

**CALIFORNIA WILDLIFE CONSERVATION BOARD
GRANT AGREEMENT
FOR
ACQUISITION OF FEE INTEREST**

Grantee: Name: Western Rivers Conservancy
Address: 71 SW Oak St., Suite 100
Portland, OR 97204

Attn: Sue Doroff, President

Phone: (503) 241-0151

Federal Employers ID No./Taxpayer ID No.: 93-1326405

Successor Grantee: Name: Western Rivers Forestry
Address: 71 SW Oak St., Suite 100
Portland, OR 97204

Attn: Sue Doroff, President

Phone: (503) 241-0151

Federal Employers ID No./Taxpayer ID No.: 46-3852365

Project Name: Blue Creek

Project Location: Humboldt and Del Norte Counties

WCB Grant Agreement Number: WC-1420JW

WCB Project ID: 2011172

Grant Agreement Amount: Not to exceed \$5,000,000.00

Notices to be addressed to:

For Grantee:

Western Rivers Conservancy
71 SW Oak St., Suite 100
Portland, OR 97204
Attn: Sue Doroff, President

For Successor
Grantee:

Western Rivers Forestry
71 SW Oak St., Suite 100
Portland, OR 97204
Attn: Sue Doroff, President

With a copy of
any Notice under
Section 6 or 7 to:

LCD New Markets Fund XVIII, LLC
111 W. St. John St., Suite 800
San Jose, CA 95113
Attn: Jeff Wells

For Grantor:

Wildlife Conservation Board
1416 9th Street Rm, 1266
Sacramento, CA 95814
Attn: Executive Director

With a copy to:

Department of Fish and Wildlife
1416 Ninth Street, 12th Floor
Sacramento, CA 95814
Attn: Director

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1. SCOPE OF AGREEMENT

Pursuant to Chapter 4 of Division 2 (commencing with Section 1300) of the California Fish and Game Code; the California Wildlife Protection Act of 1990 (Proposition 117; Fish and Game Code Section 2780, *et seq.*); and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84; Public Resources Code Section 75001, *et seq.*), the Wildlife Conservation Board (“Grantor”) hereby grants to Western Rivers Conservancy, an Oregon nonprofit public benefit corporation (“Grantee”), a sum not to exceed Five Million Dollars (\$5,000,000.00) (“Grant Funds”), upon and subject to the terms and conditions of this Grant Agreement for Acquisition of Fee Interest (“Agreement”).

2. PURPOSES OF GRANT

Grantor is entering into this Agreement, and the Grant Funds shall be used, only for the purpose of facilitating the project (the “Project”) described as: Grantee’s acquisition of fee title to approximately 6,479 acres of land known as Phase 2B of the Blue Creek Project, located in the Counties of Del Norte and Humboldt, California (the “Property”). The Property is more particularly described in **Exhibit A** attached to this Agreement.

Grantee covenants and agrees that if Grantor deposits the Grant Funds into escrow and Grantee acquires the Property, the Property shall be held and used for all of the following purposes: to preserve wildlife habitat; to provide habitat corridors to prevent habitat fragmentation; to protect significant natural landscapes and ecosystems and other significant habitat areas; and for forest conservation and protection that promotes the ecological integrity and economic stability of California’s diverse native forests through forest conservation, preservation and restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitat for native fish, wildlife and plants found on the Property (individually and collectively, the “Purposes of Grant”).

3. CONDITIONS OF GRANT

Grantor’s obligation to disburse Grant Funds under this Agreement is conditioned upon and subject to the satisfaction of all of the following conditions precedent:

3.1. Grantor shall have reviewed and approved all documents pertaining to Grantee’s acquisition of the Property and the sale and transfer of the Property to Successor Grantee, including, without limitation, appraisals, preliminary title reports and items referenced therein, options, agreements for purchase and sale, escrow instructions, financing documents (including but not limited to security instruments) and instruments of conveyance, as the same may be updated or amended prior to the close of escrow. Such review and approval by Grantor shall not be unreasonably withheld or delayed. Grantee shall have removed or caused to be removed, or otherwise addressed to the satisfaction of Grantor, any encumbrances or defects of title that Grantor determines are inconsistent, or could interfere, with

the Purposes of Grant. Any outstanding security interests or monetary encumbrances affecting the Property shall have been terminated.

3.2. Grantee shall acquire the Property from a willing seller for a purchase price that does not exceed the fair market value of the Property, as established by an appraisal that meets the requirements of Public Resources Code Section 5096.510 and is conducted by an appraiser who is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code. The appraisal shall be prepared pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), reviewed by a qualified independent appraiser according to the requirements of Public Resources Code Section 5096.512, and approved by the Department of General Services. The appraisal shall become part of the project file maintained by Grantor and shall be retained for no less than three years from the date of value.

3.3. Grantor shall have reviewed and approved (a) a certified resolution or other appropriate action of the governing board or governing body of Grantee, authorizing the execution and performance of this Agreement and the acquisition of the Property by Grantee, and (b) a certified resolution or other appropriate action of the governing board or governing body of Successor Grantee, authorizing the execution and performance of this Agreement and the acquisition of the Property by Successor Grantee. Upon approval by Grantor, the authorizing resolution(s) or other action(s) shall be attached to this Agreement as **Exhibit B**.

3.4. Grantee shall have deposited, or caused to be deposited, into escrow all funds beyond those granted under this Agreement that are needed for Grantee to complete the Project.

4. DISBURSEMENT PROCEDURE

Except as provided in Section 17, upon satisfaction of all of the above Conditions of Grant, and subject to approval of the Project by the Wildlife Conservation Board at a duly noticed public meeting, Grantor shall disburse the Grant Funds directly into an escrow account established for the Project according to the following procedure:

4.1. Grantee shall request disbursement of the Grant Funds by sending a letter to Grantor ("Disbursement Request"). The Disbursement Request shall be signed by an authorized representative of Grantee and shall contain all of the following:

- a. Name and address of Grantee;
- b. Project Name and Number of Grant Agreement;
- c. Dollar amount and purpose of disbursement;

d. Name, address and telephone number of the title company or escrow holder, name of the escrow officer, and the escrow account number to which the Grant Funds will be disbursed; and

e. A certification by Grantee that all funds (exclusive of the Grant Funds to be provided under this Agreement) needed to complete the Project have been secured and have been or will be deposited to escrow prior to or at the same time as the requested Grant Funds.

4.2. After receipt of the Disbursement Request, Grantor will promptly and timely (estimated to be 45 working days from the date Grantor receives the Disbursement Request) disburse an amount not to exceed Five Million Dollars (\$5,000,000.00) into the designated escrow account to be applied to the purchase price of the Property.

5. COVENANTS OF GRANTEE AND SUCCESSOR GRANTEE

In consideration of Grantor's disbursement of the Grant Funds, Grantee and Successor Grantee each hereby covenants and agrees as follows:

5.1. The Grant Funds shall be used as purchase money only, which excludes escrow and title fees and all other fees, costs and expenses incurred to accomplish the transaction (including, without limitation, obtaining funds needed to complete the Project) and the conveyance and acquisition of the Property.

5.2. The Property shall be held and used only in a manner that is consistent with this Agreement, including the "Purposes of Grant" set forth in Section 2. Without limiting the preceding sentence, the construction, reconstruction, expansion, location, relocation, installation, or placement of any building, billboard or sign (except the sign required in Section 5.3), or any other structure or improvement of any kind (e.g., roads and trails) on the Property without the prior written consent of Grantor is prohibited. Grantor may withhold such consent if Grantor determines that the activity is inconsistent with the Purposes of Grant or any other provision of this Agreement.

5.3. Grantee and Successor Grantee shall recognize the cooperative nature of the Project and shall provide credit to the Grantor, the California Department of Fish and Wildlife ("CDFW") and any other contributor on signs, demonstrations, press releases promotional materials, advertisements, publications or exhibits prepared or approved by Grantee or Successor Grantee referencing the Project. Subject to the mutual agreement of Grantor and Grantee or Successor Grantee regarding text, design and location, Grantee shall (or shall cause Successor Grantee to) post sign(s) on the Property to indicate the participation of Grantor and CDFW in Grantee's purchase of the Property; *provided, however*, that the sign(s) shall display Grantor's logo, as shown on **Exhibit C**.

5.4. The Property (including any portion of it or any interest in it) shall not be sold,

transferred, exchanged or otherwise conveyed without the written approval of the State of California, acting through the Executive Director of the Wildlife Conservation Board ("WCB"), or its successor. Such approval shall not be unreasonably withheld as long as the Property shall continue to be held and used only in a manner consistent with this Agreement, including the Purposes of Grant set forth in Section 2, and each successor-in-interest assumes and agrees in writing to be bound by the terms, covenants and conditions of this Agreement.

Grantee and Successor Grantee have informed Grantor that following Grantee's acquisition of the Property using the Grant Funds, Successor Grantee will purchase the Property with proceeds from a transaction utilizing New Market Tax Credits available under Section 45D of the Internal Revenue Code of 1986, as amended ("NMTC"). The NMTC transaction will require Successor Grantee to purchase the Property from Grantee on the date of close of escrow of Grantee's acquisition of the Property ("Transfer Date"). Grantor hereby approves the sale and transfer of the Property by Grantee to Successor Grantee by grant deed in the form attached as **Exhibit E** to this Agreement. By executing this Agreement, Successor Grantee hereby assumes and agrees to be bound by all of the covenants, obligations and liabilities of Grantee under this Agreement from and after the Transfer Date, at which time all references to "Grantee" in this Agreement shall be deemed to include Successor Grantee.

Grantee and Successor Grantee have also informed Grantor that, following repayment or extinguishment of the loans associated with the NMTC Financing (as defined and described in Section 5.6), Successor Grantee desires to transfer fee title to the Property to the Yurok Tribe, a federally recognized Indian tribe ("Yurok Tribe"). Grantor consents to such transfer so long as at the time of transfer there is no uncured breach or default under this Agreement; any outstanding security interests or monetary encumbrances affecting the Property shall have been terminated; and the Yurok Tribe does all of the following: (a) covenants and agrees in writing that the Property shall be held and used only in a manner consistent with this Agreement, including the Purposes of Grant set forth in Section 2; (b) assumes and agrees in writing to be bound by the terms, covenants and conditions of this Agreement; and (c) provides a limited waiver of sovereign immunity in favor of Grantor to ensure enforcement of this Agreement and the Purposes of Grant according to their terms, each of which shall be acceptable to Grantor in form and substance and duly authorized under Tribal law. Grantee shall notify Grantor of a proposed transfer of the Property to the Yurok Tribe not less than 180 days and not more than 360 days prior to the proposed date of transfer.

Should the Yurok Tribe acquire the Property and then later desire to transfer it to the United States in order for the Property to be held in trust for the Yurok Tribe, such transfer shall require the written approval of the State of California, acting through the Executive Director of WCB or its successor, according to the requirements of this Agreement and applicable law. Provided, however, that in lieu of requiring the United States to assume and agree in writing to be bound by the terms, covenants and conditions of this Agreement, Grantor's approval of such

transfer may instead be subject to the execution of an agreement between Grantor and the United States that Grantor determines is sufficient to protect the interest of the State of California.

5.5. The Property may not be used to satisfy any requirement or condition imposed by any permit, agreement, authorization or entitlement for use (“Mitigation”), including but not limited to any requirement to compensate for or otherwise offset impacts of an activity, without the written approval of the State of California acting through the Executive Director of WCB or its successor. The State shall not approve any Mitigation on account of (i) the protection of the Property resulting from its acquisition or ownership by Grantee, Successor Grantee, the Yurok Tribe or the United States; (ii) any Mitigation that is inconsistent with this Agreement, including the Purposes of Grant, or (iii) any activity on the Property (including but not limited to restoration) to cure, correct or otherwise remedy any breach or default of this Agreement. If the State approves any Mitigation under this paragraph, such approval shall be for the purposes of this Agreement only. Actual Mitigation requirements and conditions will be established and enforced by the authorities imposing them.

5.6. The Property (including any portion of it or interest in it) may not be used as security for any debt without the written approval of the State of California, acting through the Executive Director of WCB, or its successor.

Grantee and Successor Grantee have informed Grantor that Grantee intends to obtain up to \$1.9 million of short-term financing to assist in funding Grantee’s purchase of the Property. Grantee shall repay in full the short-term financing upon completion of a larger financing transaction involving NMTC (the “NMTC Financing”). The NMTC Financing structure is generally described and depicted in **Exhibit F**.

Grantee and Successor Grantee have informed Grantor that the NMTC Financing includes two loans to Successor Grantee in a total amount not to exceed Twelve Million Dollars (\$12,000,000.00) (the “A and B Loans”). The A and B Loans will be secured by a single deed of trust encumbering the Property (the “Deed of Trust”). All documents and instruments, including the Deed of Trust and any other security instruments, associated with the NMTC Financing shall be subject to review and approval by Grantor pursuant to Section 3.1. In addition, any security instrument(s) recorded against the Property in connection with the NMTC Financing (including the Deed of Trust) shall be unconditionally subordinated to this Agreement and the Notice described in Section 5.8 by a written, recorded subordination agreement in form and substance acceptable to Grantor.

At closing of the NMTC Financing, Western Rivers Conservancy (the “Conservancy”) and U.S. Bancorp Community Development Corporation (“NMTC Investor”) will enter into an Investment Fund Put and Call Option Agreement (the “Put/Call Agreement”) in the form of **Exhibit G**. Under the Put/Call Agreement, the NMTC Investor will have the option to put its interest in the Investment Fund

(defined in **Exhibit F**) to the Conservancy (the "Put Option"). Should the NMTC Investor not exercise the Put Option, then the Conservancy will have the option to call the NMTC Investor's interest in the Investment Fund (the "Call Option"). If the Conservancy does not exercise the Call Option prior to three days before the expiration of such Call Option, then a nonprofit organization affiliated with the Yurok Tribe shall have the right to do so. The Conservancy shall not agree to terminate, modify, amend or otherwise alter the Put/Call Agreement, or assign the rights of the Conservancy under the Put/Call Agreement, without the prior written approval of the State of California, acting through the Executive Director of WCB, or its successor. The Conservancy shall promptly deliver to Grantor a copy of any notice given or received by it under or in connection with the Put/Call Agreement, including without limitation any Put Availability Notice, Put Exercise Notice or Call Exercise Notice (as each term is defined in the Put/Call Agreement). In addition, the Conservancy shall promptly notify Grantor in writing each and every time the period of availability of a Put Option or Call Option begins, and shall keep Grantor informed as to the status of the Put Option and the Call Option.

Grantee and Successor Grantee shall promptly deliver to Grantor a copy of any notice given or received by it under or in connection with the A and B Loans, or either of them. In addition, Grantee and Successor Grantee shall promptly notify Grantor in writing of any breach or default under or in connection with the A and B Loans, or either of them, the NMTC Financing, and any proposed amendment, modification or termination of any document or instrument (including deeds of trust and other security instruments) associated with the A and B Loans, or either of them, or the NMTC Financing. Any breach or default under or in connection with the A and B Loans or either of them, or the NMTC Financing, including without limitation any enforcement notice or action taken under the Deed of Trust or any other security instrument, shall also constitute a breach of this Agreement.

5.7. The Conservancy shall establish and maintain a dedicated reserve fund in an amount equal to not less than two years of debt service on the A and B Loans ("Reserve"). The Reserve shall be fully funded on the date of close of escrow of Successor Grantee's acquisition of the Property and shall remain fully funded until the A and B Loans have been extinguished or repaid in full and the Deed of Trust and any other security instruments have been released and reconveyed. After the initial funding, payments received on the Leverage Loan (as defined in Exhibit F) shall be deposited in the Reserve. The Reserve may be supplemented with Carbon Revenues as provided in Section 5.11, but only if no other funds are available to the Conservancy for such purpose. The Reserve shall be held, managed, invested and disbursed solely to Successor Grantee to make necessary debt service payments on the A and B Loans, until the A and B Loans have been extinguished or paid in full and the Deed of Trust and any other security instruments have been released and reconveyed. Monies in the Reserve shall not be commingled with other funds. Provided, however, that if the Reserve funds exceed the amount required under this Section 5.7 then, upon written approval of WCB (which approval will not be unreasonably withheld), the Conservancy may receive a distribution from such excess Reserve funds up to the total amount of: (i) any monies of Conservancy

deposited in and used to establish the Reserve on the date of close of escrow of Successor Grantee's acquisition of the Property, plus (ii) any equity the Conservancy invested in Successor Grantee (the "Reimbursement Amounts"). As of the date of this Agreement, the parties estimate that the Conservancy will deposit [\$278,000] of its own funds to establish the Reserve and will invest [\$114,398] of equity in Successor Grantee. Any balance remaining in the Reserve upon the extinguishment or repayment in full of the A and B Loans, less any Reimbursement Amounts that have not been previously distributed to Grantee, shall be used in the same manner and for the same purposes as Carbon Revenues under Section 5.11. The Conservancy shall provide information on the status of the Reserve as part of the Annual Report required under Section 5.10.

5.8. Grantee and Successor Grantee shall execute and record or cause to be recorded, concurrently with close of escrow for the purchase of the Property using Grant Funds provided under this Agreement, a Notice of Unrecorded Grant Agreement (the "Notice"), incorporating by reference this Agreement and giving public notice that Grantee received funds under this Agreement in order to assist Grantee in acquiring the Property and that, in consideration for the receipt of the Grant Funds, Grantee and Successor Grantee each has agreed to the terms of this Agreement. The Notice shall be in the form of **Exhibit D**.

5.9. Grantee and Successor Grantee shall provide to Grantor, promptly following the close of escrow, a conformed copy of the recorded deed(s), Notice, Deed of Trust, and subordination agreement(s), with all recording information, as well as copies of the final closing or settlement statement(s) and the title insurance policy insuring Successor Grantee as the owner of fee simple title to the Property. Grantee and Successor Grantee shall also provide copies of the fully executed Fundraising Agreement (defined in Section 5.14), Put/Call Agreement, Land Management Agreement, Term Sheet with the Yurok Tribe, and such other documents related to the closing of the above transaction and the NMTC Financing as requested by Grantor. These documents shall become part of the project file maintained by Grantor.

5.10. At the request of Grantor, not less than once in any period of three calendar years, Grantee shall allow designated staff of Grantor to access the Property to assess compliance with the terms, covenants and conditions of this Agreement. In addition, Grantee shall monitor the Property at least annually to assess the condition of the Property and compliance with this Agreement, including but not limited to the Purposes of Grant. Following Grantor's approval of the Management Plan, monitoring shall be carried out in accordance with the approved Management Plan.

Grantee shall provide Grantor with a detailed written annual report ("Annual Report") for each calendar year ("Reporting Period") on or before the last business day of January of the calendar year immediately following the end of each Reporting Period. The Annual Report shall be sent to wcbmonitoring@wildlife.ca.gov, shall address each element of the monitoring

protocol in the Management Plan approved by Grantor (as described in Section 5.12), and shall describe and document the monitoring activities in a manner which demonstrates that the monitoring was conducted according to the approved monitoring protocol. The first Annual Report will be due on or before January 29, 2016 and shall cover the period from the date of close of escrow of Grantee's acquisition of the property through December 31, 2015.

Each Annual Report shall include at least the following information:

- a. Date(s) and time(s) of monitoring; conditions (weather, visibility, etc.)
- b. Identities and number of participants (Grantee staff, consultants or representatives, third parties)
- c. Qualifications and affiliations of monitors
- d. Purpose(s) of monitoring (e.g., annual monitoring, special inspection, other)
- e. Method(s) of monitoring (e.g., aerial inspection, drive-by, site visit, etc.) including route(s) of travel
- f. Documentation of monitoring procedures and activities, including any information brought to the monitoring visit (e.g., previous Annual Report(s), Management Plan, aerial photographs, maps, etc.)
- g. Description and summary of observations documented with photo monitoring points annotated with date, location, description and orientation. Photographs should be cross-referenced to the Management Plan where applicable.
- h. Description of Property conditions relative to the requirements of this Agreement, including the Purposes of Grant. Any observable changes from the date of close of escrow or last completed Monitoring Report must be specifically identified, described and documented.
- i. Description and status of actions taken during the Reporting Period to further goals and objectives specified in the Management Plan
- j. Statement of costs of management, maintenance and operation of the Property for the Reporting Period, including without limitation taxes and assessments as well as payments made under any land management agreement
- k. Description and status of enhancement and restoration actions taken during the Reporting Period and any previous Reporting Periods
- l. Any additional comments on observations, including facts relating to any possible violation(s) observed and any follow-up recommendations
- m. Status of the NMTC Financing, the A and B Loans (including dates and amounts of all debt service payments), and the Reserve required under Section 5.7 (including account number, location, and balance as well as dates, amounts and funding sources of all deposits and dates, amounts, purposes and recipients of any withdrawals)

- n. Such other information reasonably relating to the condition, management or operations, financial or otherwise, of Grantee, Successor Grantee and/or the Property as Grantor may request from time to time.

The Annual Report may, but is not required to, include the Annual Carbon Report required under Section 5.11.

5.11. Grantee and Successor Grantee intend to preserve, restore and enhance the existing natural conditions of the Property, while still allowing for certain forestry and other activities on the Property consistent with the Purposes of Grant and the terms of this Agreement. In furtherance of such purposes, Grantor agrees to allow a Carbon Project (as defined below) and generation of Carbon Revenues (as defined below) on and from the Property pursuant to and in accordance with the restrictions contained in this Agreement. Grantor intends that Carbon Revenues shall be used primarily to repay existing indebtedness, make debt service payments to ensure the protection of the Property, and pay for ongoing management and maintenance of the Property according to the provisions of this Agreement. Grantor further intends that Carbon Revenues should not be used for profit, private benefit, gain or inurement, or for purposes that are inconsistent with this Agreement or applicable laws. To ensure protection of the public's investment of bond funds towards the Project, Grantor expressly reserves certain rights related to approval of future uses and expenditures of Carbon Revenues generated from the Property.

Grantee may initiate a carbon sequestration project ("Carbon Project") on the Property and is not required to take into account the terms and conditions of this Agreement when calculating the baseline/business as usual of the Property for purposes of establishing carbon credits or other emissions offsets proposed to be authorized, created, sold, exchanged, or transferred ("Carbon Offsets"). Grantee agrees to notify Grantor in writing prior to any such proposed establishment. The Carbon Project, and all associated rights including establishment and sale of Carbon Offsets, and the Carbon Revenues (defined below), excluding their use as provided below, shall be considered part of the Property and may be transferred only in accordance with Section 5.4 of this Agreement. Despite the preceding sentence, arms-length sales of Carbon Offsets in market transactions at a price equal to, or greater than, the "current market price" at the time of the sale are not subject to Section 5.4. The "current market price" shall be a price not lower than 15% below the California Air Resources Board's annual Auction Reserve Price. Carbon Revenues shall not be assigned, pledged, encumbered or otherwise used as security for any debt without the written approval of the State of California, acting through the Executive Director of WCB, or its successor.

Grantor acknowledges that all revenues generated by a Carbon Project on the Property are encumbered by a Credit Agreement entered into by and between The David and Lucile Packard Foundation ("Foundation") and Grantee on December 6, 2013 (the "Credit Agreement"). The Credit Agreement requires Grantee to transfer all Carbon Revenues, as defined below, to the Foundation until all the obligations under the Credit Agreement are satisfied. "Carbon Revenues" are the gross revenues generated by the Carbon Project, less costs and expenses actually

incurred by Grantee in connection with such revenue generation, but only to the extent such costs and expenses do not exceed, in the aggregate, the amount equal to fifteen percent (15%) of such gross carbon revenues collected. Grantor also acknowledges that Successor Grantee has committed to use Carbon Revenues to make debt service payments on the A and B Loans (as defined in Section 5.6).

Any time Carbon Revenues attributable to the Property are realized by Grantee or Successor Grantee such Carbon Revenues shall first be used solely to (1) satisfy the obligations under the Credit Agreement, (2) make necessary debt service payments on the A and B Loans, and (3) fund the Reserve required under Section 5.7. Thereafter, any remaining balance of the realized Carbon Revenues shall be used in the following order: (1) to pay the costs of, or reimburse the Yurok Tribe for, management and maintenance of the Property consisting of day to day on the ground operations including, but not limited to, restoration, invasive species control, fencing, road maintenance, and fire protection activities, so long as such activities are consistent with the Management Plan (defined in Section 5.12); (2) to make payments (if any) required under the Revenue Sharing Agreement between Grantee and the State Coastal Conservancy ("SCC") dated [____], 2015, which Grantee entered into as a condition of securing grant funds from SCC to assist with Grantee's purchase of the Property; and (3) with the prior written approval of WCB, for other conservation purposes. Grantee covenants and agrees that it shall make an accounting of all Carbon Revenues and their use in an annual report ("Annual Carbon Report") to WCB. The Annual Carbon Report shall be delivered to WCB by January 31 of each year, and shall document and account for all Carbon Revenues realized and disbursed in the previous calendar year.

Grantee covenants and agrees that it shall take all steps legally available to protect Grantor from liability for losses occurring due to the Carbon Project, including: (1) unless otherwise required by law, in documentation with respect to the Carbon Project entered into or filed with the entity (whether regulatory or private) which sets forth the rules and requirements for issuance of Carbon Offsets ("Offset Oversight Body"), Grantee will ensure that WCB shall not be identified as a "Project Operator," "Forest Owner" or such similar term used in the applicable protocols for the Carbon Project established and maintained by the Offset Oversight Body (each a "Forest Owner"), (2) Grantee shall make reasonable efforts to ensure that WCB is not, and cannot be, considered a Forest Owner and as such, shall not be liable for a reversal under the Carbon Project or any other liability, financial or otherwise, related to the Carbon Project, (3) upon request by Grantor, Grantee shall make reasonable efforts to obtain a release from the Offset Oversight Body stating that Grantor is not, and cannot be considered, a Forest Owner and has no liability as such, and (4) Grantee shall indemnify Grantor pursuant to Section 10 of this Agreement for all losses incurred by Grantor due to the Carbon Project, which include losses for which Grantor might be responsible as a Forest Owner.

5.12. Grantee's use and management of the Property shall be consistent with this Agreement, including the Purposes of Grant set forth in Section 2, and shall be

conducted in accordance with a written plan prepared by or on behalf of Grantee, in consultation with CDFW, and approved in writing by Grantor (“Management Plan”). Grantee shall deliver its proposed Management Plan to Grantor and CDFW no later than December 4, 2015. The Management Plan will include provisions for enhancing the tremendous fisheries values of the Property and for achieving specified goals related to forest management, including eliminating clear cut harvesting and the use of herbicides; expanding protective riparian stream buffers; maintaining roads; decommissioning excess roads; and implementing watershed, fisheries and habitat restoration projects. The Management Plan will also include a monitoring protocol for the Property. Grantor and Grantee agree that CDFW shall have the opportunity to review the Management Plan, and any updates or amendments to it, prior to written approval by Grantor. Any updates or amendments to the Management Plan shall be prepared in consultation with CDFW and require the written approval of Grantor.

5.13. Grantee agrees that the 3,798-acre portion of the Property encompassing the Blue Creek Watershed (“Blue Creek Preserve” or “Preserve”) will be managed specifically to provide a sanctuary for fish and wildlife. Grantee’s management of this Blue Creek Preserve shall be conducted in accordance with the Management Plan and shall highlight salmonid recovery and restoration of habitat for other threatened and endangered species. The Management Plan will include provisions to achieve the following objectives for the Blue Creek Preserve:

- Managing the Preserve to return it to old-growth forest conditions for fish and wildlife protections, water and aquatic habitat quality improvements, and sequestering carbon.
- Reducing or eradicating feral cattle.
- Expanding treatment of road-related sediment issues, including road-decommissioning activities, riparian habitat restoration, and improvements to the Blue Creek Bridge.
- Continuing to collaborate with the Lower Klamath Restoration Partnership on watershed restoration planning and resource management issues between private landowners, Tribal interests, and public agencies.
- Implementing restoration actions guided by the Blue Creek Restoration Plan¹ to promote coho recovery and improve habitat integrity for other aquatic-dependent species and by the Lower Klamath River sub-basin restoration plan², which provides extensive historical background and inventory information on the status of fish species and aquatic habitats in dozens of tributaries to the Klamath River, and prioritizes restoration needs for these tributaries.
- Continuing to conduct annual monitoring of spawning and rearing salmonids using direct observation snorkel survey methodology.³

¹ Beesley, S. and R.A. Fiori. 2008. Restoration Planning in Lower Blue Creek, Lower Klamath River: Phase I. Yurok Tribal Fisheries Program, Klamath, California.

http://www.yuroktribe.org/departments/fisheries/documents/YTFP_2008_BlueCreekRestorationPlan-PhaseIFINAL_001.pdf

² Gale, D.B. and D.B. Randolph. 2000. Lower Klamath River sub-basin watershed restoration plan. Yurok Tribal Fisheries Program, Klamath, California.

http://www.yuroktribe.org/departments/fisheries/documents/LowerKlamathRestorationPlanFINAL2000_000.pdf

³ Antonetti, A. 2009. Assessment of Anadromous Salmonid Spawning in Blue Creek, Tributary to the Lower Klamath

5.14. Concurrently with the close of escrow of Successor Grantee's purchase of the Property, Grantee and Successor Grantee will enter into the Amended and Restated Fundraising and Contribution Agreement Between Western Rivers Conservancy and Western Rivers Forestry, effective as of December 6, 2013, in the form attached as **Exhibit H** (the "Fundraising Agreement"). The purposes of the Fundraising Agreement include ensuring that Successor Grantee has sufficient funds to finance the holding and maintenance of the Property and other property of Successor Grantee, including funds to pay debt service and other operating costs. Grantee and Successor Grantee shall each exercise all of its rights and observe, perform and comply with all of its obligations under the Fundraising Agreement with respect to the Property. Grantee and Successor Grantee shall promptly deliver to Grantor a copy of any notice given or received by it under or in connection with the Fundraising Agreement. Grantee and Successor Grantee shall not amend, terminate or assign the Fundraising Agreement without the prior written approval of the State of California, acting through the Executive Director of WCB, or its successor. Grantee and Successor Grantee acknowledge that Grantor is entering into this Agreement in reliance upon the Fundraising Agreement. Grantor shall have the right to enforce the covenants in this Section 5.14 and, despite any contrary provisions of the Fundraising Agreement, shall also be a third party beneficiary with respect to the obligations set forth in Section 3.2 of the Fundraising Agreement.

6. BREACH AND DEFAULT

6.1. In the event of a breach of any of the terms, covenants or conditions of this Agreement, Grantor shall give written notice to Grantee describing the breach. Notice shall be deemed given when personally delivered or deposited in the United States Mail, postage prepaid, or with a reliable overnight courier, addressed to Grantee at Grantee's address for notices set forth at the beginning of this Agreement.

6.2. If Grantee does not cure the breach within 90 days of the date a notice of breach is given or, if the breach is not curable within said 90-day period, Grantee does not commence the cure within the 90-day period and diligently pursue it to completion, then Grantee shall be in default ("Default") under this Agreement.

6.3. Grantee shall also be in Default under this Agreement upon the discovery that any information given to Grantor by or on behalf of Grantee or Successor Grantee under or in connection with obtaining this Agreement was materially false, incomplete or misleading. Notice of a Default under this Section 6.3 shall be given in accordance with Section 6.1.

7. REMEDIES

In the event of a Default under this Agreement, in addition to any and all remedies available at law or in equity, Grantor shall have the following remedies:

7.1. Grantor may seek specific performance of this Agreement. Grantee agrees that payment by Grantee to Grantor of an amount equal to the Grant Funds disbursed under this Agreement would be inadequate compensation to Grantor for any Default because the benefit to be derived by Grantor from full compliance by Grantee with the terms of this Agreement is that the Property shall be held and used consistent with the Purposes of Grant described in Section 2 of this Agreement and because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by Grantor by way of Grant Funds under this Agreement.

7.2. Grantor may require Grantee to convey a conservation easement over the Property in favor of Grantor (or, at the election of Grantor, another entity or organization authorized by California law to acquire and hold conservation easements and that is willing and financially able to assume all of the obligations of Grantee), and to pay a sum to Grantor which, when combined with the fair market value of the conservation easement, equals the sum granted to Grantee pursuant to this Agreement, together with interest compounded semi-annually starting from the date of this Agreement to and including the date of payment, at a rate equivalent to that which is being earned at the time of Default on deposits in the State of California's Pooled Money Investment Account. The conservation easement shall be for all of the following purposes: to preserve wildlife habitat; to provide habitat corridors to prevent habitat fragmentation; to protect significant natural landscapes and ecosystems and other significant habitat areas; and for forest conservation and protection that promotes the ecological integrity and economic stability of California's diverse native forests through forest conservation, preservation and restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitat for native fish, wildlife and plants found on the Property. The value of the conservation easement shall be determined by a fair market value appraisal that is conducted by an appraiser who is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code and acceptable to Grantor. The appraisal shall be prepared pursuant to applicable laws and USPAP and, if required by law, approved by the Department of General Services.

7.3. If the Deed of Trust is foreclosed, or the Property is sold, transferred, exchanged or otherwise conveyed in lieu of foreclosure ("Transfer In-Lieu"), then Grantor may require Grantee and Successor Grantee to pay Grantor a sum which equals the amount of Grant Funds disbursed pursuant to this Agreement, together with interest on that sum compounded semi-annually starting from the date of this Agreement to and including the date of payment, at a rate equivalent to that which is being earned at the time of the foreclosure or Transfer In-Lieu on deposits in the State of California's Pooled Money Investment Account. Provided, however, that the

remedy provided in this Section 7.3 shall be unavailable to Grantor if (a) prior to the Transfer In-Lieu, Grantor approved the transfer in writing according to the provisions of Section 5.4, or (b) if the successor owner of the Property is an eligible recipient of the Grant Funds and, in a fully executed written agreement with Grantor, the successor owner has assumed and agreed to observe, perform and be bound by all of the terms, covenants and conditions of this Agreement. An "eligible recipient of the Grant Funds" as used in this Section 7.3 shall mean a "nonprofit organization" as defined in Public Resources Code section 75005(k), local government agency, federal agency or state agency.

7.4. Despite the contrary provisions of Article 6 of this Agreement, if Grantor determines that circumstances require immediate action to prevent or mitigate interference with the Purposes of Grant arising from a breach of this Agreement, then Grantor may pursue its remedies without waiting for the period provided for cure to expire.

8. NONPROFIT ORGANIZATION GRANTEE

If the existence of Grantee is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the State of California. However, prior to that termination, upon approval of Grantor, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property by recording its acceptance of title in writing. Any deed or other instrument of conveyance whereby real property is being acquired by a nonprofit organization pursuant to this Section 8 shall be recorded and shall set forth the executory interest or right of entry on the part of the State of California.

9. TERM

9.1. This Agreement shall be deemed executed and effective when signed by an authorized representative of each party and received in the respective offices of Grantee, Successor Grantee and Grantor, together with the resolutions described in Section 3.3 (the "Effective Date"). Grantee, Successor Grantee and Grantor shall each sign three original Agreements. Grantee and Successor Grantee shall receive one completely executed original and Grantor shall receive one completely executed original.

9.2. The term of this Agreement will commence on the date authorized by the Wildlife Conservation Board, as set forth in Section 16 and, unless previously terminated as provided in Section 9.3, will expire on September 1, 2015, if escrow has not closed by that date.

9.3. Prior to close of escrow for Grantee's acquisition of the Property, Grantor or Grantee may terminate this Agreement for any reason or for no reason, by providing the other parties with not less than 15 days written notice of such termination. If this Agreement is terminated after Grantor's deposit of the Grant Funds into escrow but before close of escrow for Grantee's acquisition of the Property, Grantee shall

cause the escrow holder to immediately return all Grant Funds to Grantor and Grantee shall bear all costs and expenses of such termination.

9.4. The provisions of this Agreement that are not fully performed as of the close of escrow, including but not limited to Section 2 (Purposes of Grant) and Section 5 (Covenants of Grantee and Successor Grantee), shall survive the close of escrow for the acquisition of the Property by Grantee and the close of escrow for the acquisition of the Property by Successor Grantee and remain in full force and effect.

10. LIABILITY; MODIFICATIONS; INTERPRETATION

10.1. Grantee shall indemnify, protect and hold harmless Grantor, CDFW, the State of California, and their respective members, directors, officers, agents, and employees (each an "Indemnified Party"), from and against any and all claims, demands, damages, liabilities, losses, costs (including attorneys' fees) and expenses (collectively, "Claims") arising out of, connected with, or incident to this Agreement, the Project (including without limitation the NMTC Financing), any Carbon Project, or the acquisition, ownership, use, management, operation or maintenance of the Property, except that Grantee shall have no obligation to indemnify or hold harmless an Indemnified Party for Claims caused by the negligent or wrongful act of that Indemnified Party.

10.2. This Agreement may be modified only by written amendment signed by Grantor, Grantee and Successor Grantee. No prior or contemporaneous oral understanding or agreement not incorporated in this Agreement shall be binding on the parties.

10.3. All references herein to "Grantee" are intended to refer to Grantee or its designee, successor or assignee as may be approved by Grantor (including, upon its acquisition of the Property, Successor Grantee).

10.4. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, that shall not affect any other provision of this Agreement or applications of the Agreement that can be given effect without the invalid provision or application and to this end the provisions of this Agreement are severable.

10.5. Grantee, Successor Grantee, and its respective officers, directors, employees, agents and representatives, is each acting in an independent capacity in entering into and carrying out this Agreement, and not as a partner, member, director, officer, agent, employee or representative of Grantor.

10.6. This Agreement is not assignable or transferable by Grantee or Successor Grantee, either in whole or in part, except in connection with a transfer of the Property approved by Grantor under Section 5.4 of this Agreement.

10.7. Any costs incurred by Grantor, where Grantor is the prevailing party, in enforcing the terms of this Agreement against Grantee, including but not limited to costs of suit, attorneys' and experts' fees, at trial and on appeal, and costs of enforcing any judgment, shall be borne by Grantee.

10.8. Enforcement of the terms of this Agreement by Grantor shall be at the discretion of Grantor, and any forbearance by Grantor to exercise its rights under this Agreement shall not be deemed or construed to be a waiver of such term or of any subsequent breach of the same or any other term of this Agreement or any of the rights of Grantor under it.

10.9. Grantor will notify Grantee and Successor Grantee as promptly as possible following Grantor's receipt of any request for information related to the Project under the California Public Records Act (Government Code Section 6250 *et seq.*).

11. CONDEMNATION

If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, Grantor and Grantee shall act jointly to recover from the condemning authority the full value of the property so taken or purchased, and all direct or incidental damages resulting therefrom. Grantor shall be entitled to the share of the Award (as defined below) which equals the ratio of the Grant Funds provided by Grantor to the purchase price Grantee paid to acquire the Property (e.g., if Grantor provided \$50,000.00 of Grant Funds and the purchase price was \$75,000.00, then Grantor would be entitled to two-thirds of the Award). For purposes of this Agreement, the "Award" shall mean all compensation awarded, paid or received on account of the Property so taken or purchased, and all direct or incidental damages resulting from the taking or purchase, less all out-of-pocket expenses reasonably incurred by Grantee in connection with the taking or purchase.

12. AUDIT

Grantee and Successor Grantee shall each maintain complete and accurate records of its actual Project costs, in accordance with generally accepted accounting principles and practices, and shall retain said records for at least three years after the A and B Loans have been extinguished or repaid in full and the Deed of Trust and any other security instruments have been released and reconveyed. During such time, Grantee and Successor Grantee shall make said records available (or cause them to be made available) to the State of California for inspection and audit purposes during normal business hours. Expenditures not documented, and expenditures not allowed under this Agreement or otherwise authorized in writing by Grantor shall be borne by Grantee and Successor Grantee, as applicable. The audit shall be confined to those matters connected with this Agreement, including but not limited to administration and overhead costs.

13. UNION ORGANIZING

By signing this Agreement, Grantee and Successor Grantee each hereby

acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement and certifies that:

13.1. No state funds disbursed by this grant will be used to assist, promote or deter union organizing;

13.2. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure;

13.3. Grantee and Successor Grantee shall, where state funds are not designated as described in Section 13.2 above, allocate, on a pro-rata basis, all disbursements that support the grant program; and

13.4. If Grantee or Successor Grantee makes expenditures to assist, promote or deter union organizing, it will maintain records sufficient to show that no state funds were used for those expenditures, and that it shall provide those records to the Attorney General upon request.

14. NON-DISCRIMINATION

During the performance of this Agreement, neither Grantee nor Successor Grantee shall unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, marital status, age (over 40), sex, sexual orientation, or use of family-care leave, medical-care leave, or pregnancy-disability leave. Grantee and Successor Grantee each shall take affirmative action to ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination and harassment. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Grantee and Successor Grantee each shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 (a – f) *et seq.*), and applicable regulations (California Code of Regulations, Title 2, Section 7285 *et seq.*). The regulations of the Fair Employment and Housing Commission regarding Contractor Nondiscrimination and Compliance (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations) are incorporated by reference into this Agreement. Grantee and Successor Grantee each shall give written notice of its obligations under this non-discrimination clause to labor organizations with which it has a collective bargaining or other agreement, and shall post in conspicuous places available to employees and applicants for employment, notice setting forth the provisions of this section. Grantee and Successor Grantee each shall also include the nondiscrimination and compliance provisions of this Agreement in all contracts related to the Project.

15. EXHIBITS

Each of the Exhibits referenced in this Agreement is incorporated by reference as

though set forth in full herein. The following Exhibits are attached to this Agreement:

Exhibit A – Property Description

Exhibit B – Certified Resolution(s) or Other Action(s) of Governing Bodies of Grantee and Successor Grantee

Exhibit C – Grantor’s Logo

Exhibit D – Form of Notice of Unrecorded Grant Agreement

Exhibit E – Form of Grant Deed by Grantee to Successor Grantee

Exhibit F – Description and Depiction of NMTC Financing Structure

Exhibit G – Form of Put/Call Agreement

Exhibit H – Form of Fundraising Agreement

16. AUTHORIZATION

The signature of the Executive Director certifies that at the Wildlife Conservation Board meeting held on _____, the Board authorized the award of an acquisition grant to Grantee as provided in this Agreement.

17. NON-AVAILABILITY OF FUNDS.

Grantor shall not be obligated to disburse any Grant Funds under this Agreement unless and until the bond cash proceeds identified for allocation to the Project (as further specified in the Funding Certification attached to this Agreement) are released by the State Treasurer's Office to Grantor for expenditure for this grant. Despite any contrary provision of this Agreement, no request for disbursement submitted prior to the release of such bond cash proceeds to Grantor shall be effective.

IN WITNESS WHEREOF, this Agreement is made and entered into as of the _____ day of _____, 2015, in the State of California, by and between the Wildlife Conservation Board, Western Rivers Conservancy and Western Rivers Forestry, each of which hereby agrees to the terms and conditions referenced on pages 1 through 21, along with Exhibits A through H, of this Agreement.

STATE OF CALIFORNIA
WILDLIFE CONSERVATION BOARD

By: _____
John P. Donnelly

Title: Executive Director

Date: _____

GRANTEE:
WESTERN RIVERS CONSERVANCY,
an Oregon nonprofit public benefit
corporation

By: _____
Sue Doroff

Title: President

Date: _____

SUCCESSOR GRANTEE:
WESTERN RIVERS FORESTRY,
a California non-profit public benefit
corporation

By: _____
Sue Doroff

Title: President

Date: _____

LEGAL DESCRIPTION

EXHIBIT "A"

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

PHASE 2B

TRACT A

In Township 12 North, Range 2 East, Humboldt Meridian:

Section 13:

South Half and South Half of Northwest Quarter.

Excepting from the West Half of the Southeast Quarter and the South Half of the Southwest Quarter all mineral, oil and gas rights, with the right of natural underground storage, as reserved in the deed from Union Bond & Trust Company recorded June 22, 1951 in Book 174, page 66, Humboldt County Official Records.

APN 533-143-004 (portion)

Section 14:

Southeast Quarter, East Half of Southwest Quarter and Southwest Quarter of Southwest Quarter.

APN 533-142-005 portion and 533-142-002

Section 22:

The East Half of the Northeast Quarter.

APN 533-146-006

Section 23:

Entire section.

APN 533-145-003

Section 24:

Entire section.

EXCEPTING FROM the North Half and the Southeast Quarter of said Section 24 all rights of every kind, class

EXHIBIT "A" (continued)

and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

APN 533-144-003

Section 25:

Entire section.

EXCEPTING FROM the Northwest Quarter of the Southwest Quarter, the South Half of the Southwest Quarter, the South Half of the Southeast Quarter and the Northeast Quarter of said Section 25 all rights of every kind, class and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

APN 533-113-005

Section 26:

Entire section.

EXCEPTING FROM the Southeast Quarter of the Northwest Quarter, the South Half of the Northeast Quarter and the South Half of said Section 26 all rights of every kind, class and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

ALSO EXCEPTING THEREFROM the 40-foot strip of land conveyed to Robinet Logging Co., a corporation, by Ed Fletcher Company, by deed dated November 6, 1958 and recorded December 31, 1958, in Book 516 of Official Records, page 202, as Recorder's File No. 18598.

APN 533-112-005

Section 27:

Lots 4, 5 and 8, East Half of Northeast Quarter and a 26/27 interest in Lot 1.

EXCEPTING from said Lot 1, a 1/3 interest in all minerals as reserved by Beverly Jane Thompson in deed recorded April 27, 1970, in Book 1040, page 333 and a 2/27 interest in all minerals as reserved by the United States of America in Patent recorded September 30, 1975, in Book 1309, page 174, Humboldt County Official Records.

ALSO EXCEPTING THEREFROM the 40-foot strip of land conveyed to Robinet Logging Co., a corporation, by Ed Fletcher Company, by deed dated November 6, 1958 and recorded December 31, 1958, in Book 516 of Official Records, 202, as Recorder's File No. 18598.

APN 533-111-009 and 533-111-013

Section 35:

Lots 1 and 2, the East Half of the Northwest Quarter and the Northeast Quarter; Lots 5 and 6 and the North

EXHIBIT "A" (continued)

Half of the Southeast Quarter.

EXCEPTING THEREFROM, however, that portion thereof included within the boundaries of the following described parcel of land:

BEGINNING at the intersection of the quarter section line running North and South Through the center of said Section 35 with the mean high water mark on the right bank of Klamath River; and running thence due North to a point which is 1769.66 feet North and zero feet East of the quarter section corner on the South line of said Section 35;
thence South 48 degrees East, 629.10 feet to a point;
thence due South to the mean high water mark to Klamath River; and
thence Northwesterly along the mean high water mark of Klamath River to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows:

BEGINNING at a point which is 1453.04 feet North and 153.40 feet East of the quarter corner on the South line of said Section 35;
thence North 8 degrees East, 160.00 feet to the true point of beginning of the land to be described herein;
thence South 48 degrees East, 210.00 feet;
thence North 52 degrees 30 minutes East, 200.00 feet;
thence North 51 degrees West to the quarter section line running North and South through said Section 35;
thence Southerly along the last-mentioned line, to a point that is 1769.66 feet North and zero feet East of the aforementioned quarter section corner on the South line of said Section 35;
thence South 48 degrees East, 236.38 feet to the true point of beginning.

APN 533-115-012

Section 36:

The Northwest Quarter of the Southeast Quarter, the North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter and the Northwest Quarter.

EXCEPTING FROM said North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits contained in said land, and the right to drill for, mine and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefor, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the Public Resources Code. Being the same as reserved by the State of California in its Patent to Bud T. Ryerson, dated September 12, 1955 and recorded April 18, 1956 as Recorder's Serial No. 6022, Humboldt County Records.

APN 533-114-003 and 533-114-006

In Township 12 North, Range 3 East, Humboldt Meridian:

Section 5:

Lots 2 and 3, Southwest Quarter of Northeast Quarter, South Half of Northwest Quarter, and Southwest Quarter.

EXHIBIT "A" (continued)

APN 533-182-006 and 533-182-008

Section 6:

Lots 1, 2, 3, 4, 5, 6 and 7, Southeast Quarter of Northwest Quarter, South Half of Northeast Quarter, East Half of Southwest Quarter, and Southeast Quarter.

APN 533-181-002 and 533-181-007

Section 7:

Lots 1, 2, 3 and 4, East Half of West Half, and Northeast Quarter.

APN 533-184-005

Section 8:

Northwest Quarter.

APN 533-183-002

Sections 37, 38, 39, 40, 41 and 42:

Entire sections.

APN 533-121-005, 533-121-006, 533-131-005, 533-131-006, 533-181-008 and 533-181-009

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF DEL NORTE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

In Township 13 North, Range 3 East, Humboldt Meridian:

Section 30:

Lots 3 and 4.

APN 141-090-22 (portion)

Section 31:

Lots 1, 2, 3 and 4; East Half of the Southwest Quarter; West Half of the Southeast Quarter; Southeast Quarter of the Southeast Quarter; North Half of the Northeast Quarter; Southwest Quarter of the Northeast Quarter; and East Half of the Northwest Quarter.

APN 141-090-20 and 141-090-22 (portion)

The above lands in Sections 30 and 31 being also known as Tract 37 as per BLM Government Land Survey

EXHIBIT "A" (continued)

dated February 2, 1988.

Section 37:

Entire Section.

APN 141-090-23 and 141-090-24

Section 38:

Lot 2.

APN 141-090-25

TRACT B

A non-exclusive easement with a width of not more than forty (40) feet over the route of existing roads on the Property more particularly shown in Exhibit A in that certain document entitled "GRANT OF ROAD EASEMENT" for the purpose of motor vehicle or pedestrian access across the Property for purposes of managing forests on Tract A above.

All as contained in, and subject to the terms of, that certain document entitled "GRANT OF ROAD EASEMENT" executed by and between Green Diamond Resource Company, a Washington corporation and Western Rivers Forestry, a California nonprofit public benefit corporation and recorded December 6, 2013 as Instrument No. 2013-027438-20, Humboldt County Official Records and also recorded December 6, 2013 as Instrument No. 20135770, Del Norte County Official Records. And as contained in, and subject to the terms of, that certain document entitled "1ST AMENDMENT TO GRANT OF ROAD EASEMENT" executed by and between Green Diamond Resource Company, a Washington corporation and Western Rivers Forestry, a California nonprofit public benefit corporation and recorded _____, 2015 as Instrument No. 2015-_____-_____, Humboldt County Official Records and also recorded _____, 2015 as Instrument No. 2015-_____-_____, Del Norte County Official Records.

EXHIBIT B

(Resolutions of Grantee and Successor Grantee)

EXHIBIT C

(WCB Logo)

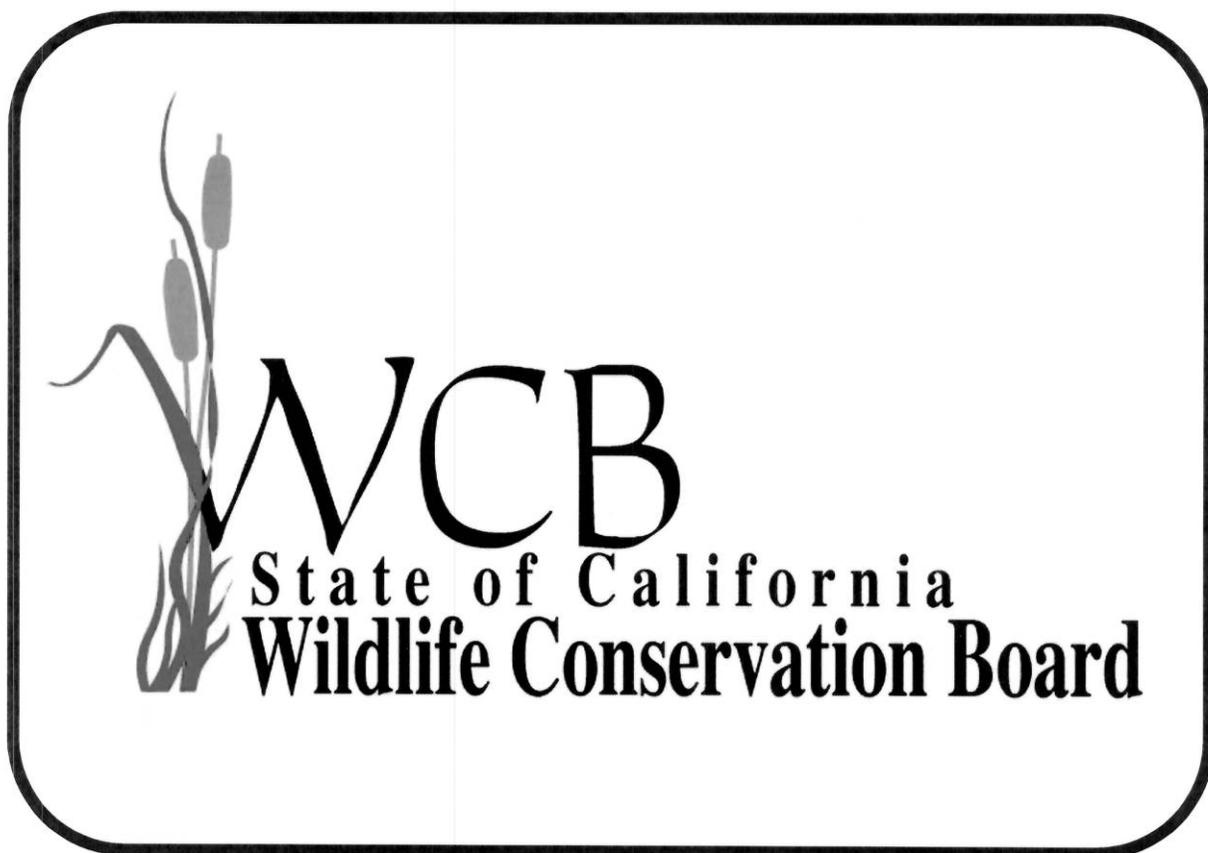


EXHIBIT D

(Notice of Unrecorded Grant Agreement)

Exhibit E

(Form of Grant Deed by Grantee to Successor Grantee)

WHEN RECORDED RETURN TO,
Western Rivers Forestry
71 Oak Street
Portland, Oregon 97204
Attn: Sue Doroff

AND MAIL TAX STATEMENTS TO:
Western Rivers Forestry
71 Oak Street
Portland, Oregon 97204
Attn: Sue Doroff

(Space above this line for Recorder's use)

APN: _____
ADDRESS: _____

The undersigned grantor(s) declare(s):
Documentary Transfer Tax is: _____ City Transfer Tax is _____
 computed on the consideration or full value of property conveyed, OR
 computed on the consideration or full value less value of liens and/or
encumbrances remaining at time of sale,
 unincorporated area, City of _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WESTERN RIVERS CONSERVANCY, an Oregon nonprofit corporation ("Grantor"), hereby grants to WESTERN RIVERS FORESTRY, a California nonprofit corporation ("Grantee"), the real property, together with all improvements, fixtures and other property affixed, and all right, title and interest of Grantor in and to roadways, streets, alleys and rights of way located in the County of Del Norte, State of California (the "Property"), more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

The conveyance of the Property by Grantor to Grantee is subject to those liens, encumbrances and other exceptions to title more particularly described on Exhibit "B" attached hereto.

The Property is being acquired in part with state grant funds. If any essential term or condition of the agreement with the state is violated, or if the existence of the Grantee is terminated for any reason, title to the all interest in real property acquired with state funds shall immediately vest in the state.

WESTERN RIVERS CONSERVANCY, an Oregon
nonprofit corporation

By _____
Sue Doroff, President

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 _____)
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 _____

EXHIBIT "A"

(PROPERTY)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF DEL NORTE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

TRACT A

In Township 13 North, Range 3 East, Humboldt Meridian:

Section 30:

Lots 3 and 4.

APN 141-090-22 (portion)

Section 31:

Lots 1, 2, 3 and 4; East Half of the Southwest Quarter; West Half of the Southeast Quarter; Southeast Quarter of the Southeast Quarter; North Half of the Northeast Quarter; Southwest Quarter of the Northeast Quarter; and East Half of the Northwest Quarter.

APN 141-090-20 and 141-090-22 (portion)

The above lands in Sections 30 and 31 being also known as Tract 37 as per BLM Government Land Survey dated February 2, 1988.

Section 37:

Entire section.

APN 141-090-23 and 141-090-24

Section 38:

Lot 2.

APN 141-090-25

EXHIBIT "B"

(PERMITTED EXCEPTIONS)

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2015-2016.
2. Property taxes, which are a lien now due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015
1st Installment: paid
2nd Installment: due 04-10-2015
3. **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.
4. **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 all creeks and rivers, 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 all creeks and rivers, or has been formed by accretion to any such portion.
5. **Rights and easements** for navigation and fishery which may exist over that portion of said land lying beneath the waters of all creeks and rivers.
6. **Rights of the public** as to any portion of the land lying within the area commonly known as all existing roads.
7. Effect of Re Survey by the United States of America in all Townships and Ranges, differing from earlier Township Surveys and any overlaps or defects of title caused by such differences.
8. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Sage Land & Lumber Company and Union Bond and Trust Co.
Purpose: indefinite rights of way

Recorded: June 25, 1951, Book 72, Page 265, Del Norte County Official Records

9. **Matters** contained in that certain document entitled "Grant of Road Easement" dated December 14, 2013, executed by and between Green Diamond Resource Company and Western Rivers Forestry recorded December 6, 2013, Instrument No. 20135770, Del Norte County Official Records.
10. **Reservation of Easement** contained in Grant Deed from Green Diamond Resource Company dated March __, 2015 and recorded March __, 2015, Instrument No. 2015-__-__, Del Norte County Official Records.
11. **Matters** contained in that certain document entitled "Notice of Unrecorded Grant Agreement (with Covenants Affecting Real Property)" dated March __, 2015, executed by Western Rivers Conservancy as Grantee and Western Rivers Forestry as Successor Grantee in favor of California Wildlife Conservation Board and recorded March __, 2015, Instrument No. 2015-__-__, Del Norte County Official Records.
12. **Matters** contained in that certain document entitled "Irrevocable Offer to Dedicate Title in Fee and Declaration of Restrictive Covenants" dated March __, 2015, executed by Western Rivers Conservancy as Offeror in favor of California State Coastal Conservancy recorded March __, 2015, Instrument No. 2015-__-__, Del Norte County Official Records.

WHEN RECORDED RETURN TO,
Western Rivers Forestry
71 Oak Street
Portland, Oregon 97204
Attn: Sue Doroff

AND MAIL TAX STATEMENTS TO:
Western Rivers Forestry
71 Oak Street
Portland, Oregon 97204
Attn: Sue Doroff

(Space above this line for Recorder's use)

APN: _____
ADDRESS: _____

The undersigned grantor(s) declare(s):
Documentary Transfer Tax is: _____ City Transfer Tax is _____
 computed on the consideration or full value of property conveyed, OR
 computed on the consideration or full value less value of liens and/or
encumbrances remaining at time of sale,
 unincorporated area, City of _____

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WESTERN RIVERS CONSERVANCY, an Oregon nonprofit corporation ("Grantor"), hereby grants to WESTERN RIVERS FORESTRY, a California nonprofit corporation ("Grantee"), the real property, together with all improvements, fixtures and other property affixed, and all right, title and interest of Grantor in and to roadways, streets, alleys and rights of way located in the County of Humboldt, State of California (the "Property"), more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO

The conveyance of the Property by Grantor to Grantee is subject to those liens, encumbrances and other exceptions to title more particularly described on Exhibit "B" attached hereto.

The Property is being acquired in part with state grant funds. If any essential term or condition of the agreement with the state is violated, or if the existence of the Grantee is terminated for any reason, title to the all interest in real property acquired with state funds shall immediately vest in the state.

WESTERN RIVERS CONSERVANCY, an Oregon
nonprofit corporation

By _____
Sue Doroff, President

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 _____)
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 _____

EXHIBIT "A"

(PROPERTY)

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

In Township 12 North, Range 2 East, Humboldt Meridian:

Section 13:

South Half and South Half of Northwest Quarter.

Excepting from the West Half of the Southeast Quarter and the South Half of the Southwest Quarter all mineral, oil and gas rights, with the right of natural underground storage, as reserved in the deed from Union Bond & Trust Company recorded June 22, 1951 in Book 174, page 66, Humboldt County Official Records.

APN 533-143-004 (portion)

Section 14:

Southeast Quarter, East Half of Southwest Quarter and Southwest Quarter of Southwest Quarter.

APN 533-142-005 portion and 533-142-002

Section 22:

The East Half of the Northeast Quarter.

APN 533-146-006

Section 23:

Entire section.

APN 533-145-003

Section 24:

Entire section.

EXCEPTING FROM the North Half and the Southeast Quarter of said Section 24 all rights of every kind, class and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

APN 533-144-003

Section 25:

Entire section.

EXCEPTING FROM the Northwest Quarter of the Southwest Quarter, the South Half of the Southwest Quarter, the South Half of the Southeast Quarter and the Northeast Quarter of said Section 25 all rights of every kind, class and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

APN 533-113-005

Section 26:

Entire section.

EXCEPTING FROM the Southeast Quarter of the Northwest Quarter, the South Half of the Northeast Quarter and the South Half of said Section 26 all rights of every kind, class and character to any oil or minerals in or upon said lands. As reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

ALSO EXCEPTING THEREFROM the 40-foot strip of land conveyed to Robinet Logging Co., a corporation, by Ed Fletcher Company, by deed dated November 6, 1958 and recorded December 31, 1958, in Book 516 of Official Records, page 202, as Recorder's File No. 18598.

APN 533-112-005

Section 27:

Lots 4, 5 and 8, East Half of Northeast Quarter and a 26/27 interest in Lot 1.

EXCEPTING from said Lot 1, a 1/3 interest in all minerals as reserved by Beverly Jane Thompson in deed recorded April 27, 1970, in Book 1040, page 333 and a 2/27 interest in all minerals as reserved by the United States of America in Patent recorded September 30, 1975, in Book 1309, page 174, Humboldt County Official Records.

ALSO EXCEPTING THEREFROM the 40-foot strip of land conveyed to Robinet Logging Co., a corporation, by Ed Fletcher Company, by deed dated November 6, 1958 and recorded December 31, 1958, in Book 516 of Official Records, 202, as Recorder's File No. 18598.

APN 533-111-009 and 533-111-013

Section 35:

Lots 1 and 2, the East Half of the Northwest Quarter and the Northeast Quarter; Lots 5 and 6 and the North Half of the Southeast Quarter.

EXCEPTING THEREFROM, however, that portion thereof included within the boundaries of the following described parcel of land:

BEGINNING at the intersection of the quarter section line running North and South through the center of said Section 35 with the mean high water mark on the right bank of Klamath River; and running thence due North to a point which is 1769.66 feet North and zero feet East of the quarter section corner on the South line of said Section 35;
thence South 48 degrees East, 629.10 feet to a point;
thence due South to the mean high water mark to Klamath River; and

thence Northwesterly along the mean high water mark of Klamath River to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows:

BEGINNING at a point which is 1453.04 feet North and 153.40 feet East of the quarter corner on the South line of said Section 35;
thence North 8 degrees East, 160.00 feet to the true point of beginning of the land to be described herein;
thence South 48 degrees East, 210.00 feet;
thence North 52 degrees 30 minutes East, 200.00 feet;
thence North 51 degrees West to the quarter section line running North and South through said Section 35;
thence Southerly along the last-mentioned line, to a point that is 1769.66 feet North and zero feet East of the aforementioned quarter section corner on the South line of said Section 35;
thence South 48 degrees East, 236.38 feet to the true point of beginning.

APN 533-115-012

Section 36:

The Northwest Quarter of the Southeast Quarter, the North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter and the Northwest Quarter.

EXCEPTING FROM said North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits contained in said land, and the right to drill for, mine and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefor, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the Public Resources Code. Being the same as reserved by the State of California in its Patent to Bud T. Ryerson, dated September 12, 1955 and recorded April 18, 1956 as Recorder's Serial No. 6022, Humboldt County Records.

APN 533-114-003 and 533-114-006

In Township 12 North, Range 3 East, Humboldt Meridian:

Section 5:

Lots 2 and 3, Southwest Quarter of Northeast Quarter, South Half of Northwest Quarter, and Southwest Quarter.

APN 533-182-006 and 533-182-008

Section 6:

Lots 1, 2, 3, 4, 5, 6 and 7, Southeast Quarter of Northwest Quarter, South Half of Northeast Quarter, East Half of Southwest Quarter, and Southeast Quarter.

APN 533-181-002 and 533-181-007

Section 7:

Lots 1, 2, 3 and 4, East Half of West Half, and Northeast Quarter.

APN 533-184-005

Section 8:

Northwest Quarter.

APN 533-183-002

Sections 37, 38, 39, 40, 41 and 42:

Entire sections.

APN 533-121-005, 533-121-006, 533-131-005, 533-131-006, 533-181-008 and 533-181-009

EXHIBIT "B"

(PERMITTED EXCEPTIONS)

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2015-2016.
2. Property taxes, which are a lien now due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015
1st Installment: paid
2nd Installment: due 04-10-2015
3. **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.
4. **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 all creeks and rivers, 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 all creeks and rivers, or has been formed by accretion to any such portion.
5. **Rights and easements** for navigation and fishery which may exist over that portion of said land lying beneath the waters of all creeks and rivers.
6. **Rights of the public** as to any portion of the land lying within the area commonly known as all existing roads.
7. Effect of Re Survey by the United States of America in all Townships and Ranges, differing from earlier Township Surveys and any overlaps or defects of title caused by such differences.
8. **Matters** contained in that certain document entitled "Agreement" dated November 8, 1996, executed by and between Simpson Redwood Company and Beverly A. Lisson recorded June 6, 1997, Instrument No. 1997-13455-11, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Township 12 North, Range 2 East and Township 13 North, Range 2 East and other lands

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

Reserved by: Bud T. Ryerson et ux
Purpose: Ingress and egress
Recorded: April 26, 1960, Book 584, Page 291, of Official Records
Affects: Township 12 North, Range 2 East and other lands

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

Reserved by: State of California
Purpose: right to fish
Recorded: April 18, 1956, Instrument No. 6022, Book 388, Page 297, of Official Records
Affects: Section 36, Township 12 North, Range 2 East

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

Reserved by: Union Bond and Trust Company
Purpose: roadway
Recorded: June 22, 1951, Book 174, Page 66, of Official Records
Affects: Section 13, Township 12 North, Range 2 East

12. Rights of ingress and egress for the purposes of exploration and removing oil or minerals as reserved by Yetta Bull et al in Deeds recorded January 28, 1955 in Book 2 of Official Records, pages 87, 88, 89, 90, 91, 93 and 97, respectively.

Affects portions of Sections 24, 25, 26 and 36, Township 12 North, Range 2 East

13. **Matters** contained in that certain document entitled "Grant of Road Easement" dated May 1, 2012, executed by and between Green Diamond Resource Company and Edward and Joyce Kellogg recorded May 15, 2012, Instrument No. 2012-13009-11, Humboldt County Official Records.

Reference is hereby made to said document for full particulars.

14. **Matters** contained in that certain document entitled "Grant of Road Easement" dated December 14, 2013, executed by and between Green Diamond Resource Company and Western Rivers Forestry recorded December 6, 2013, Instrument No. 2013-27438-20, Humboldt County Official Records.

15. **Reservation of Easement** contained in Grant Deed from Green Diamond Resource Company dated March __, 2015 and recorded March __, 2015, Instrument No. 2015-__-__, Humboldt County Official Records.
16. **Matters** contained in that certain document entitled "Notice of Unrecorded Grant Agreement (with Covenants Affecting Real Property)" dated March __, 2015, executed by Western Rivers Conservancy as Grantee and Western Rivers Forestry as Successor Grantee in favor of the California Wildlife Conservation Board and recorded March __, 2015, Instrument No. 2015-__-__, Humboldt County Official Records.
17. **Matters** contained in that certain document entitled "Irrevocable Offer to Dedicate Title in Fee and Declaration of Restrictive Covenants" dated March __, 2015, executed by Western Rivers Conservancy in favor of California State Coastal Conservancy recorded March __, 2015, Instrument No. 2015-__-__, Humboldt County Official Records.

Exhibit F

New Markets Tax Credit Financing

The NMTC program is jointly administered by the Community Development Financial Institutions Fund ("CDFI Fund") of the U.S. Department of the Treasury and the Internal Revenue Service. It is designed to help economically distressed communities attract private investment capital into operating businesses and real estate through the use of federal tax incentives. A tax credit investor is able to claim a federal tax credit equal to 39 percent of its investment. The tax credit is claimed over a seven year period (the "NMTC Investment Period"). U.S. Bancorp Community Development Corporation, a Minnesota corporation ("USBCDC") is the NMTC tax credit investor and Western Rivers Conservancy, an Oregon nonprofit public benefit corporation ("WRC") is the project sponsor for the NMTC Financing.

Initial steps in the NMTC Financing transaction have already occurred as follows:

Opportunity Fund Northern California, a California nonprofit public benefit corporation ("Allocatee") received an allocation of NMTCs (the "Allocation") and entered into an Allocation Agreement with the CDFI Fund governing such Allocation;

Allocatee made a sub-allocation to LCD New Markets Fund XVIII, LLC, a Delaware limited liability company (the "CDE"), of a portion of the Allocation in the amount of \$12,500,000;

On January 15, 2015, USBCDC (the "Tax Credit Investor") made a capital contribution to WRC Blue Creek Investment Fund, LLC, a Missouri limited liability company (the "Investment Fund") in the aggregate amount of \$12,500,000 (the "Initial Capital Contribution");

On January 15, 2015, the Investment Fund utilized the proceeds of the Initial Capital Contribution to make a capital contribution, in the amount of \$12,500,000, to the CDE which capital contribution is expected to constitute a "qualified equity investment" (as that term is defined in Section 45D of the Internal Revenue Code) eligible for NMTCs ("QEI"); and

On January 15, 2015, LCD New Markets Fund, LLC, a Delaware limited liability company (the "CDE Manager") made a capital contribution to the CDE in an amount equal to \$1,250.

The following additional steps will be taken in order to complete the NMTC Financing transaction:

WRC will use proceeds of grants from the Wildlife Conservation Board, the State Coastal Conservancy, and the Wyss Foundation, in the total amount of \$8,000,000, and proceeds from a short term loan in the amount of \$1,900,000 to purchase the Property from Green Diamond Resource Company for \$9,900,000;

WRC will also use proceeds from a short term loan from U.S. Bank in the amount of \$8,410,000(the "One Day Loan ") to make a loan to the Investment Fund in the principal amount of \$8,410,000 (the "Leverage Loan");

The Investment Fund will utilize the proceeds of the Leverage Loan to (i) return to the Tax Credit Investor an aggregate amount of capital contribution equal to \$8,405,000, and (ii) establish a fee reserve in the amount of \$5,000;

The CDE will use all of the proceeds of the Investment Fund's \$12,500,000 QEI to (i) pay certain fees to Allocatee in the amount of \$500,000, and (ii) make the A and B Loans to Western Rivers Forestry, a California nonprofit public benefit corporation ("WRF");

WRF will use the proceeds of the A and B Loans to purchase the Property from WRC for \$9,900,000, and reimburse WRC for certain expenses;

WRC will use a portion of the total amount it receives from WRF to pay off the One Day Loan.

The remaining steps of the NMTC Financing will fund in accordance with a written schedule of funds that will be signed by WRC, WRF and all other parties to the NMTC Financing, will include reference to all components of the NMTC Financing, including, without limitation, the components described above, and will otherwise be in form and substance acceptable to Grantor (Flow of Funds Schedule).

[Attach Diagram/Flow Chart of NMTC Financing Structure]

Exhibit G

(Form of Put/Call Agreement)

INVESTMENT FUND PUT AND CALL AGREEMENT

by and between

**U.S. Bancorp Community Development Corporation,
a Minnesota corporation
("USBCDC")**

and

**Western Rivers Conservancy,
An Oregon nonprofit public benefit corporation,
or its designee(s)
("Purchaser")**

March __, 2015

THIS INVESTMENT FUND PUT AND CALL AGREEMENT (this "**Agreement**") is made as of March ____, 2015, by and among U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION, a Minnesota corporation ("**USBCDC**"), and WESTERN RIVERS CONSERVANCY, a Oregon nonprofit public benefit corporation, or its designee(s) ("**Purchaser**").

WHEREAS, USBCDC is the sole member of WRC Blue Creek Investment Fund, LLC, a Missouri limited liability company (the "**Investment Fund**"), and owns 100% of the membership interest of the Investment Fund; and

WHEREAS, the parties hereto now desire to enter into this Agreement and set forth all of the terms and conditions upon which (i) USBCDC shall have an option to put USBCDC's membership interest in the Investment Fund (the "**USBCDC Interest**"), to Purchaser or such person designated by Purchaser, and (ii) Purchaser shall have an option to call for the sale to Purchaser of the USBCDC Interest.

NOW, THEREFORE, in consideration of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

Section 1. Put of the USBCDC Interest.

(a) USBCDC shall have the right and option, but not the obligation, to require Purchaser to purchase all (but not less than all) of the USBCDC Interest (the "**Investment Fund Put**") upon each and every occurrence of any of the following events (each a "**Put Availability Event**"):

(i) the later of (A) the first day following the end of the Tax Credit Investment Period (as defined in the Operating Agreement of the Investment Fund dated as of the date hereof (the "**Investment Fund Operating Agreement**")), or (B) the seventh (7th) anniversary of the date hereof (such date being referred to herein as the "**Recapture Expiration Date**"); or

(ii) the occurrence of an NMTC Recapture Event (as defined in the NMTC Guaranty (as defined below)).

Purchaser shall deliver written notice to USBCDC upon the occurrence of any Put Availability Event, advising USBCDC of the availability of the Investment Fund Put (the "**Put Availability Notice**").

(b) Not in limitation of the foregoing, during the Put Exercise Period (as defined below), upon receipt of a Put Availability Notice, USBCDC shall be entitled to exercise the Investment Fund Put by delivering notice of such exercise in writing to Purchaser (the "**Put Exercise Notice**"); provided, that, whether or not Purchaser provides the applicable Put Availability Notice, USBCDC shall have the right to exercise the Investment Fund Put at any time during the Put Exercise Period by delivery of a Put Exercise Notice to Purchaser. For purposes of this Agreement, the "**Put Exercise Period**" shall refer to the period beginning on the date of a Put Availability Event and ending one hundred twenty (120) calendar days following receipt by USBCDC of a Put Availability Notice from Purchaser in which to exercise such Investment Fund Put by delivering a Put Exercise Notice. For the sake of clarity, the Put Exercise Period shall not expire until one hundred twenty (120) calendar days following receipt

by USBCDC of a Put Availability Notice; provided that if, during that one hundred twenty (120) calendar day period, USBCDC delivers the Put Exercise Notice, the Put Exercise Period shall not expire until the Investment Fund Put Closing Date (as defined below). If exercised, USBCDC shall be obligated to sell, without recourse, and without representation or warranty (except as otherwise set forth herein, which shall include USBCDC's (or its successor's or assign's) ownership of the USBCDC Interest, free and clear of any liens or encumbrances, except as disclosed to Purchaser), and Purchaser shall be obligated to purchase, the USBCDC Interest then owned by USBCDC. USBCDC's failure to exercise its Investment Fund Put during any Put Exercise Period shall not preclude it from exercising its Investment Fund Put after the occurrence of any subsequent Put Availability Event.

(c) The purchase price for the USBCDC Interest (the "**Put Price**") pursuant to the Investment Fund Put shall be an amount equal to the sum of:

- (i) One Thousand Dollars (\$1,000); plus
- (ii) any transfer taxes and other closing costs attributable to the exercise of the Investment Fund Put and the sale of the USBCDC Interest; plus
- (iii) any amounts due and owing from Purchaser, or any of its respective Affiliates (as hereinafter defined) to the Investment Fund to the extent not included in Section 1(c)(iv) hereof; plus
- (iv) any amounts due and owing from Purchaser, Western Rivers Forestry, a California nonprofit public benefit corporation ("**QALICB**"), or any of their respective Affiliates, to USBCDC, in connection with that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification (the "**NMTC Guaranty**"), executed as of the date hereof by QALICB and Purchaser and any other guarantors, as may be required by USBCDC for the benefit of USBCDC.

(d) The Put Price shall be paid by Purchaser by federal wire transfer on the Investment Fund Put Closing Date (as defined below), at which time USBCDC in its capacity as investor and Twain Financial Partners, LLC, a Missouri limited liability company ("**Twain**"), or its successors or its assignees, in its capacity as non-member manager shall execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which (i) Twain, or its successors or its assignees, shall resign as the non-member manager of the Investment Fund, and (ii) USBCDC shall assign its membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise set forth herein).

(e) The date of the Investment Fund Put closing will be forty-five (45) calendar days following the mailing of the Put Exercise Notice, or such other date as USBCDC and Purchaser shall agree in writing (the "**Investment Fund Put Closing Date**").

Section 2. Call of USBCDC Interest.

(a) In the event that USBCDC has not exercised the Investment Fund Put (or otherwise provided the Put Exercise Notice), Purchaser shall have the right and option (the "**Investment Fund Call**") to purchase all, but not less than all, of the USBCDC Interest for thirty (30) calendar days following the expiration of the Put Exercise Period occurring after and as a result of the Recapture Expiration Date (the "**Call Period**"), provided that (i) QALICB shall have

paid in full all principal, interest and any other obligations then due and owing pursuant to the Loan Documents (as such term is defined in that certain Loan Agreement by and between LCD New Markets Fund XVIII, LLC, a Delaware limited liability company (the "**CDE**"), and QALICB dated as of the date hereof, (ii) no amounts are then due and owing from Purchaser, QALICB, or any of their Affiliates to the Investment Fund and/or to USBCDC, including but not limited to any amounts due and owing under the NMTC Guaranty, and (iii) all amounts have been paid in full which are due and owing from QALICB to the CDE and its Affiliates. For purposes of this Agreement, "Affiliate" shall mean, with respect to any entity or person, (x) any entity directly or indirectly controlling, controlled by or under common control with such entity or person, (y) any entity owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of such entity or person, and (z) any officer, director, partner, trustee or member of the immediate family of such entity or person. For purposes of this Agreement, the term "control" (including the terms "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the person or such entity, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Purchaser shall have no right to exercise the Investment Fund Call if Purchaser failed to pay the Put Exercise Price after the timely receipt of a Put Exercise Notice from USBCDC.

(b) If the Investment Fund Call is exercised, USBCDC shall be obligated to sell, without recourse, and without representation or warranty (except as otherwise provided herein), and Purchaser shall be obligated to purchase all of the USBCDC Interest then owned by USBCDC on the following terms and conditions:

(i) The date of the Investment Fund Call closing (the "**Investment Fund Call Closing Date**") shall be sixty (60) calendar days following delivery of the notice of exercise of the Investment Fund Call (the "**Call Exercise Notice**") to USBCDC or such other date as USBCDC and Purchaser may agree upon in writing.

(ii) The purchase price for the USBCDC Interest pursuant to this Section 2 (the "**Call Price**") shall be an amount equal to the fair market value (the "**Appraised Value Price**") of the USBCDC Interest (as agreed by USBCDC and Purchaser, or if they shall be unable to agree upon such price, as determined by an independent appraiser having not less than five (5) years experience appraising similar assets, selected by Purchaser and reasonably acceptable to USBCDC, said appraisal to be as of the last day of the month preceding the month within which the option to purchase is exercised by Purchaser). In the event USBCDC and Purchaser are unable to agree on an appraisal firm, each party shall select an appraisal firm and such two firms shall select a third independent appraisal firm, which shall conduct the actual appraisal. All costs relating to the appraisal shall be shared equally by the parties, and the results of the appraisal shall be deemed conclusive in the absence of fraud, malfeasance, or gross negligence. The Call Price for any purchase pursuant to this Section 2 shall be payable by Purchaser to USBCDC by federal wire transfer on the Investment Fund Call Closing Date, at which time USBCDC will execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which USBCDC shall (i) cause Twain or its successors and assignees, if applicable, to withdraw as the non-member manager of the Investment Fund, and (ii) assign USBCDC's membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise provided herein).

(iii) The Appraised Value Price shall be determined by valuing the estimated cash flow and capital proceeds to be received by USBCDC, as a member, pursuant to the Investment Fund Operating Agreement during the remaining term of the Investment Fund,

using actual income and expenses for the prior calendar year, as updated through the month prior to the month of closing, and thereafter using an appropriate time value of money discount rate reasonably acceptable to Purchaser, provided the appraiser uses the income capitalization approach to valuation based upon the actual income received from USBCDC's Interest and has an aggregate valuation and marketability discount rate for USBCDC's Interest for illiquidity, any restrictions on transferability and any minority nonvoting characteristics thereof. The above method of determining Appraised Value Price shall be modified as appropriate, to comply with then existing tax law respecting valuation of the fair market value of USBCDC's Interest.

Section 3. Representations and Warranties of USB. USBCDC represents and warrants to Purchaser as of the date of this Agreement as follows, all of which are material to Purchaser and the truth and accuracy of which have been relied upon by Purchaser in executing and performing their obligations under this Agreement:

- (a) USBCDC has authority to enter into this Agreement and carry out the transactions contemplated hereunder;
- (b) the execution, delivery, and performance by USBCDC of this Agreement and all obligations of USBCDC hereunder have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against USBCDC in accordance with the applicable terms hereof; and
- (c) no consent or approvals from or filing with any governmental or regulatory body or other party are required in connection with this Agreement, the rights granted hereunder, or their exercise by USBCDC.

Section 4. Representations and Warranties of Purchaser. Purchaser represents and warrants to USBCDC as of the date of this Agreement as follows, all of which are material to USBCDC and the truth and accuracy of which have been relied upon by USBCDC in executing and performing their obligations under this Agreement:

- (a) Purchaser has authority to enter into this Agreement and carry out the transactions contemplated hereunder;
- (b) the execution, delivery, and performance by Purchaser of this Agreement and all obligations of Purchaser hereunder have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against Purchaser in accordance with the applicable terms hereof; and
- (c) no consent or approvals from or filing with any governmental or regulatory body or other party are required in connection with this Agreement, the rights granted hereunder, or their exercise by Purchaser.

Section 5. Notice. All notices and other communication permitted or required hereunder shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next Business Day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows, to a party at its address set forth below, or to such other address as the party may specify by notice given to the other party in the manner prescribed. Facsimile transmission shall not constitute notice for purposes of this Agreement.

(a) If to USB: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – NMTC
Project Reference #23286
Facsimile: (314) 335-2602

With a copy to:

Twain Financial Partners LLC
1324 Washington Avenue, Suite 200
St. Louis, MO 63103
Attention: General Counsel
Project #: 23286
Facsimile: (314) 300-4158

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 64th Floor
Los Angeles, CA 90071
Attention: Eugene Cowan
Facsimile: (213) 559-0751

(b) If to Purchaser:

Western Rivers Conservancy
71 SW Oak Street, Suite 100
Portland, OR 97204
Attention: Sue Doroff
Facsimile: (503) 241-0374

With a copy to:

Coblentz, Patch, Duffy & Bass LLP
One Ferry Building, Suite 200
San Francisco, CA 94111-4213
Attention: Julie Treppa
Facsimile: (415) 772-5765

Section 6. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of California.

Section 7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

Section 8. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

Section 9. Amendment. This Agreement may not be modified, amended or otherwise altered except by written agreement executed by USB CDC and Purchaser.

Section 10. Counterparts. This Agreement and any amendments hereof may be executed in counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 11. Time is of the Essence. Time is of the essence with respect to all of the terms of this Agreement.

Section 12. Fees. Purchaser agrees to pay USBCDC's reasonable attorneys' fees and expenses in connection the transaction contemplated hereunder, including, without limitation, all fees and expenses in connection with this Agreement.

Section 13. Assignment. USBCDC shall be entitled to assign, in whole or in part, its rights under this Agreement to an investment fund of which USBCDC (or an affiliate) is the manager, managing member, or general partner without prior notice to or the consent of Purchaser, provided that USBCDC also assigns its obligations under this Agreement to such investment fund to the same extent that its rights are assigned herewith. Purchaser shall have the right to assign its rights and obligations to a designee of Purchaser, provided that (i) Purchaser assigns not only its rights but also its obligations under this Agreement to such designee, (ii) Purchaser shall remain liable for all its obligations hereunder, and (iii) prior to such assignment, the designee delivers to USBCDC a letter of representations and warranties, in form reasonably acceptable to USBCDC, with designee making the same representations and warranties as Purchaser has made to USBCDC under Section 4 of this Agreement, and (iv) such designee irrevocably waives, with respect to itself and its property, any diplomatic or sovereign immunity of any kind or nature, and any immunity from the jurisdiction of any court or from any legal process, to which such designee may be entitled, and agrees not to assert any claims of any such immunities in any action or claim brought by USBCDC under or in connection with this Agreement.

Section 14. Capitalized Terms. For purposes of this Agreement, unless otherwise defined herein, capitalized terms shall have the meaning ascribed to such terms in the Investment Fund Operating Agreement.

[Remainder of Page Intentionally Left Blank - Signatures Follow]

**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

USBCDC:

**U.S. BANCORP COMMUNITY DEVELOPMENT
CORPORATION**, a Minnesota corporation

By: _____
David Kilper, Authorized Officer

**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

PURCHASER:

WESTERN RIVERS CONSERVANCY,
an Oregon nonprofit public benefit corporation

By: _____
Name: Sue Doroff
Title: President

Exhibit H

(Form of Fundraising Agreement)

**AMENDED AND RESTATED
FUNDRAISING AND CONTRIBUTION AGREEMENT BETWEEN
WESTERN RIVERS CONSERVANCY AND
WESTERN RIVERS FORESTRY**

WHEREAS Western Rivers Conservancy ("WRC"), an Oregon nonprofit corporation, and Western Rivers Forestry, a California nonprofit public benefit corporation ("WRF") entered into a Fundraising and Contribution Agreement effective as of December 6, 2013;

WHEREAS, WRC is a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") whose exempt purpose is to acquire and convey title to lands, or interests in land, for the purpose of conserving the natural and scientific features of those lands for the benefit of the general public;

WHEREAS, WRF is a corporation exempt from taxation under Section 501(c)(3) of the Code whose mission is to operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of WRC;

WHEREAS, WRF, in furtherance of its exempt purpose has acquired and is acquiring certain additional real estate and improvements thereon located in Del Norte and Humboldt Counties in California (the "Property") in an effort to conserve the ecosystem on the Property for fish, wildlife and people;

WHEREAS, in order to finance the acquisition of, and the operations on, the Property, WRF has obtained certain loans in the aggregate original principal amount of \$11,712,000 and will obtain certain additional loans in the aggregate original principal amount of \$12,000,000 (the "Loans"), which Loans shall be secured by the Property;

WHEREAS, it is in the best interests of both WRF and WRC to ensure that WRF has sufficient funds to finance the holding and maintaining of the Property, including funds to pay operating costs including debt service on the Loans; and

WHEREAS, WRC and WRF plan to work together to raise charitable contributions to further their respective missions.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, WRC and WRF do hereby agree as follows:

1. Fundraising Campaign.

1.1 The parties agree to conduct a joint fundraising campaign (the "Campaign") for the benefit of WRF that shall terminate January __, 2045, unless terminated sooner in accordance with this Agreement.

1.2 Either party may terminate this Agreement by providing five (5) days written notice following the date in which the outstanding balance of the Loans are paid in full.

2. Cooperation.

2.1 The parties will cooperate with each other in all aspects of the Campaign. Such cooperation will include, for example, joint development of fundraising strategy, joint development of brochures or other informational material regarding the Campaign, and coordination of schedules to allow for joint meetings with donors.

2.2 Donor Identification. Each party will work to identify potential donors to the Campaign. Prior to contacting any donor (including, among others, local or national foundations, corporations or other businesses, individuals or private foundations, or any government entity), each party will notify the other of the donors it plans to contact and will share any materials, such as letters and any supporting information, that it plans to distribute to or share with such potential donors.

2.3 Meetings. Upon reasonable notice, each party shall make its philanthropic personnel available for telephone conferences, or, where geographically reasonable, in-person conferences on a regular basis to ensure that the Campaign is adequately supported. WRC support will include availability of WRC personnel for meetings with important donor prospects, regular status updates with WRF personnel, regular communication to discuss and adjust Campaign strategy, and research on prospects, individuals, foundations, and other funding sources.

2.4 Costs. Except in connection with the event as described in Section 2, each party will bear its own costs related to the Campaign.

2.5 WRC shall indemnify and hold harmless WRF, its affiliates, successors and assigns, and their respective shareholders, employees, officers, directors, members and agents from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) incurred or suffered by any of the indemnified parties in connection with or arising out of WRC's breach of this Agreement or failure to comply with the statutory requirements for charitable solicitations for which WRC has contractual or statutory responsibility. This duty of indemnity shall survive for three (3) years after the termination of this Agreement.

2.6 WRF shall indemnify and hold harmless WRC, its affiliates, successors and assigns, and their respective shareholders, employees, officers, directors, members and agents from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) incurred or suffered by any of the indemnified parties in connection with or arising out of WRF's breach of this Agreement or failure to comply with the statutory requirements for charitable solicitations for which WRF has contractual or statutory responsibility. This duty of indemnity shall survive for three (3) years after the termination of this Agreement.

3. Fundraising Distributions and Contributions.

3.1 All donations made in connection with the Campaign shall be made payable to WRC. WRC shall issue receipts to donors as required. WRC shall hold the funds received as part of the Campaign for the benefit of WRF.

3.2 Within ten (10) days after receiving a statement from WRF that specified funds are required by it to pay any of its costs, including debt service on the Loans, within the next thirty (30) days, WRC shall forward to WRF the amount of funds needed, as specified by WRF in its statement. Such monies shall be accompanied by an accounting showing the total funds raised under the Campaign (less any deductions therefrom) included in the amounts so forwarded. Funds forwarded by WRC in excess of the net amounts raised under the Campaign shall constitute a capital contribution by WRC to the capital of WRF, which contribution shall be returned to WRC once it is determined that WRF has cash in its possession in excess of the amount it needs to fund its expenses for a period of ninety (90) days or more. The California Wildlife Conservation Board shall be a third party beneficiary with respect to the obligations set forth in this Section 3.2.

4. **Default.** In the event that either party defaults on any of its obligations under this Agreement, the parties agree that no such default will be effective until thirty (30) days after the non-defaulting party gives written notice of the default to the defaulting party. The notice of default shall state clearly the respect in which the non-defaulting party is deemed to be in default under this Agreement. Upon receipt of such notice, the defaulting party shall have thirty (30) days to cure such default. In the event such party fails to cure such default within such 30-day period, representatives of the two parties will meet to try to resolve the matter. If these representatives are unable to resolve the matter within ten days, then the default shall become effective, and the non-defaulting party shall be entitled to its damages from such default.

5. **No Third Party Beneficiary Rights.** Except as provided in Section 3.2, no third party, whether a constituent of WRF or otherwise, may enforce or rely upon any obligation of, or the exercise of or failure to exercise any right of, WRF or WRC in this Agreement. This Agreement is not intended to create any rights of a third party beneficiary.

6. **Governing Law and Jurisdiction.** This Agreement shall be construed and enforced in accordance with the laws of the State of California without giving effect to its conflict of law provisions. The parties agree that any action to enforce the terms of this Agreement shall be brought in the state and federal courts located in Sacramento County, California and the parties hereby waive any objections to the jurisdiction or proper venue of such courts.

7. **Amendments.** This Agreement may be altered, amended, changed, or modified only by agreement in writing executed by WRC and WRF.

8. **Section Headings.** The section headings shall not be treated as part of this Agreement or as affecting the true meaning of the provisions hereof.

9. **Assignment.** This Agreement shall not be assigned by either party without the prior written consent of the other party, provided the parties hereby acknowledge and consent to the collateral assignment of this Agreement by WRF to LCD New Markets Fund XVIII, LLC, a Delaware limited liability company, as security for the Loan, pursuant to that certain Collateral Assignment of Contracts, Ancillary Documents and Other Rights, dated on or about the date hereof.

10. **No Waiver.** No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

11. **Notices.** All notices required or permitted by this Agreement shall be in writing and shall be sent by nationally-recognized overnight courier, addressed to the main office of each party (except that a party may from time to time give notice changing the address for this purpose). A notice shall be effective on the date delivered by a nationally-recognized overnight courier.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WESTERN RIVERS CONSERVANCY,
an Oregon nonprofit public benefit corporation

By: _____
Name: Sue Doroff
Title: President

WESTERN RIVERS FORESTRY,
a California nonprofit public benefit corporation

By: _____
Name: Sue Doroff
Title: President