



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING A TAX NEUTRALITY AGREEMENT BETWEEN THE COUNTY OF NEVADA AND THE PACIFIC FOREST AND WATERSHED LANDS STEWARDSHIP COUNCIL FOR LANDS LOCATED NEAR LAKE SPAULDING (APNS 64-140-02, 64-130-08 AND A PORTION OF 64-140-06)

WHEREAS, the Stewardship Council was created to oversee the “Land Conservation Commitment” described in that certain Settlement Agreement among Pacific Gas and Electric Company (“PG&E”), PG&E Corporation, and the California Public Utilities Commission (the “Commission”) as modified and approved by the Commission in its Opinion and Order of December 18, 2003 (Decision 03-12-035) (“the Settlement Agreement”); and that Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“the Stipulation”).

WHEREAS, the Stewardship Council has limited assets and no foreseeable sources of revenue and consequently the Stewardship Council is anticipated to dissolve or otherwise wind down or cease to operate in the future; and

WHEREAS, pursuant to the Settlement Agreement and Stipulation, certain lands owned by PG&E at the time of the Settlement (the “PG&E Watershed Lands”) are to be conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The Stewardship Council is charged with developing a Land Conservation Plan (“LCP”) for the protection and enhancement of the PG&E Watershed Lands; and

WHEREAS, in connection with the Land Conservation Commitment, approximately 1,867 acres of PG&E Watershed Lands in Nevada County that PG&E agreed to make available for donation are anticipated to be donated to eligible organizations; and

WHEREAS, the Settlement Agreement requires that the LCP assess that any donation will not adversely impact local tax revenue, and the Stipulation requires that an appropriate entity provide property tax revenue, other equivalent revenue source, or a lump sum payment so that the totality of the dispositions in each affected county under the Land Conservation Commitment will be tax neutral for that county (“Tax Neutrality Requirement”).

WHEREAS, pursuant to the Settlement Agreement and Stipulation, the Stewardship Council desires to transfer lands located near Lake Spaulding (APNs 64-140-02, 64-130-08 and a portion of 64-140-06), and the County of Nevada and the Stewardship Council desire to enter into an agreement to address the Tax Neutrality Requirement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Nevada that a Tax Neutrality Agreement by and between the County of Nevada and the Stewardship Council for lands located near Lake Spaulding (APNs 64-140-02, 64-130-08 and a

portion of 64-140-06) be and hereby is approved in substantially the form attached hereto as Exhibit A and that the County Executive Officer is hereby authorized to execute this Agreement on behalf of the County of Nevada.