/014 013/015 013/016 014/001 014/002 014/003 014/004 014/005 014/006
2221-29-0025	Not Legible	San Joaquin Light and Power Corporation	3/6/1913	Tulare	Span 016/006 016/007 016/008 016/009 016/010 016/011 016/012 016/013 016/014 016/015 016/016 017/001

PG&E L.D.	Grantor	Original Grantee	Date	County	Tower No. or Span
					017/002 017/003 017/005
2221-29-0024	Frank and Ellen Conlee	San Joaquin Light and Power Corporation	3/17/1913	Tulare	017/020 018/002 018/003 018/004 018/005 018/006 018/007 018/008 018/009 018/010 018/011 018/012 Span 018/013 Span 018/014 Span
2221-29-0026	Not Legible	San Joaquin Light and Power Corporation	7/28/1913	Tulare	Span 018/20 018/021 Span 018/022 018/023 018/024 Span
2220-29-0023	H. E. Sickles	San Joaquin Light and Power Corporation	11/1912	Tulare	Span 021/004 021/005 021/006 021/007 021/008 021/009 021/010 021/011
2221-29-0023	Not Legible	San Joaquin Light and Power Corporation	11/15/1913	Tulare	Span 019/002 019/003 019/004 019/005 019/006 019/007 019/008 Span 019/009 Span 019/010 019/011

Prescriptive Claims

Tower No. or Span	Structure Type	APN	County		
Span 021/011 021/012 021/013 021/014	Light Duty Steel Pole	307-270-001	Tulare		

Schedule 2.1(i)

021/016 021/017 021/018 021/019 Span					
Span 022/011 Span	Light Duty Steel Pole	307-020-004-000	Tulare		

Schedule 2.1(j) Leases (Tule)

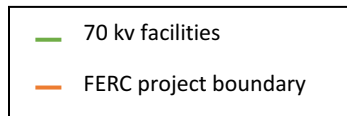
PG&E L.D.	Document Title	Lessee	Date
2220-31-1002	Ground Lease Agreement for Recreational Use	Doyle Springs Association	1/1/2021

Schedule 2.2 Excluded Assets

1. None

ATTACHMENT B

Tule River Hydroelectric Project and Tule-Springville 70 kV line



ATTACHMENT C

Attachment C Table Showing Transfer Payment, Estimated Expenses, and Tax Effects
Facility Sale - Tule Powerhouse
(Dollars)

1 SALES PROCEEDS

Transfer Payment	(5,347,979)
Transaction Closing Costs	(75,000)
Net Sales Proceeds	(5,422,979)

2 ALLOCATION OF SALES PROCEEDS BASED ON THE HISTORICAL COST OF PROPERTY

	Historical	Proportional
	Cost	%
Non-Depreciable Property (Land)	24,553	0.12%
Depreciable Property	20,965,043	99.88%
CWIP	-	0.00%
	20,989,596	100.00%

3 GROSS GAIN/(LOSS) ON SALE

	Historical	Net	Sales	Pre-Tax	Book	
	Cost	Book Value	Proceeds	Gain/(Loss)	NBV	
Non-Depreciable Property (Land)	24,553	24,553	(6,344)	(30,897) RP/SH		
Depreciable Property	20,965,043	2,721,703	(5,416,635)	(8,138,339) RP	2,721,703	
CWIP	-	-	-	- RP		
	20,989,596	2,746,256	(5,422,979)	(8,169,235)	2,721,703	Depreciable Net Book Value (NBV)

4 TAX GAIN/(LOSS) ON SALE

	Historical	Net	Sales	Pre-Tax	Depreciable	
	Cost	Tax Value	Proceeds	Gain/(Loss)	Net Tax Value	
Non-Depreciable Property (Land)	24,553	24,553	(6,344)	(30,897)		
Depreciable Property	20,965,043	5,715,971	(5,416,635)	(11,132,606)	5,715,971	
CWIP	-	-	-	-		
	20,989,596	5,740,524	(5,422,979)	(11,163,503)	5,715,971	Depreciable Net Tax Value
					(2,994,268)	Depr NBV less Depr Net Tax Value
					(837,916)	Deferred Tax Liability / (Asset)

5 GAIN/(LOSS) ALLOCATION

	Operating	Other Depreciable	Land	Sharing	Taxes	After Tax
	System	Assets	(Pre-Tax Allocation)	Allocation	27.984%	Gain / (Loss)
Ratepayers - 100% of Loss (Pre-Tax and After-Tax)	0%	100%	59%	(8,156,687)	2,282,567 *	(5,874,119)
Ratepayers Pass-thru - 100% of Loss (Pre-Tax and After-Tax)				8,156,687	(2,282,567) *	5,874,119
Shareholder	100%	0%	41%	(12,549)	3,512	(9,037)
Total Gain/(Loss) Allocation	100%	100%	100%	(12,549)	3,512	(9,037)

* No tax impact as the ratepayer contribution /
distribution will net the tax impact to zero.

Attachment C Table Showing Transfer Payment, Estimated Expenses, and Tax Effects
Facility Sale - Tule Powerhouse
(Dollars)

6 TAXES ON PROPERTY

	Net	Sales	Before Tax		
	Tax Value	Proceeds	Gain/ (Loss)		
Non-Depreciable Property (Land)	24,553	(6,344)	(30,897)		
Depreciable Property	5,715,971	(5,416,635)	(11,132,606)		
CWIP	-	-	-		
Totals	5,740,524	(5,422,979)	(11,163,503)		
			Land		Depreciable Property and CWIP
Taxable Gain / (Loss)			(30,897) a		(8,138,339) a
Ratepayer Contribution / (Distribution)			18,348 b		8,138,339 b
Net Taxable Gain / (Loss)			(12,549) c=a-b		- c=a-b
Tax Rate			27.984% d		27.984% d
Net Federal and State Income Tax			(3,512) e=c*d		- e=c*d
After Tax Gain / (Loss)			(27,385) f=a-e		(8,138,339) f=a-e
After-Tax Ratepayers Allocation		67%	(18,348) g=f*67%	100%	(8,138,339) g=f*100%
After-Tax Shareholder Allocation		33%	(9,037) h=f*33%	0%	- h=f*0%
Taxing Jurisdiction Allocation (Shareholder)			(3,512) i=e		- i=e
Total Gain / (Loss) Allocation			(30,897) j=g+h+i		(8,138,339) j=g+h+i

7 RATE BASE CHANGES

	Beginning	Changes	Ending
Gross Plant	20,989,596	(20,989,596)	-
Depreciation Reserve (Book Accumulated Depreciation)	(18,243,340)	20,989,596	2,746,256
Property Sale Proceeds credited to Depreciation Reserve		5,422,979	5,422,979
Net Plant	2,746,256	5,422,979	8,169,235
Deferred Taxes	837,916	(837,916)	-
Total Rate Base of Assets Sold	3,584,172	4,585,063	8,169,235

8 REGULATORY ASSET CALCULATION

Ending Rate Base after Asset Sale	8,169,235
Loss Associated with CWIP	-
Tax Impact on Asset Sale	(3,512)
After Tax Loss allocated to Shareholders	(9,037)
Regulatory Asset to Collect in Rates	8,156,687

ATTACHMENT D

**Native American Heritage Commission
Native American Contact List
Tulare County
12/27/2021**

***Big Sandy Rancheria of
Western Mono Indians***

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Western Mono

Tule River Indian Tribe

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Yokut

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Robert Robinson, Chairperson
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Kawaiisu
Tubatulabal
Koso

Tule River Indian Tribe

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Yokut

Kern Valley Indian Community

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Tubatulabal
Koso

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Valley Band***

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Foothill Yokut
Mono

Kern Valley Indian Community

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Kawaiisu
Tubatulabal
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Tubatulabals of Kern Valley

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kerri.vera@tulerivertribe-nsn.gov
Yokut

This list is current only as of the date of this document. Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resource Section 5097.98 of the Public Resources Code.

This list is only applicable for contacting local Native Americans with regard to cultural resources assessment for the proposed PG&E Tule River Hydroelectric Project, Tulare County.

ATTACHMENT E



**Pacific Gas and
Electric Company™**

Mailing Address:
Mail Code N11D
P.O. Box 770000
San Francisco, CA 94177

January 19, 2022

Vi Overnight Courier

Tribal Name
Name, Chairperson
Address
Address

Dear Tribal Leader:

We are writing to notify you that Pacific Gas and Electric Company (PG&E) is selling its Tule River Project, FERC Project No. 1333 (the "Project") in Tulare County, California. The purpose of this letter is to let you know that we will be submitting a request soon to the California Public Utilities Commission (Commission) to effectuate the sale and we want to make sure that you are aware of the sale and that your input is reflected.

The Project consists of a 6.4 MW powerhouse, three diversions, approximately four miles of water conveyance, a 70kV switchyard, and approximately four miles of 12kV electric line connecting to a pump and the hydroelectric project headworks. The Tule-Springville 70kV line connects the Tule powerhouse to Southern California Edison's Springville Substation. The Project comprises approximately 42 acres; approximately 11 of which are within FERC project boundaries and are directly associated with the operations of the Project. Additionally, significant portions of the Project are located on federal property pursuant to authorities granted under the FERC license.

A search of the California Native American Heritage Commission's Sacred Lands File has shown these lands to be within your tribe's ancestral territory. As you are probably aware, the Commission adopted its Tribal Land Disposition Policy on December 5, 2019.¹ Under this Policy, tribes are to be given a right of first refusal on real property before PG&E may put the property on the market. In this case, PG&E had begun marketing the Project for sale in June 2018 prior to the Commission's adoption of the Policy. The timing of this transaction hence predates the Policy and, in any event, the Policy does not provide requirements for the sale of operational properties like the Project. As such, we are not able to provide your tribe a right of first refusal for any of the Project-related real property.

¹ The Commission's Land Disposition Policy is available at its website, www.cpuc.ca.gov/tribal.

PG&E has executed an agreement to transfer the Project and all of the associated fee property. Nonetheless, we want to ensure your tribe is informed about the pending sale of the Project so that you can provide PG&E and the Commission with any input you may have. Specifically, we intend to submit an application before the Commission seeking approval of the proposed sale under Public Utilities Code Section 851. We currently plan on filing our application in late February 2022. Such proceedings are open to the public and welcome the input of tribes like yours.

Furthermore, the opportunity for future involvement by your tribe in Project operations, including access to its cultural resources and sacred places on the property, will be assured through several means. These include the FERC relicensing and license management process, continued federal ownership of lands underlying significant portions of the Project, and ongoing protections provided by the Conservation Easement on the property.

If you have any input or information you would like to share regarding tribal cultural resources that may exist on the property, we welcome it. We will ensure your input is provided to the Commission as part of the upcoming proceeding, or you can participate directly, as you see fit.

If you have any questions or input, please contact Rebecca Doidge, Principal, Strategic Agreements, for PG&E. Ms. Doidge can be reached at (415) 269-2070 or Rebecca.Doidge@pge.com.

Thank you for your interest in the Project. We look forward to hearing your input.

Sincerely,

Reno Franklin

Reno Franklin
Tribal Liaison
Corporate Sustainability Principal