

Appendix I

Draft Conservation Easement



Flame Skimmer (*Libellula saturata*)

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RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

General Counsel
California Department of Fish and Wildlife
1416 Ninth Street
Sacramento, California 94814

The undersigned declares that this document is recorded for the benefit of the California Department of Fish and Wildlife, an agency of the State of California, and is therefore exempt from the payment of the recording fee pursuant to Government Code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 922.

By: _____
Authorized Representative for Agency

GRANT OF KERN WATER BANK CONSERVATION EASEMENT
(34 Acre Parcel)

THIS PERMANENT CONSERVATION EASEMENT (the "Grant") is made this 1st day of May, 2013 by and between the Kern Water Bank Authority, a joint powers authority ("Grantor"), and the State of California, acting by and through its Department of Fish and Wildlife, a subdivision of the California Resources Agency ("Grantee"), with reference to the following facts:

RECITALS:

A. Grantor is the sole owner in fee simple of certain real property in the County of Kern, State of California, more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Conservation Easement Property"). The Conservation Easement Property totals approximately 34 Acres.

B. The Conservation Easement Property possesses open space and other habitat values which are important to the conservation of the certain sensitive species and also possesses attributes (collectively, "conservation values") of great importance to Grantee and the people of the State of California. Such conservation values provide habitat for threatened and endangered, and other sensitive species.

C. Grantor is a joint powers authority formed by certain public agencies and other entities in the County of Kern pursuant to California Government Code section 6500 et seq. for the purpose of operating a water bank project.

D. Under the California Endangered Species Act (“CESA”) and other State law, Grantee has jurisdiction over the conservation, protection, restoration, enhancement and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. Grantee is also the manager and trustee of fish and wildlife resources and their habitat pursuant to California Fish and Wildlife Code section 1802.

E. Grantor intends to convey to Grantee the right to preserve, enhance and protect the conservation values of the Conservation Easement Property in perpetuity subject to the terms of this Grant.

F. Grantor has prepared and Grantee, along with the United States Fish and Wildlife Service (the “FWS”), has approved a long-term habitat conservation plan (“Habitat Conservation Plan”) dated October 2, 1997 with regard to the Conservation Easement Property and other property. The Habitat Conservation Plan identifies uses of the Conservation Easement Property that are consistent with preserving the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in effect (for an initial period of 75 years), Grantor shall have the right to use the Conservation Easement Property for the uses set forth in the Habitat Conservation Plan and accompanying Implementation Agreement.

G. Pursuant to the Implementation Agreement, Grantor is required to develop and have approved by Grantee and FWS a Permanent Management Plan for the Conservation Easement Property prior to the expiration of the Habitat Conservation Plan. After the Habitat Conservation Plan, related Implementation Agreement, and associated permits and authorizations have expired, the Conservation Easement Property shall be managed in accordance with this Grant and the Permanent Management Plan in perpetuity.

H. The Conservation Easement Property is adjacent to certain real property owned by Grantor on which Grantor has previously conveyed a conservation easement to Grantee.

NOW, THEREFORE, in consideration of the above and mutual covenants, terms, conditions and restrictions contained herein, Grantor and Grantee agree as follows, and Grantor hereby grants and conveys to Grantee an easement in perpetuity over the Conservation Easement Property of the nature and character and to the extent hereinafter set forth (the "Easement").

1. Purpose.

It is the purpose of the Easement to assure that the Conservation Easement Property will be retained forever in an open space condition (subject to those uses permitted in Sections 2 and 4 of this Grant) and for the conservation of threatened, endangered and other sensitive species and related purposes and to prevent any use of the Conservation Easement Property that will impair or interfere with the conservation values of the Conservation Easement Property other

than as set forth herein. Grantor intends and agrees that the Easement shall limit the use of the Conservation Easement Property, subject to the uses permitted in this Grant, to such activities, including without limitation those involving the management of the Conservation Easement Property, that protect or enhance the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in force, the Conservation Easement Property may be subject to the additional uses and limitations imposed by the Habitat Conservation Plan. Since the Easement is in perpetuity, nothing in the Habitat Conservation Plan shall be construed to impose a limit on the duration of the Easement. When the Permanent Mitigation Plan is put in place, the Conservation Easement Property may be subject to additional uses and/or limitations imposed by the Permanent Mitigation Plan.

2. Rights of Grantee and Character of Easement.

(a) Rights Conveyed. To accomplish the purpose of the Easement, the following rights and obligations are hereby conveyed to and accepted by Grantee by the grant contained herein:

- (I) To preserve, enhance and protect the conservation values of the Conservation Easement Property; and
- (ii) To enter upon the Conservation Easement Property to carry out the purposes of the Easement.

(b) Use of Surface and Subsurface. The use of the surface of the Conservation Easement Property for conservation values is the exclusive use for the Conservation Easement Property subject to those other purposes set forth in Section 4 below. With respect to the subsurface of the property comprising the Conservation Easement Property, Grantor retains the right to reasonable access to and use thereof for the use and maintenance of Grantor's existing wells and waterlines and canals, so long as Grantor's exercise of such retained rights does not materially disturb, disrupt or interfere with the Easement; provided, however, that any such access and use shall be consistent with the purposes set forth herein. Grantee recognizes that this Grant is not binding upon the third-party owners of the mineral rights underlying the Conservation Easement Property.

(c) Prohibited Uses. The following uses by Grantor, its agents, and all third parties, are expressly prohibited, unless specifically authorized in the Habitat Conservation Plan while it is in effect, the Permanent Mitigation Plan while it is in effect or necessarily incident to the exercise by Grantor of its reserved rights under Section 4 below:

- (I) Unseasonable watering, use of herbicides and/or rodenticides, weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of the Easement;
- (ii) Use of off-road vehicles;
- (iii) Erecting of any building, billboard or sign;
- (iv) Depositing of soil, trash, ashes, garbage, waste, bio-solids or any other material;
- (v) Excavating, dredging or removing of soil, loam, gravel, rock, sand or other material;
- (vi) Altering the general topography of the Conservation Easement Property, including construction of roads; and
- (vii) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required by law for (1) fire breaks, (2) maintenance of existing foot trails or roads, or (3) prevention or treatment of disease.

(d) Use By General Public. No use of the Conservation Easement Property by the general public is authorized hereunder without the express prior written consent of Grantor, Grantee and FWS, or their respective successors in interest in the Conservation Easement Property, and Grantor, Grantee and FWS shall not encourage or permit the general public to use or enter upon the Conservation Easement Property. For purposes of this subparagraph, the term "general public" shall not include persons accompanied by Grantor, Grantee or FWS or their employees, agents, representatives, contractors or subcontractors and entering onto the Conservation Easement Property for purposes related to the conservation values of the Conservation Easement Property and the purposes set forth in Section 4. Notwithstanding the foregoing, Grantor and Grantee acknowledge that representatives of the Grantee and FWS shall have a right of access onto the Conservation Easement Property for purposes associated with the conservation values hereof upon 24 hours' notice to Grantor. In addition, so long as Grantee is a subdivision of the State of California, it shall have the right to administer a managed hunting program ("Hunting Program") on the Conservation Easement Property, provided that Grantee submits to Grantor and FWS for approval by Grantor and FWS, a description of such Hunting Program and specifying measures to insure that such Hunting Program will not interfere with, or damage, the Reserved Rights and Uses described in Section 4 or create a hazard to Grantor's officers, employees or agents. Without limiting in any way California Civil Code section 846, in the event that Grantor approves the Hunting Program, such approval, or any actions of Grantor pursuant to such approval, does not thereby (a) extend any assurance by Grantor that the Conservation Easement Property is safe for hunting purposes, or (b) impute or otherwise

establish any person to whom access is provided pursuant to the Hunting Program to be an invitee or licensee to whom a duty of due care is owed by Grantor, or (c) assume responsibility by Grantor for, or incur liability by Grantor for, any injury to person or property caused by any act of such person to whom permission has been granted pursuant to the Hunting Program. The approval of the Hunting Program by Grantor does not create a duty of care for Grantor or a ground for liability against Grantor for injury to person or property.

(e) Reservation of Rights. Grantee's rights under this Easement are expressly made subject to Grantor's reserved rights under Section 4 and all other easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice as of the date of recordation of this Grant.

(f) Assignment by Grantee. Grantee may assign its rights and obligations under this Grant only to an organization that is (1) approved by the Grantor and FWS which approval shall not be unreasonably withheld, and (2) a public agency or a qualified organization at the time of transfer under section 170(h) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 170(h), or any successor provision applicable), and the applicable regulations thereunder, and (3) authorized to acquire and hold a conservation easement under California Civil Code Section 815 et seq. (or any successor provision then applicable).

(g) No Abandonment. Grantee shall not abandon its rights and obligations under this Grant. In the event Grantee is unwilling or unable to carry out Grantee's obligations under this Grant, then Grantee shall transfer the Easement to a public entity or qualified organization willing to assume Grantee's rights and obligations, in accordance with Section 2(f)(1), (2) and (3). Any transfer of the Easement shall be approved by FWS and Grantor.

3. No Encumbrances.

Neither Grantor nor Grantee shall suffer or permit to be enforced against the Conservation Easement Property, or any portions thereof, any mechanics', material men's, contractors' or subcontractors' liens or any claim for damage arising from any services, supplies, labor or materials furnished or alleged to have been furnished to or for Grantor or Grantee at or for use on the Conservation Easement Property, and each party shall promptly pay or cause to be paid all of said liens, claims or demands caused by such party before any action is brought to enforce the same. If any such lien shall at any time be recorded against the Conservation Easement Property as a result of the foregoing, and the party causing the same shall fail, within 60 days after such recording, to either (i) pay and discharge the underlying claim and cause a lien release to be recorded or (ii) furnish to the other party a surety bond or other security reasonably satisfactory to the other party protecting the other party against liability for such lien and holding the

Conservation Easement Property free from the effect of such lien, then the other party may, but shall not be obligated to, take such action or pay such amounts as may be necessary to remove such lien, and the failing party shall immediately pay to the other party the amount so expended, together with interest thereon at the rate of 10% per annum accruing from the date of such payment until paid in full. Notwithstanding the foregoing, for so long as Grantee is the State of California, nothing herein shall be deemed to affect Grantor's obligation or duty to pay any claims for money or damages that are governed by the Tort Claims Act, Government Code section 810 et seq.

4. Reserved Rights and Uses and Responsibilities of Grantor.

(a) Utilities and Uses. The Easement is subject to the easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice, and Grantor's use and maintenance of existing wells, appurtenant structures, waterlines, canals and roadways as of the date this Grant is recorded in the Official Records of the County of Kern, and such additional easements, wells, appurtenant structures, waterlines, canals and roadways as Grantor shall designate at any time after the date of recordation of this Grant, subject to the prior written approval of Grantee and FWS, which approval shall not be unreasonably withheld, and compliance with all applicable laws and regulations.

(b) Water Storage and Extraction. Grantor shall have the right to install, construct, repair, maintain, and operate water recovery and water conveyance facilities, including, but not limited to, water wells, pipelines, recovery canals, pumps, and appurtenant facilities such as pump sheds, fences and access roads, as permitted under the Habitat Conservation Plan. Grantor shall have the right to store water in the subsurface of the Conservation Easement Property. Grantor shall have the right to drill additional extraction wells in the Conservation Easement Property, and build the improvements and infrastructure necessary to support the additional extraction wells, such as pump sheds, fences, access roads, pipelines and canals, as permitted under the Habitat Conservation Plan.

(c) Grazing. Grantor shall have the right to use the Conservation Easement Property for grazing purposes, or to permit grazing, if permitted by, and in accordance with, the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(d) Prevention of Trespass; Fencing. Grantor shall undertake all reasonable actions to prevent the unlawful entry or trespass by persons whose activities may degrade or harm the conservation values of the Conservation Easement Property. Fencing shall be installed and

maintained only in accordance with the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(e) Costs of Management. Grantor retains all responsibilities and shall bear all costs of any kind relating to the ownership, operation, upkeep, and maintenance of the Conservation Easement Property. The obligation to provide adequate funding to maintain the conservation values of the Conservation Easement Property shall be perpetual. Pursuant to the KWB HCP and related Implementation Agreement, Grantee has established a non-wasting Endowment Account to assure funding. The Implementation Agreement requires Grantor to commence preparing five years prior to the termination of the associated permits and authorizations, and have approved by Grantee and FWS, a Permanent Management Plan for the Conservation Easement Property and certain other property. After the Habitat Conservation Plan, Implementation Agreement and associated permits and authorizations have expired, the Conservation Easement Property will be managed in accordance with the terms of this Grant and the Permanent Management Plan.

5. Sale of Fee Interest.

Grantor may transfer the fee title interest or grant a security interest in the Conservation Easement Property provided it gives Grantee and FWS not less than 30 days prior written notice of its intent to transfer such fee title interest. Notice shall be given in the manner required in this Grant. Grantor agrees to incorporate the terms of this Grant in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Conservation Easement Property. The failure of Grantor to perform any act required by this section shall not impair the viability of this Grant or limit its enforceability in any way. Grantor may lease the Conservation Easement Property, or any portion thereof, for grazing purposes and may convey other interests in such lands only as expressly permitted by the Habitat Conservation Plan and related Implementation Agreement by and among FWS, Grantee and Grantor and related Conservation Bank Agreement by and among FWS, Grantee and Grantor.

6. Insurance.

(a) Requisite Coverages. For so long as Grantor is KWBA, Grantee shall, at all times during Grantor's ownership of the Conservation Easement Property, at its sole cost and expense, obtain and thereafter maintain comprehensive general liability and automobile insurance (including non-owned auto), which shall provide a 30-day notice to Grantor in the event of cancellation or any material change in coverage. The foregoing insurance policies shall reflect that the policy is primary insurance as respects any claim, loss or liability arising directly or indirectly from any of Grantee's activities on the Conservation Easement Property, and any other insurance maintained by Grantor shall be considered noncontributing. This liability insurance

must be in a form satisfactory to Grantor and written with limits of liability not less than \$1,000,000 combined single limit bodily injury and property damage liability per occurrence covering the activities and obligations contemplated of Grantee under this Grant. Grantee shall furnish a Certificate of Insurance (or, if requested by Grantor, copy of the policy) evidencing the foregoing coverage to Grantor for approval. Grantee shall also maintain workers' compensation insurance in an amount required by law, together with employers' liability insurance. Grantee shall provide Grantor with evidence of the worker's compensation and employer's liability insurance coverage, with a waiver of subrogation agreement by the insurance carrier as respects Grantor. Nothing in this paragraph shall limit Grantee's obligations under the other provisions of this Grant. Any policies required hereunder may be made a part of a blanket policy of insurance, so long as such blanket policy contains all of the provisions required herein and does not in any way reduce the coverage, impair the rights of Grantor hereunder or negate the requirements of this Grant.

(b) Self-Insurance. So long as Grantee is a subdivision of the State of California and the State of California self-insures, Grantee's liability shall be governed by the laws of the State of California relating to the payment of claims against the State and Grantee shall not be required to obtain insurance or furnish evidence of insurance. If at any time Grantee is not a subdivision of the State of California, Grantee shall not self-insure any portion of the insurance required under this section without the express written consent of Grantor, which consent may be withheld by Grantor in its sole and absolute discretion.

(c) Release/Waiver of Subrogation. Grantee, for itself and its successors, hereby releases and discharges Grantor from all claims and liabilities arising from or caused by any hazard covered by the insurance coverage required herein in connection with the activities conducted by Grantee on the Conservation Easement Property pursuant to this Grant, regardless of the cause of the damage or loss.

(d) Obligations. Nothing herein shall limit Grantee's obligations under the other provisions of this Grant. The insurance required to be maintained hereunder shall insure against any acts or omissions of Grantee, provided nothing herein shall be interpreted to waive any rights Grantor may have as to any of Grantee's insurance nor shall Grantor be required to make a claim against any such Grantor's insurance.

(e) Grantor's Obligations. To the extent Grantor enters the Conservation Easement Property under the Easement, then Grantor shall comply with the insurance provisions of this section 6 applicable to Grantee prior to its entry onto the Conservation Easement Property.

7. Taxes.

Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever

description levied on or assessed against the Conservation Easement Property by competent authority (collectively "taxes"), except that Grantor shall have no obligation to pay any taxes or assessments which may be levied against the Easement itself, as opposed to the underlying fee and Grantor shall furnish Grantee with satisfactory evidence of payment of taxes and assessments upon request. Grantee shall be responsible regarding the imposition of any taxes or assessments levied against the Easement itself, it being understood that while the Easement is held by a governmental entity for public benefit purposes, such Easement should be exempt from all such taxes and assessments.

8. Notices.

Any notice, demand, request, covenant, approval, or other communication to be given by a party to the other(s) shall be given by personal service, telegram, or express mail, Federal Express, DHL or any other similar form of airborne/overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

To Grantor:	Kern Water Bank Authority 1620 Mill Rock Way, Suite 500 Bakersfield, CA 933
With a copy to:	Robert D. Thornton, Esq. Nossaman LLP 18101 Von Karman, Suite 1800 Irvine, California 92612
To Grantee:	California Department of Fish and Wildlife Regional Manager, Region 4 1234 East Shaw Avenue Fresno, California 93710 Attention: Director
With a copy to:	General Counsel California Department of Fish and Wildlife 1416 Ninth Street Sacramento, California 94814
To FWS:	U.S. Fish and Wildlife Service 2800 Cottage Way, Room W2605 Sacramento, CA 95825

With a copy to: Regional Solicitor
 2800 Cottage Way
 Sacramento, CA 95825

Any such notice shall be deemed to have been given upon delivery or forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other parties.

9. Recordation.

Grantee shall promptly record this instrument in the official records of Kern County, California.

10. Miscellaneous Provisions.

(a) Controlling Law. This Grant shall be governed by and interpreted in accordance with the laws of the State of California and applicable Federal laws.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Grant shall be liberally construed in favor of the grant to effect the purpose of this Grant and the policy and purpose of Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Grant, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Grant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) No Rights in Public. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Conservation Easement Property to or for the general public, it being the intention of the parties hereto that this Grant shall be strictly limited to and for the purposes herein expressed.

(e) Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(f) Successors. The covenants, terms, conditions and restrictions of this Grant shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns, and shall continue as a servitude running in perpetuity with the Conservation Easement Property. This Grant shall be binding upon and shall inure to the benefit of Grantor and its successors and assigns and Grantee and its assigns.

(g) Captions. The captions in this Grant have been inserted solely for convenience of reference and are not a part of this Grant and shall have no effect upon construction or interpretation.

(h) Counterparts. The parties may execute this Grant in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original.

(I) No Other Obligations. This Grant imposes no other obligations or restrictions on Grantor and neither its successors nor any person or entity claiming under them shall be in any way restricted from using the Conservation Easement Property in a customary manner except as provided herein.

(j) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the grant of easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the grant.

. Remedies.

If Grantee or FWS determines that Grantor is in violation of the terms of this Grant or that a violation is threatened, Grantee or FWS shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the easement resulting from any use or activity inconsistent with the purpose of this Grant, to restore the portion of the Easement so injured. If Grantor fails to cure the violation within 15 days, or fails to continue diligently to cure such violation until finally cured, Grantee and/or FWS may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Grant, to enjoin the violation ex parte as necessary, by temporary or permanent injunction to recover any damages to which Grantee and/or FWS may be entitled for violation of the terms of this Grant, or injury to any conservation values protected by this Grant, including adverse impacts to any threatened or endangered species, or sensitive species, and to require the restoration of the Easement to the condition that existed prior to any such injury. If Grantee and/or FWS determines that circumstances require immediate action to prevent or to mitigate significant damage to the conservation values of the Easement, Grantee and/or FWS may pursue its remedies under this paragraph without prior notice to Grantor or without waiting for the period

provided for cure to expire. The rights of Grantee and FWS under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Grant, and Grantor agrees that Grantee's and FWS's remedies at law for any violation of the terms of this Grant are inadequate and that Grantee and/or FWS shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee and/or FWS may be entitled, including specific performance of the terms of this Grant, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's and FWS's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of Civil Code Section 815 et seq. are incorporated herein by this reference and this Grant is made subject to all of the rights and remedies set forth therein. If at any time in the future, Grantor or its successors and assigns or any subsequent transferee uses or threatens to use such lands for purposes not in conformance with the stated conservation purposes contained herein, notwithstanding Civil Code Section 815 et seq., California Attorney General and FWS each have standing as an interested party in any proceeding affecting this Grant. If Grantor or if Grantee and/or FWS fails to exercise any right or fails to enforce any obligation of this Grant, such failure shall not be deemed to waive any other right which Grantor or Grantee and/or FWS may hold, including subsequent exercise of the same right to subsequent enforcement of the same obligation. Nothing contained in this Grant shall be construed to entitle Grantee and/or FWS to bring any action against Grantor for any injury to or change in the easement resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Easement resulting from such causes.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Grant as of the day and year first above written.

GRANTOR: KERN WATER BANK AUTHORITY, a joint powers authority

By: _____
William D. Phillipmore
Chairman

APPROVED AS TO FORM:
Nossaman LLP

By: _____
Robert Thornton,
Authority Counsel

GRANTEE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

By: _____

Title: _____

APPROVED AS TO FORM:

By: _____
Agency Counsel

AGREED: UNITED STATES FISH AND WILDLIFE SERVICE

By: _____

Title: _____

APPROVED AS TO FORM:

By: _____
Agency Counsel

EXHIBIT A

KERN WATER BANK AUTHORITY

2013 CONSERVATION EASEMENT PARCEL LEGAL DESCRIPTION

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within Conservation Easement to the California Department of Fish and Wildlife is hereby accepted by the undersigned officer on behalf of the Grantee.

CALIFORNIA DEPARTMENT OF FISH AND
WILDLIFE

By: _____

Title: _____

AMENDMENT NO. 14 TO THE ENVIRONMENTAL INDEMNITY

This Amendment No. 14, dated May 1, 2014, to the Environmental Indemnity Agreement dated October 2, 1997 by Kern Water Bank Authority as indemnitor in favor of the California Department of Fish and Wildlife (the "Environmental Indemnity") is made by Kern Water Bank Authority, a California joint powers authority as Indemnitor ("Indemnitor") in favor of the California Department of Fish and Wildlife ("Indemnitee").

R E C I T A L S

A. It is the intent of Indemnitor and Indemnitee that the Environmental Indemnity apply to all land within the Kern Water Bank on which Indemnitor has granted a conservation easement to Indemnitee.

B. Pursuant to the Kern Water Bank Natural Community Conservation Plan / Habitat Conservation Plan Conservation Bank Agreement, Indemnitor is concurrently herewith granting a conservation easement to Indemnitee on approximately 34 Acres of land ("Conservation Easement Land") within the Kern Water Bank.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged by Indemnitee, Indemnitor agrees, represents and warrants for the benefit of Indemnitee, its successors and assigns that the Environmental Indemnity is hereby amended such that the obligations of Indemnitor under the Environmental Indemnity apply to the Conservation Easement Land.

KERN WATER BANK AUTHORITY

By: _____
William Phillimore, Chairman