ENVIRONMENTAL CONSULTANTS

Memorandum

To:
Shannon Pankratz,
USACE
Sarvy Mahdavi,
US EPA
Jan Zimmerman,
Lahontan RWQCB
Warren Wong,
CDFW

From:
Nate Bello, WRA
bello@wra-ca.com
(415) 524-7238

Date: December 4, 2017

Subject: Petersen Ranch Mitigation Bank Amendment [USACE: SPL-2012-00669, CDFW: 1798-2013-04-R5]

Attachments:

1. Exhibit C-1 Appendix A: Development Plan Figures 63-66
2. Exhibit D-5: Long-term Management Plan
   - Exhibit D-5 Appendix B: Grazing Plan
3. Exhibit E-4.6: Conservation Easement Area F
   - Exhibit E-4.6 Exhibit D: Spineflower Easement Agreement
   - Exhibit E-4.6 Exhibit E: Subordination Agreement
4. Exhibit F-1: Credit Evaluation

Dear Interagency Review Team,

This memorandum summarizes changes requested as an amendment to the Petersen Ranch Mitigation Bank Enabling Instrument (BEI), which was approved on May 11, 2016. This amendment is pursued by the Petersen Ranch Mitigation Bank Sponsor, LV Lake Elizabeth, L.L.C. ("Bank Sponsor"), to allow for the introduction of San Fernando Valley spineflower (*Chorizanthe parryi* var. fernandina) ("Spineflower") within the Bank Property. The Spineflower is State listed endangered under the California Endangered Species Act (CESA) and Federally proposed threatened under the Endangered Species Act (ESA).

Spineflower will be introduced, monitored and maintained in the Spineflower Introduction Area ("Introduction Area") by the Newhall Land and Farming Company LLP ("Newhall"). An easement over the Introduction Area and the right to access the Introduction Area on foot, was granted to Newhall by the Bank Sponsor to Newhall in an easement agreement ("Agreement") dated September 7, 2017. The Agreement will be recorded with the County of Los Angeles following approval of this amendment by the Interagency Review Team (IRT). The Agreement will be recorded prior to the recordation of the conservation easement over Area F of the Petersen Ranch Mitigation Bank (Exhibit E-4.6 of the BEI, Area F Conservation Easement), as such, the

Agreement shall be subordinated to the future Area F Conservation Easement. The acreage of the Introduction Area will not generate bank credits.

In addition, the Property Owner has identified additional existing infrastructure that was not shown on the infrastructure maps in the BEI (Exhibit D-5, Figures 9 and 10). This consists primarily of existing waterlines in mapped roadways, overhead power lines, and wells. While most of these infrastructure items are in Areas B, C, D, and F, some existing unmapped infrastructure items have been identified in Areas A and E, which are already under the conservation easement. The Property Owner is currently updating the infrastructure maps to include these omitted items and will be requesting your approval of the updated Exhibit D-5 as part of this BEI amendment.

The following documents include changes in pursuit of this amendment:

- Exhibit C-1 Appendix A: Development Plan Figures 63-66
- Exhibit D-5: Long Term Management Plan
- Exhibit D-5 Appendix B: Grazing Plan
- Exhibit E-4.6: Conservation Easement Area F
- Exhibit F: Credit Evaluation

In addition, three new documents are available for IRT reference. Two are attached to this document, and include:

- Spineflower Easement Agreement
- Subordination Agreement

The third new document is available for reference upon request, but not attached to this submittal due to file size restrictions:

- Spineflower Introduction Plan

Changes to the BEI exhibits are summarized below:

Development Plan Figures 63-66 (Exhibit C-1 Appendix A of the BEI)

- Figures 63-66 of the Development Plan, which show creditable areas of the Bank and the type of mitigation planned for each area, have been updated to remove the Introduction Area from the creditable areas.

Long Term Management Plan (Exhibit D-5 of the BEI)

The Long Term Management Plan has been altered in several places to accommodate for the introduction, management, and maintenance of Spineflower.

- Section 2.1.6 includes a new paragraph describing the Easement, its purpose, and its history.

- Section 2.2.3, paragraph 1 includes a new sentence detailing how a new special-status species (Spineflower) will be introduced, monitored, and managed onto and on the Elizabeth Lake Bank Property.

- Section 4.0 includes a new paragraph explaining how and why the management and maintenance of the Introduction Area lies with Newhall, as per the Agreement of September

7th, 2017.

- Figures 9 and 10 have been updated to include all of the infrastructure including the new cattle exclusion fencing surrounding the Introduction Area.

Grazing Plan (Exhibit D-5 Appendix B of the BEI)

- Figures 2, 5, 6, 9, 10, and 12 have been updated to remove the Introduction Area from the grazing areas in Area F.

- The acres, favorable year AUM, and unfavorable year AUM in Table 1 have been updated for pasture 8 to exclude the Introduction Area.

- Language has been added to the Cattle Exclusion Areas section of the Grazing Plan describing that the Introduction Area will have cattle exclusion fencing erected around it, but that this fencing will be monitored and maintained by Newhall.

Conservation Easement (Exhibit E-4.6 of the BEI)

- Two new recitals — Recitals H and I — have been added to the recital section. These recitals read:

    - *I. LV Lake Elizabeth, LLC, has granted to Newhall Land and Farming Company ("Newhall") a 6.76 acre easement ("Easement") to enable Newhall to perform seeding trials, introduction, monitoring, and perpetual maintenance of San Fernando Valley Spineflower (Chorizanthe parryi var. fernandina) ("Spineflower"), as described in the Spineflower Easement Agreement ("Agreement") dated September 7, 2017. This easement includes perpetual pedestrian access from Lake Elizabeth Road to the Introduction Area.*

    - *J. Pursuant to that certain San Fernando Valley Spineflower Introduction Plan ("Introduction Plan") dated as of August 2017 prepared by Dudek, which has been provided to Grantor and is incorporated by reference herein, Newhall plans to carry out a conservation program pursuant to which Newhall shall, among other things, perform seeding trials and subsequently introduce, monitor, and perpetually manage Spineflower within a portion of the Property depicted on Exhibit C.*

- Section 1 includes a new sentence that includes information about how the Spineflower Easement will be incorporated into the Petersen Ranch Mitigation Bank Area F Conservation Easement. This sentence explains that management and maintenance of the Introduction Area is the responsibility of Newhall.

- Section 2.b permits the Grantee the right to enter the Property at reasonable times in order to enforce the terms of the Introduction Plan.

- Section 3 –Prohibited Uses—includes two new subsections and several edits.

    - The first new subsection is section 3.q, and prohibits the release, or consent to release, of any Hazardous Materials in the Introduction Area.

    - The second new subsection—Section 3.r—explains that any activities within the Introduction Area, which could interfere with the persistence of Spineflower, are also prohibited.

- Sections 3.a, 3.c, 3.d, 3.g, 3.k, 3.l, and 3.m have had the Introduction Plan added to this list of documents to be consulted regarding each of those parts and their associated rules.

- Section 5 incorporates new language explaining that the management and maintenance of the Introduction Area lies with Newhall and that the LV Lake Elizabeth, LLC shall allow pedestrian access through Bank Property to the Introduction Area. In addition, this section includes language explaining that the balance of the Property shall be managed according to the IRT-approved Interim Management Plan and Long-term Management Plan. Finally, new language also clarifies that, if Newhall becomes unable to perform their agreed upon duties, their rights as described in the Agreement shall terminate. In such case, management of the Introduction Area will be passed to the Grantor, who will manage it according to the Long-term Management Plan.

- Section 6.c now includes language that extends the right to maintain or replace infrastructure to Newhall, so that they can, as needed, replace fencing surrounding the Introduction Area as per the Introduction Plan.

- Section 12 adds Newhall to the list of parties to be notified for any notice, demand, request, consent, approval, or other communication.

Credit Evaluation (Exhibit F-1 of the BEI)

- Total creditable acres and total acres subject to easement have been updated to include the Introduction Area in the acres subject to easements and to remove the Introduction Area from the creditable acres.

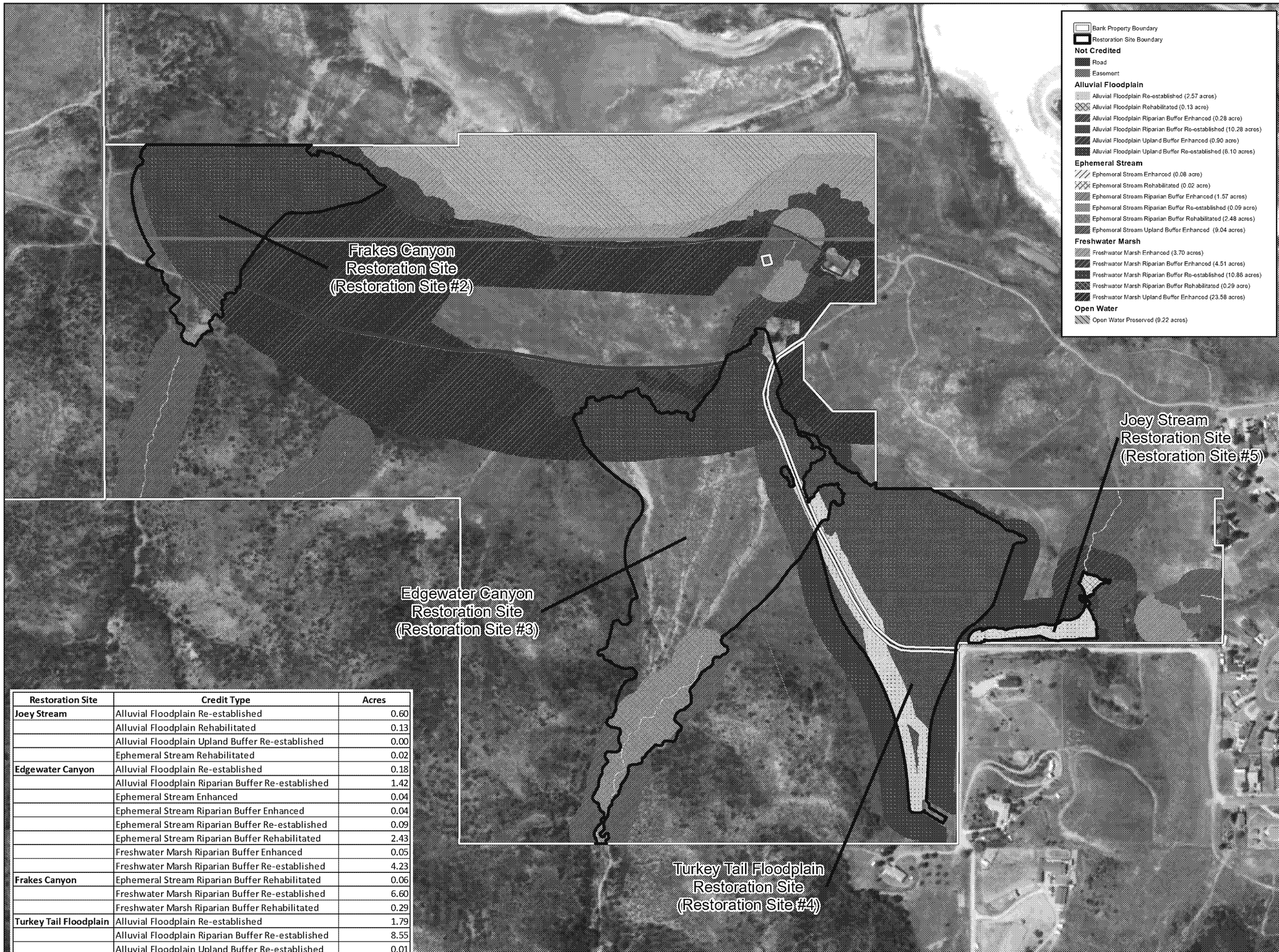
- Tables 1, 3, 6, and 7 have been updated to remove credits that are within the Introduction Area.

- Exhibits F-1.3.1, F-1.3.3, F-1.3.5, and F-1.3.7 (credit figures) have been updated to remove credits from within the Introduction Area.

- Exhibit F-1.2: Credit Crosswalk has been updated to remove credits within the Introduction Area.

It is our hope that this additional information provide all information required by the IRT in pursuit of the Mitigation Bank Amendment. If you have any questions, please do not hesitate to contact us.

Attachment 1
Exhibit C-1 Appendix A: Development Plan Figures 63-66



Restoration Site	Credit Type	Acres
Joey Stream	Alluvial Floodplain Re-established	0.60
	Alluvial Floodplain Rehabilitated	0.13
	Alluvial Floodplain Upland Buffer Re-established	0.00
	Ephemeral Stream Rehabilitated	0.02
Edgewater Canyon	Alluvial Floodplain Re-established	0.18
	Alluvial Floodplain Riparian Buffer Re-established	1.42
	Ephemeral Stream Enhanced	0.04
	Ephemeral Stream Riparian Buffer Enhanced	0.04
	Ephemeral Stream Riparian Buffer Re-established	0.09
	Ephemeral Stream Riparian Buffer Rehabilitated	2.43
	Freshwater Marsh Riparian Buffer Enhanced	0.05
	Freshwater Marsh Riparian Buffer Re-established	4.23
Frakes Canyon	Ephemeral Stream Riparian Buffer Rehabilitated	0.06
	Freshwater Marsh Riparian Buffer Re-established	6.60
	Freshwater Marsh Riparian Buffer Rehabilitated	0.29
Turkey Tail Floodplain	Alluvial Floodplain Re-established	1.79
	Alluvial Floodplain Riparian Buffer Re-established	8.55
	Alluvial Floodplain Upland Buffer Re-established	0.01

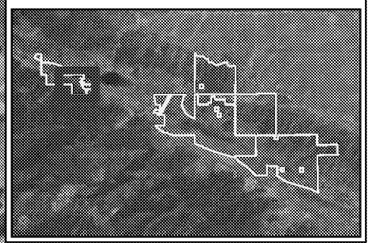
wra
ENVIRONMENTAL CONSULTANTS

Petersen Ranch
Mitigation Bank

Los Angeles County,
California

Figure 63.

Area F - 404
Mitigation Types

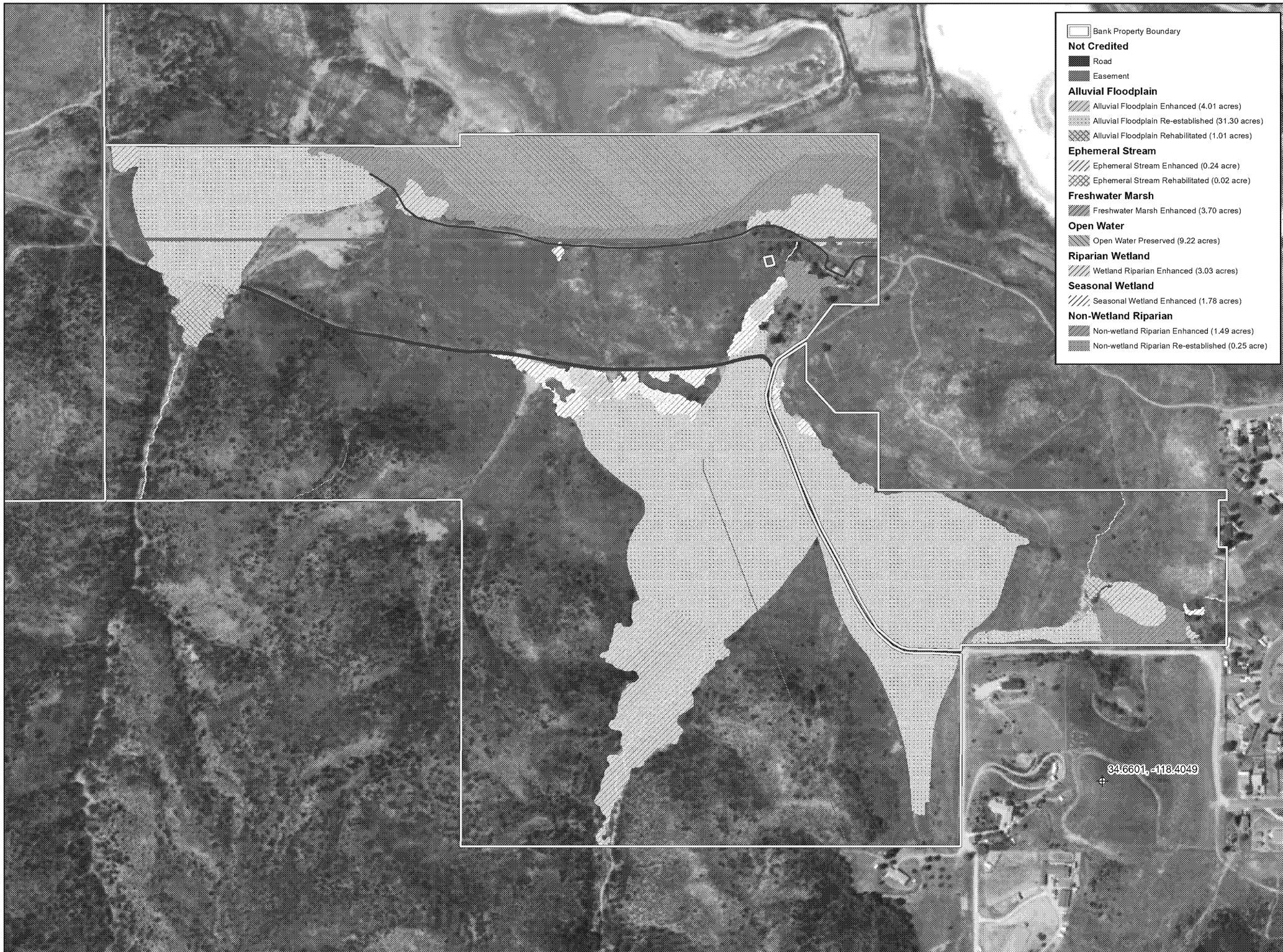


N
W E
S

0 350 700
Feet

Map Date: 11/13/2017
Map By: czumwalt
Base Source: ESRI Streaming 5/12/2016

Path: L:\Acad 2000 Files\21000\21065\gis 2015\ArcMap\BEI Final\BEI Update 2017\Exhibit C\Figure 63 Area F 404 Credits Elizabeth Lake Property 20160310.mxd



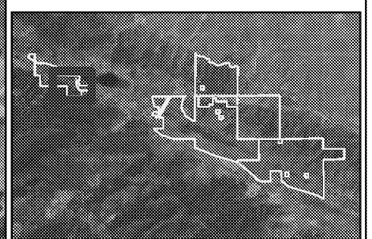
wra
ENVIRONMENTAL CONSULTANTS

Petersen Ranch Mitigation Bank

Los Angeles County, California

Figure 64.

Area F - 1600 Mitigation Types

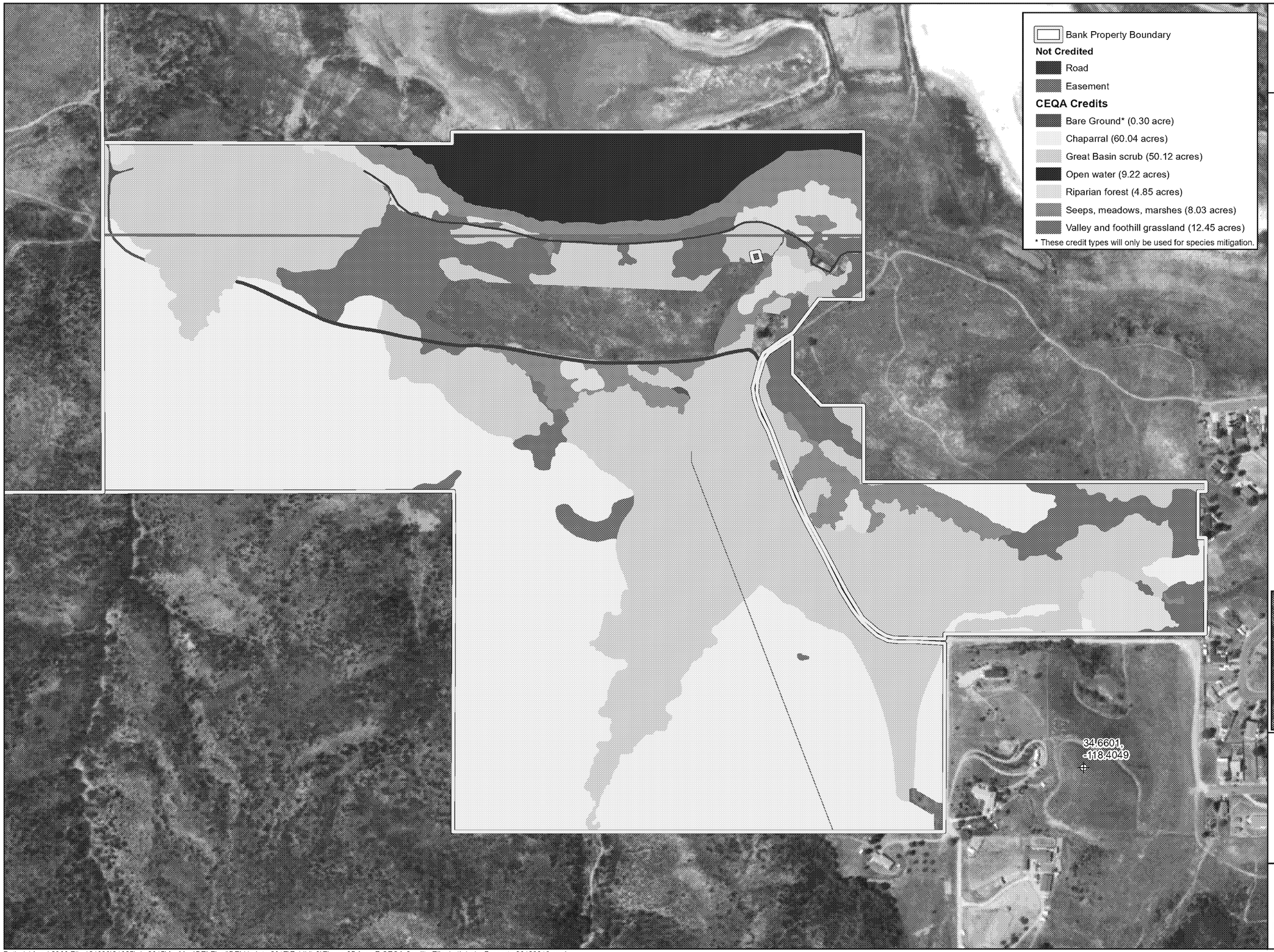


N
W E
S

0 350 700
Feet

Map Date: 11/13/2017
Map By: czumwalt
Base Source: ESRI Streaming 5/12/2016

Path: L:\Acad 2000 Files\21000\21065\gis 2015\ArcMap\BEI Final\BEI Update 2017\Exhibit C\Figure 64 Area F 1600 Credits Elizabeth Lake Property 20160310.mxd



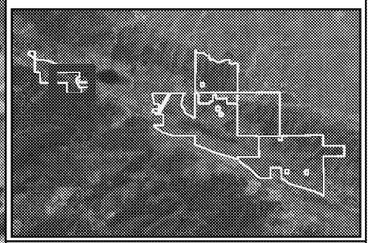
wra
ENVIRONMENTAL CONSULTANTS

Petersen Ranch
Mitigation Bank

Los Angeles County,
California

Figure 65.

Area F - CEQA
Mitigation Types



N
W E
S

0 350 700
Feet

Map Date: 11/13/2017
Map By: czumwalt
Base Source: ESRI World Imagery 5/12/2016

Path: L:\Acad 2000 Files\21000\21065\gis 2015\ArcMap\BEI Final\BEI Update 2017\Exhibit C\Figure 65 Area F CEQA Credits Elizabeth Lake Property 20160310.mxd

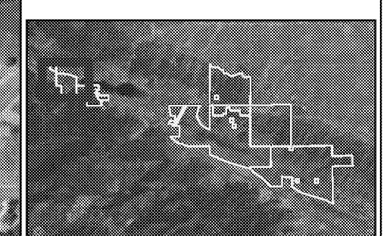
wra
ENVIRONMENTAL CONSULTANTS

Petersen Ranch
Mitigation Bank

Los Angeles County,
California

Figure 66.

Area F - Swainson's Hawk
Mitigation Types



N
W E
S

0 350 700
Feet

Map Date: 11/13/2017
Map By: czumwalt
Base Source: ESRI Streaming 5/12/2016

Path: L:\Acad 2000 Files\21000\21065\gis 2015\ArcMap\BEI Final\BEI Update 2017\Exhibit C\Figure 66 Area F CESA Credits Elizabeth Lake Property 20160310.mxd

Attachment 2
Exhibit D-5: Long-term Management Plan

Long-term Management Plan

PETERSEN RANCH MITIGATION BANK
LEONA VALLEY, LOS ANGELES COUNTY, CALIFORNIA

Prepared For:
Interagency Review Team

Bank Sponsor:
Land Veritas Corp.
1001 Bridgeway #246
Sausalito, CA 94965
(415) 729-3734
Contact: Tracey Brownfield
tracey@landveritas.com

Property Owners:
LV Lake Elizabeth, LLC and LV-BP Investors Ranch, LLC
1001 Bridgeway #246.
Sausalito, CA 94965
(415) 729-3734
Contact: Tracey Brownfield
tracey@landveritas.com

Consultant:
WRA, Inc.
9815 Carroll Canyon Road
Suite 206
San Diego, CA 92131
Contact: Tim DeGraff

Date:
December 2017

wra
ENVIRONMENTAL CONSULTANTS

9815 Carroll Canyon Rd, Suite 206, San Diego CA 92131 ph: 858-776-7444 info@wra-ca.com www.wra-ca.com

TABLE OF CONTENTS

1.0 Introduction 1
1.1 Purpose of Establishment 1
1.2 Purpose of this Long-term Management Plan 1
1.3 Land Manager and Responsibilities 2
2.0 Elizabeth Lake Bank Property 2
2.1 Property Description 2
2.2 Habitat and Species Descriptions 5
3.0 Petersen Ranch Property 10
3.1 Property Description 10
3.2 Habitat and Species Descriptions 13
4.0 Management and Monitoring 20
4.1 Waters of the U.S. and State 21
4.2 Covered Habitat 22
4.3 Covered Species Monitoring 22
4.4 Non-native Invasive Species Monitoring and Management 23
4.5 Vegetation Management 24
4.6 Monitoring around Exclusion Areas 24
5.0 Security, Safety, and Public Access 25
5.1 Trash and Trespass 25
5.2 Fire Hazard Reduction 25
5.3 Infrastructure 26
6.0 Reporting and Administration 26
6.1 Annual Report 26
6.2 Long-Term Management Plan Updates 27
7.0 Permitted Activities 27
7.1 Permitted Uses 27
7.2 Permitted Maintenance Activities 28
8.0 Cultural Resources 28
9.0 Transfer, Amendments, and Notices 30
9.1 Transfer 30
9.2 Amendments 30
9.3 Notices 30
10.0 Funding and Task Prioritization 32
10.1 Funding 32
10.2 Task Prioritization 32
11.0 References 33

LIST OF TABLES

Table 1. Invasive plant species observed in the Elizabeth Lake Bank Property during visits in 2011-2012 9
Table 2. Invasive plant species observed in the Petersen Ranch Bank Property during visits on January 28 through February 6, 2013 and May 20 through 21, 2013. 16

ED_013814_00000996-00012

LIST OF APPENDICES

Appendix A: Figures
- Figure 1- General Vicinity Map
- Figure 2- Elizabeth Lake Bank Property
- Figure 3- Petersen Ranch Bank Property
- Figure 4- Plat Map for the Elizabeth Lake Bank Property
- Figure 5- Development Plan for the Elizabeth Lake Bank Property
- Figure 6- Plat Map for the Petersen Ranch Bank Property
- Figure 7- Development Plan for the Petersen Ranch Bank Property
- Figure 8- Infrastructure Map for the Petersen Ranch bank Property
- Figure 9- Infrastructure Figure for the Elizabeth Lake Bank Property

Appendix B: Grazing Plan

Appendix C: Hunting Rules, Regulations, and Impact-Minimizations Measures for State of California and the Petersen Ranch Mitigation Bank

ED_013814_00000996-00013

1.0 INTRODUCTION

1.1 Purpose of Establishment

The Petersen Ranch Mitigation Bank (Bank) was established by the Bank Enabling Instrument (BEI) to compensate for unavoidable impacts to, and to conserve and to protect Waters of the U.S., Waters of the State, covered species and covered habitats. The Bank Properties (Figure 1) are located near Leona Valley, in Los Angeles County, California and consist of the Elizabeth Lake Bank Property (314 acres; Figure 2) and the Petersen Ranch Bank Property (3,789 acres; Figure 3). The BEI Signatory Agencies are the Los Angeles District of the U.S. Army Corps of Engineers ("USACE"), Region 9 of the U.S. Environmental Protection Agency ("EPA"), the Lahontan Regional Boards ("Lahontan RWQCB"), and the California Department of Fish and Wildlife ("CDFW"). These agencies comprise and are referred to jointly as the Interagency Review Team ("IRT"). Terms used in this Long-term Management Plan have the same meaning as defined in the BEI.

After complete implementation of the Development Plan (Exhibit C-1 of the BEI), the Bank Properties will include aquatic resources that are considered waters of the U.S., and/or Waters of the State which have been preserved, enhanced, rehabilitated, re-established, and established as described in the Development Plan. The Bank Properties will also support habitat for covered species including Swainson's hawk (*Buteo swainsoni*) foraging habitat and nesting habitat. In addition, the Bank Properties will support numerous sensitive vegetation communities which are detailed in the Biological Resources Inventory (BRI) reports for each Bank property (WRA 2012a; WRA 2013a).

1.2 Purpose of this Long-term Management Plan

The purpose of this Long-term Management Plan is to ensure the Bank Properties are managed, monitored, and maintained in perpetuity. This management plan establishes objectives, priorities and tasks to monitor, manage, maintain and report on the Waters of the U.S., Waters of the State, covered species and covered habitat on the Bank Properties. This management plan is a binding and enforceable instrument, implemented by the Conservation Easements (CE) covering the Bank Properties.

The Bank will be established in Phases over time with each subsequent Phase being incorporated into the Bank through recordation of separate CEs and approval from the IRT, as outlined in the BEI. Initially, the BEI includes the approval and recordation of conservation easements over Area E of the Elizabeth Lake Property (160 Acres) and Area A of the Petersen Ranch Property (1,386 acres), including the previously recorded Southern California Edison (SCE) easement (see Section 3.1.6 below), which will comprise Phase 1. For the purposes of this Long-term Management Plan "Bank Properties" refers to only those Areas for which the CEs have been recorded.

ED_013814_00000996-00014

1.3 Land Manager and Responsibilities

The Land Manager will be determined by the Property Owners, LV Lake Elizabeth, LLC (Elizabeth Lake Bank Property) and LV-BP Investors Ranch, LLC (Petersen Ranch Bank Property). The Land Manager, and subsequent Land Managers upon transfer, shall implement this Long-term Management Plan, managing and monitoring the Bank Property in perpetuity to preserve its habitat and conservation values in accordance with the BEI, and the conservation easement. Long-term management tasks shall be funded through the Endowment Fund. The Land Manager shall be responsible for providing an annual report to the IRT detailing the time period covered, an itemized account of the management tasks and total amount expended.

2.0 ELIZABETH LAKE BANK PROPERTY

2.1 Property Description

2.1.1 Setting and Location

The Elizabeth Lake Bank Property is approximately 314 acres, is located adjacent to the Angeles National Forest (ANF) on the western shores of Elizabeth Lake, and is depicted on the United States Geologic Survey (USGS) Lake Hughes 7.5-minute quadrangle (Figure 2). The Elizabeth Lake Bank Property is composed of designated Assessor's Parcel No. 3235-005-020, 3235-005-015, 3235-005-026, 3235-005-027, 3235-006-003, 3235-006-001, 3235-006-002, 3235-008-002, 3235-008-003, and 3235-008-017.

A large portion of the Elizabeth Lake Bank Property consists of historic alluvial fans in the flat valley bottoms. The southern portions of the Elizabeth Lake Bank Property contain steep slopes and narrow side canyons. Several earthen berms and surface water control structures had been constructed in these southern canyons that resulted in altered drainage patterns, incised stream channels and a substantial reduction of the active alluvial floodplain. Implementation of the Bank Development Plan will restore flows to these historic floodplains and will re-establish alluvial floodplain communities.

In 2013 a large wildfire, the Powerhouse Fire, burned through the Elizabeth Lake Bank Property and the surrounding National Forest lands. This fire resulted in a nearly complete burn of the Elizabeth Lake Bank Property, removing almost all surface vegetation and structures.

2.1.2 History and Land Use

The Elizabeth Lake Bank Property has historically been used for agriculture, rural residential, and recreation.

ED_013814_00000996-00015

2.1.3 Cultural Resources

A cultural resources investigation has been completed by Michael Brandman Associates (Exhibit J of the BEI). During the investigation, remnants of building foundations and old residences were observed on the Elizabeth Lake Bank Property along with an historic era family burial plot. The identified burial plot is located in a separate parcel that is not a component of the Bank Property. The cultural resources consultant recommended measures to ensure protection of the burial site. While the burial plot is not a part of the Bank Property, the family of the interred has the right to access the burial plot through the Bank Property using the existing access routes established for the exclusion area. This feature will be preserved and no restoration or active management activities are planned in the parcel that contains the burial site. More information on cultural resources in both Bank Properties is included in Section 8.0 below.

2.1.4 Hydrology and Topography

The Elizabeth Lake Bank Property is located along the boundary between the San Gabriel Mountains and the Antelope Valley and is situated within the San Andreas Fault Zone. This area consists of northwest-to-southeast-aligned trough-like valleys, linear hills, and closed depressions that contain sag ponds and natural lakes including Elizabeth Lake, Munz Lakes, and Lake Hughes. The San Andreas and Hitchbrook faults both occur within the valley floor of the Elizabeth Lake Bank Property (Dibblee 1961).

<u>Hydrology</u>
The primary source of hydrology for the Elizabeth Lake Bank Property is surface water runoff, groundwater infiltration from adjacent lands, and direct precipitation. Generally, water movement within the Elizabeth Lake Bank Property is to the north and west. Flows originating in the steep hillsides, drain north via surface water or groundwater movement to the valley floor. Flows move east to west along the valley floor via groundwater movement, and discontinuous seasonal surface water flow. Water from Elizabeth Lake drains through the Elizabeth Lake Bank Property via groundwater infiltration and occasional surface water flows during wet years.

The hydrological regime within the Elizabeth Lake Bank Property has been greatly influenced by prior development and agricultural activities. Three USGS blue-line streams and several unnamed streams drain the steep canyons in the southern portion of the Elizabeth Lake Bank Property. Almost every stream feature mapped within the Elizabeth Lake Bank Property was at one time dammed or altered for agricultural purposes. Dam installation resulted in destruction of historic dry wash and stream features, creation of new features as some dams failed and re-directed flows, and modification of the groundwater regime within portions of the Elizabeth Lake Bank Property. Implementation of the Bank Development Plan will restore flows to historic features.

Several seasonal seep wetlands are located directly on fault lines mapped within the Elizabeth Lake Bank Property (Hernandez 2011). These faults may facilitate the passage of groundwater to the surface in these areas and supply seasonal hydrology for seasonal wetlands.

ED_013814_00000996-00016

Topography

Elevations within the Elizabeth Lake Bank Property range from approximately 3,245 to 3,600 feet. Ridges with rounded shoulders and summits and deep, U-shaped canyons characterize the southern portions of the Elizabeth Lake Bank Property. The terrain transitions to gently-sloping alluvial fans and rolling to flat topography on the lower slopes and in the bottom of the San Andreas Fault Zone. The lowest elevations of the Elizabeth Lake Bank Property are located in the northern portion of the property, just south of Elizabeth Lake Road.

2.1.5 Soils and Geology

The Soil Survey of Angeles National Forest Area, California (USDA 1980) indicates that the Elizabeth Lake Bank Property has four native soil map units containing eight soil series. These map units include: Tujunga-Capistrano families association, 2 to 20 percent slopes, Caperton-San Andreas-Modesto families complex, 15 to 60 percent slopes, Trigo, granitic substratum-Pismo families complex, 20 to 60 percent slopes, Hanford family, 3 to 25 percent slopes, and open water. Soils within the Elizabeth Lake Bank Property consist primarily of deep, well drained alluvium derived from sedimentary and granitic parent materials, although hill sides and slopes consist of weathered sedimentary and granitic parent materials. These coarse soils are well to excessively well drained, and have low structural stability. As a result, substantial movements of surface soils are expected to occur within alluvial floodplains during storm events, but risk of erosion from wind or surface runoff is low. Detailed descriptions of soils are included in the Delineation Report (Exhibit I of the BEI).

2.1.6 Existing Easements and Encumbrances

A Preliminary Title Report has been obtained and reviewed by the Bank Sponsor, and is included in Exhibit E-1 of the BEI. The title report identified several easements which encumber the Elizabeth Lake Bank Property (Figure 4). Elizabeth Lake Road is a public road that forms the northern border of the Elizabeth Lake Bank Property. This road is managed by Los Angeles County and the right-of-way for this road has been excluded from the Elizabeth Lake Bank Property.

Three utility easements are recorded on the eastern region of the Bank. One runs parallel to the shore of Elizabeth Lake and is a 1971 telephone easement to General Telephone Company and the two others are utility line easements for Southern California Edison. These easements were likely intended to convey electricity and telephone service to the structures that previously existed on the Elizabeth Lake Bank Property and ongoing maintenance or activity within these easements is not expected.

ED_013814_00000996-00017

Additionally there is an easement that grants access to an area just south of Elizabeth Lake Road, for a well that provides water to two single-family homes near the Bank Property. The easement includes restrictions that prevent new facilities or transfer of water rights.

Furthermore, there is an easement agreement (the "Agreement") for introduction and management of San Fernando Valley Spineflower (*Chorizanthe parryi* var. *fernandina*) located within Area F of the Elizabeth Lake Property. This easement is 6.76 acres and is legally described and depicted in Exhibit C and Exhibit D of the Agreement. The Agreement also includes pedestrian access from Elizabeth Lake Road to the Introduction Area. Pursuant of the Spineflower Easement Agreement, the Introduction Area will be managed and maintained by The Newhall Land and Farming Company ("Newhall"). In the event that the Agreement is terminated for any reason, the Introduction Area will revert to management by the Property Owner consistent with this Long-term Management Plan.

Finally, there is a right of access granted in the deed which allows for ingress and egress from the burial plot. The burial plot is located on a parcel which is surrounded by, but is not a part of, the Elizabeth Lake Bank Property. All existing easements and the burial plot are depicted on the map included in Figure 4, and are described in the Property Assessment and Warranty (Exhibit E-2 of the BEI).

2.1.7 Adjacent Land Uses

The Elizabeth Lake Bank Property borders the ANF to the north and south, a residential development to the east and the Painted Turtle, a camp for children with serious illnesses, to the west. The northern shores of Elizabeth Lake are managed as a day use area by the ANF and the lake itself is used for non-motorized boating, fishing, swimming, nature observation and picnics.

2.2 Habitat and Species Descriptions

2.2.1 Documented Biological Resources

Biological studies documenting the resources observed within the Elizabeth Lake Bank Property have been conducted and are included in Exhibit H and Exhibit I of the BEI. These include:

- Biological Resources Inventory (BRI; WRA 2012a)
- Wetland Delineation Report (WRA 2012b)

2.2.2 Biological Community Descriptions

Five major biological communities were observed during 2011 within the Elizabeth Lake Bank Property: wetlands, non-wetland waters, woodlands, scrublands, and grasslands; however, in June 2013 a catastrophic fire, known as the Powerhouse Fire, burned the entirety of the Lake Elizabeth Lake Bank Property. The five biological communities originally mapped were significantly altered by the fire. Though it may take many years to fully recover, WRA expects the same five biological communities to return post recovery and to consist of the same vegetation alliances observed pre-fire.

The five biological communities observed were composed of 25 vegetation alliances containing 30 vegetation associations. Wetlands, non-wetland waters, and seven additional vegetation alliances were considered to be sensitive, for a total of 14 sensitive vegetation alliances (including non-wetland waters). Eleven vegetation alliances were not considered sensitive. The

ED_013814_00000996-00018

corresponding Holland (1986) community type was assigned to each vegetation alliance to aid in reference. All the biological communities are mapped and described in detail in the Biological Resources Inventory (BRI) in Exhibit H of the BEI. In addition, implementation of the Development Plan includes planting of one new vegetation alliance, Big Sagebrush Scrub dominated by *Artemisia tridentate ssp. parishii*. This will be the dominant plant community on the re-established alluvial floodplains.

2.2.3 Special-Status Species

Special Status Plant Species

Special-status plant species determined to have a high or moderate potential to occur in the Elizabeth Lake Bank Property, as well as the two special-status plant species observed in the Elizabeth Lake Bank Property, are discussed in the BRI (Exhibit H of the BEI). Two special-status plant species have been observed in the Elizabeth Lake Bank Property during site visits: Peirson's morning-glory (*Calystegia peirsonii*, CNPS List 4) and adobe yampah (*Perideridia pringlei,* CNPS List 4). Additionally, the Development Plan identifies planting of Parish's sagebrush (locally rare) on restored alluvial floodplains. In addition, Newhall plans for the introduction, monitoring, and maintenance of San Fernando Valley spineflower within the Introduction Area, as per the Spineflower Introduction Plan.

Special Status Wildlife Species

Four special-status wildlife species were observed in the Elizabeth Lake Bank Property by WRA during site visits: Nuttall's woodpecker (*Picoides nuttallii*), Lawrence's goldfinch (*Spinus lawrencei*), pacific pond turtle (*Actinemys marmorata*), and Coast Horned Lizard (*Phrynosoma blainvillii*). Special-status wildlife species observed or which have a moderate or high potential to occur in the Elizabeth Lake Bank Property are discussed in the BRI (Exhibit H of the BEI). Several special-status species have not been observed, but have the potential to occur within the Elizabeth Lake Bank Property including Swainson's hawk. A brief discussion of habitat conditions required to sustain populations of Swainson's hawk is included below.

Swainson's hawk

Swainson's hawk is a summer (breeding) resident and migrant in California's Central Valley and scattered portions of the southern California interior. Foraging habitat consists of a mosaic of grassland and scrub with an abundant and diverse prey base, including insects, rodents, and small birds. Stands of cottonwoods, willows, junipers, and exotic mature trees within the Property provide suitable nesting substrates.

2.2.4 Invasive Plant Species

Twenty-one invasive plant species listed by the California Invasive Plant Council (Cal-IPC, (2006) were observed prior to the Powerhouse Fire within the Elizabeth Lake Bank Property, with eleven posing a potential threat (generally Cal-IPC Moderate or High rated species) and are discussed below. For practical reasons, non-native annual grasses have been excluded from the list to focus management efforts on species that can be feasibly controlled given the available resources. Invasive species can alter the fire regime and intensity, contribute to erosion, alter soil moisture regimes, and compete with native plant species, particularly in disturbed habitats. Observed invasive species, their Cal-IPC rating, and bloom periods are included in Table 1.

Mediterranean mustard (*Hirschfeldia incana)* Cal-IPC Moderate

Mediterranean mustard is a biennial or short-lived perennial in the mustard (Brassicaceae) family which blooms year round (CalFlora 2013) particularly on recently disturbed soils. Mediterranean mustard generally reproduces by producing prodigious amounts of seed, generally very close to

ED_013814_00000996-00019

the parent plant. While the volume of seed dropped is very high, the seeds generally do not disperse very far from the host plant, this often leads to large monotypic stands of Mediterranean mustard. Manual removal can be an effective means of control provided it is completed before viable seeds develop (Weed Research & Information Center 2013). Grazing has not been shown to be an effective means of control. There are a limited number of chemicals that have been shown to be effective, including Glyphosate. Unfortunately, Mediterranean mustard seeds can remain viable in the soil for several years, so all control methods must be repeated until the seed bank is fully exhausted.

Whitetop (*Lepidium chalapense* [*Cardaria chalepensis*]) Cal-IPC Moderate
Whitetop is an erect perennial in the mustard (Brassicaceae) family which blooms May through June and thrives in recently disturbed sunny mesic habitats. Any fragment of whitetop's roots can resprout and grow into a new plant and often grow longer than 10 feet long, making mechanical removal impractical. Additionally, a single whitetop plant is capable of producing up to 4,800 viable seeds making the timing of any control measure very important to the success of the effort. Herbicide application can be an effective means of control, however, it is important that all herbicides are handled and applied carefully to ensure they do not affect desirable species or habitats.

Himalayan blackberry (*Rubus armeniacus* [*R. discolor*]) Cal-IPC High
Himalayan blackberry is an evergreen perennial shrub in the rose (Rosaceae) with climbing, mounded, and trailing stalks which flowers April through August and thrives in mesic open fields, ditches, roadsides, and riparian habitats. Himalayan blackberry has an extensive perennial root system from which new above ground stalks, which are protected by large claw shaped thorns, readily sprout. Cattle grazing does not provide an effective means of control due to Himalayan blackberry's thorns and ability to quickly resprout above ground biomass. Mechanical removal presents the same hurdles, and is only effective on small populations. Herbicide application, particularly 'cut stump treatment', can be an effective means of control, however, it is important that all herbicides are handled and applied carefully to ensure they do not affect desirable species or habitats.

Sheep Sorrel (*Rumex acetosella)* Cal-IPC Moderate
Sheep sorrel is an erect perennial in the buckwheat family (Polygonaceae) which grows in clonal patches with a large perennial root network. New vegetative growth readily sprouts from the underground root network, and buried seeds have been shown to be viable for more than 25 years. Small infestations can be controlled with mechanical removal, however, care must be taken to remove the entire root system or the plant will likely resprout. Grazing can be an effective means of control; however, due to a concentration of oxalates, most ungulates avoid sheep sorrel. Herbicide application can be an effective means of control, however, it is important that all herbicides are handled and applied carefully to ensure they do not affect desirable species or habitats.

The Powerhouse fire of 2013 burned all above ground vegetation within the Lake Elizabeth Bank Property. The fire has presented both an opportunity and challenge as vegetation becomes reestablished. As previously noted, most invasive species thrive in disturbed conditions, such as the conditions created by the Powerhouse Fire; however, the fire also eliminated the invasive species populations from the Lake Elizabeth Bank Property. This dynamic makes invasive species management particularly important as vegetation becomes reestablished because while the community structure will change and develop as the property recovers from the fire, any vegetation which is established immediately after recovery will likely remain as the vegetation

ED_013814_00000996-00020

community develops. Post fire management guidelines for invasive plant species should consider the following:

- Ensure eradication of Himalayan blackberry within seasonal seep wetlands to allow recolonization by native species.
- Maintain eradication of invasive annual and perennial forb species to reduce competitive pressure and erosion, especially in sensitive terrestrial vegetation alliances.
- Encourage recolonization by native plant species.

2.2.5 Summary of Bank Development Plan

The Development Plan (Exhibit C of the BEI) includes restoration of alluvial floodplain, riparian wetland, non-wetland riparian, marsh, seasonal wetland, sensitive natural community and special status species habitats. Desert wash and alluvial fan creation will primarily occur through removal of the earthen berms and restoring natural flows to the historic floodplains in the valley bottom (Figure 5). Seasonal wetlands and riparian areas will also be enhanced through planting, weeding and improved management practices.

<u>Alluvial Floodplain Restoration</u>
Restoration plans have been designed to remove the dams and surface water diversions within the Elizabeth Lake Bank Property and redirect flows to the historic alluvial fans on the valley floor. Alluvial floodplains will be planted with big sagebrush, native grasses and other species appropriate for this habitat type. After restoration, the active alluvial fan surfaces will be exposed to periodic flooding and sediment transport associated with flood events. Active channels will form naturally on the fan surface and are expected to migrate across the surface with subsequent flood events. This regular pattern of hydrologic influence and disturbance will create suitable habitat for alluvial fan species.

ED_013814_00000996-00021

Table 1. Invasive plant species observed in the Elizabeth Lake Bank Property during visits in 2011-2012.

Family	Scientific Name*	Common Name	Origin	Form	Invasive Status[2]	Blooming Period
Asteraceae	*Lactuca serriola*	prickly lettuce	non-native	annual forb	assessed	May-September
Asteraceae	*Sonchus asper*	spiny sow thistle	non-native	annual forb	assessed	February-October
Asteraceae	*Tragopogon dubius*	yellow salsify	non-native	perennial forb	assessed	April-May
Brassicaceae	*Descurainia sophia*	flix weed	non-native	annual forb	limited	March-August
Brassicaceae	*Hirschfeldia incana*	Mediterranean mustard	non-native	biennial or perennial forb	moderate	January-December
Brassicaceae	*Lepidium chalapense* [*Cardaria chalepensis*]	lens-podded hoary cress	non-native	perennial forb	moderate	May-June
Convolvulaceae	*Convolvulus arvensis*	field bindweed	non-native	perennial forb	assessed	April-September
Fabaceae	*Medicago polymorpha*	burweed	non-native	annual forb	limited	February-June
Geraniaceae	*Erodium cicutarium*	redstem filaree	non-native	annual forb	limited	February-June
Lamiaceae	*Marrubium vulgare*	horehound	non-native	perennial forb	limited	May-August
Plantaginaceae	*Plantago lanceolata*	English plantain	non-native	perennial forb	limited	March-August
Poaceae	*Avena fatua*	oat grass	non-native	annual graminoid	moderate	April-May
Poaceae	*Bromus diandrus*	ripgut brome	non-native	annual graminoid	moderate	April-June
Poaceae	*Bromus hordeaceus*	soft chess	non-native	annual graminoid	limited	April-May
Poaceae	*Bromus tectorum*	cheatgrass	non-native	annual graminoid	high	May-June
Poaceae	*Festuca* [*Vulpia*] *myuros*	rattail fescue	non-native	annual graminoid	moderate	February-May
Poaceae	*Festuca perennis* [*Lolium multiflorum*]	Italian ryegrass	non-native	annual or biennial graminoid	moderate	May-September
Poaceae	*Hordeum murinum*	mouse barley	non-native	annual graminoid	moderate	April-May
Poaceae	*Polypogon monspeliensis*	rabbit's-foot grass	non-native	annual graminoid	limited	May-June
Polygonaceae	*Rumex acetosella*	sheep sorrel	non-native	perennial forb	moderate	March-November
Polygonaceae	*Rumex crispus*	curly dock	non-native	perennial forb	limited	January-December
Rosaceae	*Rubus armeniacus* [*R. discolor*]	Himalayan blackberry	non-native	deciduous to evergreen shrub	high	April-August

All species identified using the *Jepson Manual: Vascular Plants of California* (Baldwin et al. 2012); nomenclature follows Baldwin et al. 2012
[1]Invasive Status: California Invasive Plant Inventory (Cal-IPC 2006)
[2]Blooming Period : CalFlora (CalFlora 2013)

ED_013814_00000996-00022

Riparian Woodland and Wetland Enhancement and Rehabilitation
Existing wetland and riparian communities within the Elizabeth Lake Bank Property will be monitored during post-fire recovery and will be managed to maintain and improve the functions and values that these habitats provide. These habitats will be managed to control invasive species and may be replanted if native species are not found to be recolonizing naturally.

Sensitive Natural Communities Enhancement and Rehabilitation
The terrestrial habitats will be monitored during post-fire recovery and will be managed to maintain or improve habitat quality. These habitats will be managed to control invasive species and may be replanted if native species are not found to be recolonizing naturally.

Special Status Species Preservation
The Bank supports habitat for numerous special status species (see section 5.3 above and the BRI in Appendix, C). These habitats will be preserved in perpetuity and managed for the benefit of the species. The proposed restoration actions discussed above will also increase the amount and quality of habitat available for special status species, particularly Swainsons Hawk, within the Elizabeth Lake Bank Property.

3.0 PETERSEN RANCH PROPERTY

3.1 Property Description

3.1.1 Setting and Location

The Petersen Ranch Bank Property is located in unincorporated Los Angeles County, California, approximately 4 miles southeast of the town of Lake Hughes. The Bank Property is approximately 3,789 acres located in the Del Sur USGS quadrangle (Figure 3), near the northern boundary of the Angeles National Forest (ANF), west of the City of Palmdale and South of Antelope Valley. The Bank Property is in the State of California, designated Assessor's Parcel Numbers: 3205-022-019, 3215-004-003, 3215-018-005, 3215-018-006, 3215-018-007, 3215-018-013, 3215-018-017, 3215-018-018, 3215-018-019, 3215-018-020, 3215-018-021, 3215-018-022, 3215-018-023, 3215-018-024, 3215-018-025, 3215-018-026, 3215-018-027, 3215-018-028, 3215-018-033, 3215-018-034, 3215-019-006, 3215-019-007, 3215-019-008, 3215-019-013, 3215-019-021, 3215-019-022, 3215-019-023, 3224-001-016, 3224-001-017, 3224-001-018, 3224-001-019, 3224-001-020, 3224-001-021, 3224-001-022, 3224-001-023, 3224-001-024, 3224-001-025, 3224-001-026, 3224-001-027, 3224-001-028, 3224-001-029, 3224-001-030, 3224-001-031, 3224-035-001, 3224-035-002, 3224-035-003, 3224-035-004, 3224-035-005, 3224-035-006, 3224-035-007, 3224-035-008, 3224-035-009, 3224-035-010, 3224-035-011, 3224-035-012, 3224-035-013, 3224-035-014, 3224-035-015, 3224-035-016, 3224-035-017, 3224-035-018, 3224-035-019, 3224-035-020, 3224-035-021, 3224-035-022, 3224-035-023, 3224-035-024, 3224-035-025, 3224-035-026, 3224-035-027, 3224-035-028, 3225-023-004, 3225-023-005, 3225-023-006, 3225-023-011, 3225-023-032, 3225-023-033, 3225-023-054, 3225-023-061, 3225-024-001, 3225-024-008, 3225-024-009, 3225-024-010, 3225-024-013, 3225-024-016, 3225-024-020, 3225-024-021, 3225-024-022, 3225-024-024, 3225-024-035, 3225-025-001, 3225-025-006, 3225-025-012. The Petersen Ranch Bank Property is shown on the General Vicinity Map (Figure 1) and the Petersen Ranch Bank Property Map (Figure 3).

ED_013814_00000996-00023

The Petersen Ranch Bank Property is adjacent to the ANF to the southwest. Ranches and agricultural fields with small, individual houses separate the ANF (Angeles National Forest) from the Petersen Ranch Bank Property. A residential development is located southeast, the residential and recreational areas in and near the community of Elizabeth Lake are located to the west, and the California Aqueduct borders the Petersen Ranch Bank Property to the north.

3.1.2 History and Land Use

Historically, the primary land uses within the Petersen Ranch Bank Property have been cattle ranching, hay farming and hunting. Evidence of past uses still remain, including numerous buildings, dirt roads, wire fencing, ponds, and water tanks. A review of historic aerial photographs from 1948 indicate early land uses included wide-spread manipulation of natural habitats through clearing brush to create and maintain open pasture and hay fields, alteration of natural drainages to create ponds or to redirect flows, and the pumping of water to irrigate fields and fill constructed ponds (WRA 2013). The lasting effects of these land use practices can still be observed on the Property, however many of these practices have been reduced considerably compared to past uses.

3.1.3 Cultural Resources

A cultural resources investigation has been completed within the Petersen Ranch Bank Property and was completed by Duke Cultural Resources Management (Exhibit J of the BEI). More information on cultural resources in both Bank Properties can be seen in Section 8.0 below.

3.1.4 Hydrology and Topography

The Petersen Ranch Bank Property is in Leona Valley along the San Andreas Rift Zone and encompasses portions of Portal Ridge, which contains the highest elevation points within the Petersen Ranch Bank Property. Due to its location on the San Andreas Rift Zone, the Petersen Ranch Bank Property includes many fault lines.

The primary source of hydrology for the Petersen Ranch Property is surface water runoff and groundwater infiltration from adjacent lands, as well as direct precipitation. The largest aquatic feature is a complex of freshwater marshes, ponds and meadows along the rift valley. These areas are fed by runoff and groundwater and historically received additional inputs of water through pumping of municipal and well water. Historic aerials show areas of saturation and discontinuous channels through this wetland complex prior to the construction of the numerous ponds and presumably prior to the commencement of pumping water into this system. Historic USGS topographic maps show a dashed blue-line stream through this valley. Implementation of the Development Plan will result in restoration of many of the ponds in this valley back to wet meadow.

Several other drainages originate within the Petersen Ranch Property. These ephemeral drainages convey surface and subsurface flows during heavy rainfall through steep sided canyons to either Leona Valley to the southeast, Antelope Valley to the north, or to Elizabeth Lake to the west.

ED_013814_00000996-00024

Several seasonal seep wetlands are located in complexes consisting of depressions, swales and slope seeps along the south facing slopes of the ridge adjacent to Elizabeth Lake Road. Many of these wetlands appear to be associated with mapped fault lines within the Petersen Ranch Property (Hernandez 2010). These faults may facilitate the passage of groundwater to the surface in and supply seasonal hydrology for these features.

3.1.5 Soils and Geology

The Los Angeles County Soil Series (USDA 1969), Lancaster Area Soil Series (USDA 1922), Angeles National Forest Area (USDA 1980), and Soilweb (CSRL 2013) indicates that the Petersen Ranch Bank Property is composed of 23 different types of soil within 9 soil series: the Armargosa series, Castaic-Balcom series, Gaviota series, Greenfield series, Hanford series, Millsholm series, Ramona series, Vista series, and Yolo series. These soil series are described in detail in the Delineation Report (Exhibit I of the BEI). The soils on the Petersen Ranch Bank Property exhibit diverse properties, with most being well to excessively well drained soils with low structural stability, however poorly drained soils are found in and around the wetland complexes and some rock outcrops are present in higher slope areas.

3.1.6 Existing Easements

Preliminary Title Reports have been obtained and reviewed by the Bank Sponsor. According to title records, the Bank Property has a number of easements established on site (Figure 6). Elizabeth Lake Road is a public road that primarily delineates the southern boundary, and the western edge of Petersen Ranch Bank Property. Johnson Road runs through the north-central region of the Petersen Ranch Bank Property. These roads are not a part of the Petersen Ranch Bank Property and are managed by Los Angeles County.

A number of easements for future street and utility improvements are recorded in the northern portion of the Petersen Ranch Bank Property (Parcel 13), associated with previously planned residential development. However, no residential development is currently planned in this area. Other dirt roads and right of way easements exist in a variety of locations.

Utility easements exist within the Petersen Ranch Bank Property in a number of locations. The Tehachapi Renewable Transmission Project bisects the central portion of the Petersen Ranch Bank Property from the north to the south, and includes a combination of easements for unpaved access roads, utility poles, and high voltage power lines. Another transmission line owned and maintained by the Los Angeles Department of Water and Power crosses the western portion of the Bank Property. Maintenance of these utility lines may occur periodically, including modification of vegetation, and the holders of these easements have legal access rights to these portions of the Bank Property.

In addition to the easements outlined in the Title Report, a 320-acre portion of Petersen Ranch Area A, has been used previously as mitigation for SCE and has a separate Conservation Easement. This SCE easement will be managed as part of the Bank, and the annual monitoring reports will cover the Bank easements as well as the SCE easement, but Credits will not be requested for the Petersen Ranch Mitigation Bank for land located under the SCE easement. This easement will be monitored and maintained pursuant to the requirements of the BEI.

ED_013814_00000996-00025

3.1.7 Adjacent Land Uses

There are exclusion areas that are controlled by (and under ownership of) the Property Owner but that will not be a part of the Petersen Ranch Bank Property. These areas are located primarily around the main lodge. In addition, there is a utility line parcel owned by Los Angeles Department of Water and Power (LADWP) and several parcels along Johnson Road that are not owned by the Property Owner. The LADWP parcel bisects the rift valley wetland complex. Pursuant to an agreement with LADWP, wetland restoration will be conducted underneath its utility lines, but credits will not be requested for this area. However, LADWP may use the wetlands generated on its parcel for permittee-responsible mitigation.

Within the Petersen Ranch Property,there are six small exclusion areas that are not part of the Bank Property. The conservation easement will not be established over these "Not a Part" areas and these "Not a Part" areas will not be subject to the restrictions within the conservation easement. Monitoring and management actions will be conducted in lands immediately adjacent to these "Not a Part" areas to ensure activities within these areas do not result in deleterious effects to the Bank's resources. See Section 4.6 below for more information on monitoring around these "Not a Part" areas.

3.2 Habitat and Species Descriptions

3.2.1 Documented Biological Resources

Several biological studies have been conducted within the Petersen Ranch Bank Property and are included in Exhibit H and Exhibit I of the BEI. These include:

- Biological Resources Inventory (BRI; WRA 2013a);
- Wetland Delineation Report (WRA 2013b);
- Swainson's Hawk Habitat Assessment (Bloom 2013);

3.2.2 Biological Communities

Five major biological communities were observed during 2013 within the Petersen Ranch Bank Property: wetlands, non-wetland waters, woodlands, scrublands, and grasslands. These five biological communities were composed of 32 vegetation alliances containing 36 vegetation associations. Wetlands, non-wetland waters, associated aquatic vegetation communities, and 10 terrestrial vegetation alliances were considered to be sensitive. A total of 22 sensitive vegetation alliances (including wetlands and non-wetland waters) have been mapped within the Petersen Ranch Bank Property. These vegetation alliances and associations are described in the BRI (Exhibit H of the BEI).

3.2.3 Special Status Species

Special-status plant species determined to have a high or moderate potential to occur in the Petersen Ranch Bank Property, as well as the special-status plant species observed in the Petersen Ranch Bank Property, are discussed in the BRI (Exhibit H of the BEI). One list 4 special status plant species and one locally rare species that is of management interest have been observed within the Petersen Ranch Bank Property, Pierson's morning glory and Parish's sagebrush.

ED_013814_00000996-00026

Special-Status Wildlife Species

Ten special-status wildlife species were observed in the Petersen Ranch Bank Property by WRA during site visits: American white pelican (*Pelecanus erythrorhynchos*), Swainson's hawk (*Buteo swainsoni*), ferruginous hawk (*Buteo regalis*), prairie falcon (*Falco mexicanus*), Nuttall's woodpecker (*Picoides nuttallii*), loggerhead shrike (*Lanius ludovicianus*), oak titmouse (*Baeolophus inornatus*), tricolored blackbird (*Agelaius tricolor*), Pacific pond turtle (*Actinemys marmorata*), and coast horned lizard (*Phrynosoma blainvillii*). Special-status wildlife species observed or which have a moderate or high potential to occur in the Petersen Ranch Bank Property are discussed described in detail in the BRI (Exhibit H of the BEI). A brief discussion of habitat conditions required to sustain populations of the special-status species for which the Petersen Ranch Bank has been established is included below.

Swainson's hawk

Swainson's hawk is a summer (breeding) resident and migrant in California's Central Valley and scattered portions of the southern California interior. Foraging habitat consists of a mosaic of grassland and scrub with an abundant and diverse prey base, including insects, rodents, and small birds. Stands of cottonwoods, willows, junipers, and exotic mature trees within the Property provide suitable nesting substrates.

3.2.4 Invasive Plant Species

Twenty-seven invasive plant species listed by Cal-IPC (2006) have been documented to occur within the Petersen Ranch Bank Property, with nine posing a potential threat (generally Cal-IPC Moderate or High rated species) and are discussed below. For practical reasons, non-native annual grasses have been excluded from the list to focus management efforts on species that can be feasibly controlled given the available resources. Invasive species can alter the fire regime and intensity, contribute to erosion, alter soil moisture regimes, and compete with native plant species, particularly in disturbed habitats. Those species of highest concern for the Petersen Ranch Bank Property are summarized in Table 2. Mechanical or chemical treatments may be used and should be timed to take advantage of the phenology of the target species. Management guidelines for invasive species Cal-IPC rated High are discussed in greater detail below. Specific management tasks are discussed in greater detail in the Management and Monitoring guidelines below.

Russian knapweed (*Acroptilon repens)* Cal-IPC Moderate

Russian knapweed is a long-lived perennial forb in the sunflower (Asteraceae) family which blooms between March and September (CalFlora 2013) and thrives in a wide variety of recently disturbed mesic habitats. Over time Russian knapweed is capable of forming large monotypic stands with a deep root network from which vegetation can easily spread and resprout. Due to the extensive root-network hand removal is only effective on seedlings (Weed Research & Information Center 2013). Russian knapweed is toxic to horses and is often avoided by cattle making grazing an infeasible form of control. Chemical control can be effective; however it is important that any herbicides are handled and applied carefully to ensure they do not affect desirable species or habitats.

ED_013814_00000996-00027

Bull thistle (*Cirsium vulgare*) Cal-IPC Moderate

Bull thistle is a biennial, or annual forb in the sunflower (Asteraceae) family which blooms between June and September (CalFlora 2013) and thrives many habitats, particularly on recently disturbed soils. Bull thistle reproduces and spreads entirely from seed which is carried by the wind, though most seeds fall within a few feet of the parent plant (Weed Research & Information Center 2013). Most seeds will germinate or die after the first year, but seeds which have been buried more than 6 inches may survive several years. Goats and sheep grazing can be an effective control method for immature plants, however cattle will avoid bull thistle completely. Other forms of mechanical control(e.g. hoeing and tilling) can be very effective provided the tap root is damaged below the soil surface. If the tap root is not sufficiently damaged the plant can easily recover and flower. Herbicide application can be an effective means of control, however, it is important that all herbicides are handled and applied carefully to ensure they do not affect desirable species or habitats.

ED_013814_00000996-00028

Table 2. Invasive plant species observed in the Petersen Ranch Bank Property during visits on January 28 through February 6, 2013 and May 20 through 21, 2013.

Family	*Scientific Name*	Common Name	Origin	Life-Form	Invasive Status[1]	Blooming Period[2]
Asteraceae	*Acroptilon repens*	Russian knapweed	non-native	perennial forb	moderate	March-September
Asteraceae	*Cirsium vulgare*	bull thistle	non-native	annual or biennial forb	moderate	June-September
Asteraceae	*Helminthotheca [Picris] echioides*	bristly ox--tongue	non-native	perennial forb	limited	June-December
Asteraceae	*Hypochaeris glabra*	smooth catsear	non-native	annual forb	limited	March-June
Asteraceae	*Lactuca serriola*	prickly lettuce	non-native	annual forb	assessed	May-September
Asteraceae	*Sonchus asper ssp. asper*	prickly sow thistle	non-native	annual forb	assessed	February-October
Asteraceae	*Taraxacum officinale*	common dandelion	non-native	perennial forb	assessed	February-March
Asteraceae	*Tragopogon dubius*	yellow salsify	non-native	perennial forb	assessed	April-May
Brassicaceae	*Descurainia sophia*	flix weed	non-native	annual forb	limited	March-August
Brassicaceae	*Hirschfeldia incana*	Mediterranean mustard	non-native	biennial or perennial forb	moderate	January-December
Brassicaceae	*Lepidium appelianum*	Hairy whitetop	non-native	perennial forb	limited	April-Sep
Convolvulaceae	*Convolvulus arvensis*	field bindweed	non-native	perennial forb	assessed	April-September
Fabaceae	*Lotus corniculatus*	bird's-foot trefoil	non-native	perennial forb	assessed	March-July
Fabaceae	*Medicago polymorpha*	burweed	non-native	annual forb	limited	February-June
Fabaceae	*Robinia pseudoacacia*	black locust	non-native	deciduous tree	limited	March-June
Geraniaceae	*Erodium cicutarium*	redstem filaree	non-native	annual forb	limited	February-June

ED_013814_00000996-00029

Family	*Scientific Name*	Common Name	Origin	Life-Form	Invasive Status[1]	Blooming Period[2]
Lamiaceae	*Marrubium vulgare*	horehound	non-native	perennial forb	limited	May-August
Plantaginaceae	*Plantago lanceolata*	English plantain	non-native	perennial forb	limited	March-August
Poaceae	*Avena barbata*	slender oat	non-native	annual graminoid	moderate	March-June
Poaceae	*Avena fatua*	oat grass	non-native	annual graminoid	moderate	April-May
Poaceae	*Bromus diandrus*	ripgut brome	non-native	annual graminoid	moderate	April-June
Poaceae	*Bromus hordeaceus*	soft chess	non-native	annual graminoid	limited	April-May
Poaceae	*Bromus tectorum*	cheatgrass	non-native	annual graminoid	high	May-June
Poaceae	*Festuca [Vulpia] myuros*	rattail fescue	non-native	annual graminoid	moderate	February-May
Poaceae	*Festuca perennis [Lolium multiflorum]*	Italian ryegrass	non-native	annual or biennial graminoid	moderate	May-September
Poaceae	*Hordeum murinum*	mouse barley	non-native	annual graminoid	moderate	April-May
Poaceae	*Polypogon monspeliensis*	rabbit's--foot grass	non-native	annual graminoid	limited	May-June
Polygonaceae	*Rumex crispus*	curly dock	non-native	perennial forb	limited	January-December

All species identified using the *Jepson Manual: Vascular Plants of California* (Baldwin et al. 2012); nomenclature follows Baldwin et al. 2012
[1]Invasive Status: California Invasive Plant Inventory (Cal-IPC 2006)
[2]Blooming Period : CalFlora (CalFlora 2013)

ED_013814_00000996-00030

Mediterranean mustard (*Hirschfeldia incana)* Cal-IPC Moderate
Mediterranean mustard is a biennial or short-lived perennial in the mustard (Brassicaceae) family which blooms year round (CalFlora 2013) and thrives in a variety of habitats, particularly on recently disturbed soils. Mediterranean mustard generally reproduces by producing prodigious amounts of seed, generally very close to the parent plant. While the volume of seed dropped is very high, the seeds generally do not disperse very far from the host plant, this often leads to large monotypic stands of Mediterranean mustard (Weed Research & Information Center 2013). Manual removal can be an effective means of control provided it is completed before viable seeds develop (Weed Research & Information Center 2013). Grazing has not been shown to be an effective means of control. There are a limited number of chemicals that have been shown to be effective, including Glyphosate. Unfortunately, Mediterranean mustard seeds can remain viable in the soil for several years, so all control methods must be repeated until the seed bank is fully exhausted.

3.2.5 Summary of Bank Development Plan

The Development Plan (Exhibit C-1 of the BEI) identifies restoration activities that will result in increased area, condition and functions of aquatic resources and habitats for special-status species. Prior to implementation of the Development Plan, the Petersen Ranch Bank Property contained many man-made stock ponds within the central wetland system. Historically, water was pumped into these ponds to create waterfowl hunting ponds and allowing them to support open water and freshwater marsh habitat dominated by cattail and tule. Pumping was ceased and the ponds became unable to support the same habitat with natural hydrology. These ponds became degraded, and likely reduced the hydrology of surrounding wetlands, while unable to support wetland hydrology themselves. The Development Plan (Figure 7) focuses on grading and planting to provide connectivity of habitats and hydrologic flows and also include micro-topographic variations that will allow for structural and habitat complexity within this wetland complex.

Wetland Re-establishment
Re-establishment of wetland/riparian habitats will occur in areas that are currently characterized by berms exhibiting upland vegetation that were built within the historic boundary of the wetland complex. Wetland re-establishment will return the landscape to its natural topography and historic wetland condition. This will increase the area of wetland habitats but will also increase the function of surrounding wetland habitats.

Wetland Rehabilitation
Wetland rehabilitation will include restoration of degraded ponds to wetland habitats that create more natural topography, water storage, and increased flow, thereby restoring the historic functions of habitat, nutrient filtering, habitat complexity, and hydrologic connectivity. Habitat complexity will include areas of varying inundation and soil saturation depths, and may include smaller areas of open water or freshwater marsh habitat. Once the ponds have been regraded, they will be replanted with native, hydrophytic vegetation which will stabilize the soil, prevent the establishment of weedy, non-native species, and create habitat for native plants and animals. Additionally, the vegetation will increase nutrient filtration and slow runoff. By eliminating the berms and restoring the ponds as part of the rehabilitation and reestablishment activities discussed above, displaced water will be available to the surrounding wetlands. This will improve hydrologic connectivity, and improve the habitat for wetland dependent plant and wildlife species throughout adjoining wetlands. With time, the increase in hydrology from displaced pond water may also expand the extent of wetlands in this area.

ED_013814_00000996-00031

To alleviate nutrient inputs into the watershed, 35 foot grazing setbacks around wetlands in the rift valley and more mesic wetland and riparian areas (Appendix B - Figure 1 and Figure 2) will be fenced to exclude cattle. By excluding cattle, fenced wetlands will have increased filtering of nutrients by allowing the buildup of non-compacted silt and healthy stands of vegetation which trap nutrients and other contaminants, thereby preventing their transport into downstream watersources. Ultimately, the establishment of abundant vegetation and trapping of additional silt/sediment will reduce nutrient stress for the entire watershed. These restoration measures will increase the functionality of the system as a whole and will aid in the repair of degraded wetland habitats to pre-disturbance conditions.

Wetland Riparian Rehabilitation

Riparian rehabilitation will integrate with wetland rehabilitation activities discussed above to encourage and sustain the long-term survival of mature riparian habitats that exist adjacent to, or within, the man-made ponds.

Some of the riparian habitats in the Petersen Ranch Bank Property were located within, or adjacent to, large, deep, man-made ponds excavated in what was historically a wetland. Water was pumped into these ponds until 2010. Since pumping was ceased, the ponds had dried and became unlikely to continue supporting riparian habitat due to the decreased water levels resulting in smaller ponded areas that are often well beyond the dripline, and root zone, of riparian trees.

As part of wetland restoration plans, the pond bottom elevations will be raised, but small deep depressions will be left providing small open water areas beneath the drip-line of riparian species. These depressions, though deep, will not cover the wide area of the original pond. Because of this, natural hydrologic processes are expected to fill the small ponds and sustain them without pumping. Water will be able to concentrate in the ponds and will be stored there for a duration long enough to sustain the mature riparian habitat. By eliminating berms and restoring the ponds as part of the rehabilitation and reestablishment of wetland and riparian habitats, displaced water is expected to increase the hydrologic inputs to adjacent riparian habitats. With time, the increase in hydrologic inputs from displaced pond water may also result in expanded riparian habitats. This will improve the hydrologic function and health of the riparian system in areas outside of the footprint of the restoration activities. Implementation of these design elements will result in the rehabilitation of wetland riparian habitat.

To alleviate nutrient inputs into the watershed and excessive grazing pressure on riparian vegetation, 35 foot grazing setbacks around wetland riparian areas in the rift valley will be fenced to exclude cattle. By excluding cattle, fenced riparian wetlands will have the ability to perform increased filtering of nutrients by allowing the establishment of healthy stands of vegetation which trap nutrients and other contaminants, thereby preventing their transport into downstream water sources. Ultimately, the establishment of healthy wetland vegetation and trapping of additional silt/sediment will reduce nutrient stress for the entire watershed. These restoration measures will increase the functionality of the system as a whole and will aid in the repair of degraded wetland riparian habitats to pre-disturbance conditions.

Non-Wetland Riparian Establishment

Non-wetland riparian establishment is occurring in areas that have suitable soils and topographic position and are located adjacent to existing, or proposed, aquatic resources. This will primarily include planting Parish's sagebrush (*Artemisia tridentata ssp. parishii*), a locally rare and genetically unique sub-species found in the Petersen Ranch Bank Property (WRA 2013a).

ED_013814_00000996-00032

Non-Wetland Riparian Rehabilitation
Non-wetland riparian rehabilitation will occur in upland areas containing woody, riparian species that abut aquatic resources. Non-wetland riparian rehabilitation will be achieved through the wetland and riparian rehabilitation and reestablishment activities described above. By eliminating the berms and restoring the ponds as part of the wetland and riparian rehabilitation and reestablishment, displaced water is expected to be redistributed to the root zones of surrounding non-wetland riparian communities. This will enhance the hydrologic function and health of the non-wetland riparian system in areas outside of the footprint of restoration activities.

To alleviate nutrient inputs into the watershed and excessive grazing pressure on riparian vegetation, 35 foot grazing setbacks around wetland riparian areas in the rift valley will be fenced to exclude cattle. By excluding cattle, fenced riparian areas will have the capacity to perform increased filtering of nutrients, and ungrazed habitats will allow for more robust understory growth and tree seedling development. These restoration measures will increase the functionality of the system as a whole and will aid in repairing degraded riparian habitats to pre-disturbance conditions.

Stream Rehabilitation
Stream rehabilitation will be implemented along the stream at the western boundary of the Petersen Ranch Bank Property. This stream conveys flows from off-site residential areas, beneath Elizabeth Lake Road and into a channel along the western boundary. Prior to implementation of the Development Plan this stream consisted of a straightened channel and a constructed berm separating the stream from the wetland complexes within the Petersen Ranch Bank Property which hydrologically isolated this stream from its floodplain. Stream rehabilitation activities will involve removing the berm and widening the stream channel to increase habitat and allow for overbank flows onto an active floodplain. Once the stream has been rehabilitated, floodwaters from will be able to spill into the restored wetland complexes thereby reducing downstream flood pressures and improving water quality and hydrologic connectivity.

Alluvial Floodplain Re-establishment
Alluvial floodplain re-establishment will occur in the floodplain adjacent to the Stream Rehabilitation actions discussed above. High flows will be restored to the adjacent floodplain on the valley floor. After restoration, the active alluvial floodplain surfaces will be exposed to periodic flooding and sediment transport associated with flood events.

4.0 MANAGEMENT AND MONITORING

The overall goal of long-term management is to foster the long term viability of the Bank Properties' Waters of the U.S., Waters of the State, covered species, and covered habitat. Routine monitoring and minor maintenance tasks are intended to assure the quality of the Bank Properties' biological resources in perpetuity.

The approach to the long-term management of the Bank Properties' biological resources is to conduct annual site examinations and monitor selected characteristics to determine the stability and trends of the waters of the U.S., including wetlands, Waters of the State, sensitive vegetation communities, and special-status species' habitats.

ED_013814_00000996-00033

Annual monitoring will assess the Bank's condition, degree of erosion, invasion of exotic or deleterious (e.g., thatch producing) species, water quality, fire hazard, and/or other aspects that may warrant management actions. The objective of this Long-term Management Plan is to conduct monitoring to identify any issues that arise, and use adaptive management to determine what actions might be appropriate. Those chosen to accomplish monitoring responsibilities will have the knowledge, training, and experience to accomplish monitoring responsibilities.

Adaptive management means an approach to natural resource management which incorporates changes to management practices, including corrective actions as determined to be appropriate by the IRT in discussion with the Land Manager. Adaptive management includes those activities necessary to address the effects of climate change, fire, flood, or other natural events, force majeure, etc. Before considering any adaptive management changes to the Long-term Management Plan, the IRT will consider whether such actions will help ensure the continued viability of Bank Property's biological resources.

Responsibility for the management and maintenance of the Introduction Area, as defined in the Agreement and the Introduction Plan, will rest with Newhall. The objective of the Introduction Area is to provide space for the introduction and protection of San Fernando Valley spineflower, a California listed endangered species. The Agreement, as agreed upon by LV Lake Elizabeth LLC, Land Veritas Corp., and Newhall, allows Newhall pedestrian access to the Introduction Site, as well as the ability to conduct certain activities pursuant of this agreement, including seeding trials, introduction, maintenance, and management of Spineflower and the Introduction Area. Fencing surrounding the Introduction Area will be installed and maintained by Newhall.

The Land Manager for the Bank site shall implement the following:

4.1 Waters of the U.S. and State

The Bank Properties' aquatic resources will be monitored and managed to ensure that the hydrologic, biotic and geomorphic functions are maintained to the extent feasible.

Objective: Monitor, and conserve the Bank Properties' Waters of the U.S. and Waters of the State.

Task 4.1.1: One annual walk-through survey will be conducted each spring to qualitatively monitor the general condition of the main wetland/riparian complexes in the rift valley, and in the cattle exclusion areas. General conditions regarding presence of ponding or saturation, extent and health of wetland plant species (FAC, FACW or OBL), estimates of invasive species cover, condition of exclusion fencing and any erosion problems will be noted, with specific locations and extents mapped on a site aerial.

Task 4.1.2: During the annual spring walk-through survey qualitatively monitor the general condition of the alluvial floodplains and the stream rehabilitation area. General conditions regarding extent of active flood plain showing indicators of Ordinary High Water Mark (OHWM), estimates of invasive species cover, and cover of xeric riparian species (as described in 2012 Wetland Delineation Report included in Exhibit I of BEI) will be noted, with specific locations and extents mapped on a site aerial.

Task 4.1.3: One annual drive-through survey of the entire Bank Properties will be conducted each spring to qualitatively monitor the general condition

ED_013814_00000996-00034

of the wetlands and waters. General conditions regarding any major changes in habitat quality including presence of invasive plant species, and any erosion problems will be noted, with specific locations and extents mapped on a site aerial.

Task 4.1.4: Establish representative photographic reference points in each of the aquatic resource habitat types to be monitored annually, and include photographs in each annual monitoring report.

4.2 Covered Habitat

The Bank Properties' covered habitats including non-wetland riparian and all terrestrial vegetative communities will be examined for major changes or threats to habitat quality.

Objective: Monitor, conserve, and maintain the Bank Properties' covered habitats.

Task 4.2.1: As part of the spring walk-through surveys, the riparian habitats will be examined for any major changes in habitat quality. Presence of invasive plant species and erosion problems will be noted. Any potential threats to the viability of this habitat will be mapped and documented in the annual report.

Task 4.2.2: As part of the annual drive-through survey, the Bank Properties' terrestrial habitats will be examined for any major changes in habitat quality including presence of invasive plant species, erosion problems or any other disturbance will be noted. Any potential threats to the viability of this habitat will be mapped and documented in the annual report.

Task 4.2.3: Establish representative photographic reference points in each of the covered upland habitat types to be monitored annually, and include photographs in each annual monitoring report. These photo-points shall provide good views of expanses of upland habitats, which will provide a mechanism to monitor changes in upland habitats, including shrub encroachment into grasslands.

4.3 Covered Species Monitoring

Objective: Monitor, manage and maintain habitat for Swainson's hawk.

Task 4.3.1: Annually conduct a drive-through assessment during the period best timed to observe nesting birds (typically April-May), the Bank Properties' Swainson's hawk foraging habitat will be monitored for major changes in area and quality. In particular, shrub encroachment in grasslands, changes in prey base, and observations of individuals will be noted. Any potential threats to the viability of these habitats will be noted in the annual report.

Task 4.3.2: Annually during the nesting bird drive-through assessment, the Bank Properties will be examined for major changes in area and quality of Swainson's hawk nesting habitat. In particular, significant changes to riparian forest and woodland habitats will be documented along with any

ED_013814_00000996-00035

observed individuals or potential nest sites. Any potential threats to the viability of these habitats will be noted in the annual report

Multiple angles will be utilized to help increase the observer's chance of detecting a nest or hawk (pair), especially after trees are fully leafed-out and when surveying multiple trees in close proximity to each other. When surveying from an access road, surveys will be conducted in both directions, usually maintaining a distance of 50 to 200 meters from subject trees. This is usually optimal for observing perched and flying hawks without reducing the chance of detecting a nest or young. Once a nest is found, closer inspection may be, and usually is, necessary.

Surveys will focus on both visual observations and vocalizations. Observations of nests, perched adults, displaying adults, and chicks during the nesting season are all indicators of nesting hawks. In addition, vocalizations of birds are extremely helpful in locating nesting territories. Vocal communication between hawks is frequent (1) during territorial displays, (2) during courtship and mating, (3) through the nesting period as mates notify each other that food is available or that a threat exists, and (4) as older chicks and fledglings beg for food.

Information collected will include all observed nest sites, including date and time of observation, location name, UTM coordinates, number of young, and any behavioral observations. The occurrence of nesting great horned owls, red-tailed hawks, red-shouldered hawks, and other potentially competitive species will also be documented. These species will infrequently nest within 100 meters of each other, so the presence of one species will not necessarily exclude another, but should be noted in the survey report.

4.4 Non-native Invasive Species Monitoring and Management

Objective: Monitor and maintain control over non-native invasive species, including but not limited to noxious weeds that diminish site quality for which the bank was established. The Land Manager shall consult the Cal-IPC list of high rated invasives in determining species of management concern.

Task 4.4.1: Annually, during the spring drive-through survey, the Bank Properties will be surveyed for infestations of noxious weeds. Observed noxious weed populations will be mapped and population estimates of perennial species will be recorded. A discussion of observed noxious weeds, the level of threat posed, and recommended management measures will be included in each monitoring report.

Task 4.4.2: As needed, weed management measures will be implemented to control infestations of noxious weeds. Recommended management measures will be prioritized, and implemented as funding is available. Actions to control invasive weed species may include prescribed grazing treatments, mowing, physical removal by hand, hand powered tools, or

ED_013814_00000996-00036

application of herbicides approved by the IRT and will be appropriately timed based on the biology of the target invasive species.

4.5 Vegetation Management

Objective: Analyze effects of grazing on habitat quality, and use adaptive management techniques to maintain habitat quality. For a detailed summary of the Grazing Plan refer to Appendix B.

Task 4.5.1: At the end of each growing season (October) the Bank Properties will be monitored and any deleterious effects of grazing on covered resources will be noted. In particular, vegetation height and the presence of high impact areas will be noted in the annual report.

Task 4.5.2: At the end of each year's growing season (October), the residual dry matter (RDM) will be sampled in multiple locations within each pasture.

Task 4.5.3: Each year, calculate grazing carrying capacity for each pasture based on productivity estimates using the previous years' measurements.

Task 4.5.4: Adjust stocking rates and timing based on RDM monitoring, invasive species presence, and habitat condition in accordance with the grazing plan. Manage grazing rates to maintain vegetation height and composition similar to baseline conditions or as determined likely to maintain aquatic resource function and covered species habitat.

Task 4.5.5: Monitor cattle water sources and attractants, such as salt licks, for evidence of habitat degradation, such as erosion and changes in vegetation type and cover.

4.6 Monitoring around Exclusion Areas

Habitats surrounding "Not a Part" areas will be monitored to ensure activities outside of the Bank Property are not adversely affecting the Bank's resources. If monitoring results show any negative impact on the lands surrounding the "Not a Part" areas, any identified issues will be discussed in the annual monitoring report and adaptive management actions will be taken to ameliorate the degradation caused by these activities. The monitoring and management activities will be conducted on an annual basis and will include the tasks discussed below.

Objective: Analyze and monitor the quality of habitats surrounding the "Not a Part" areas, and use adaptive management techniques to maintain habitat quality if degradations to the habitat are observed.

Task 4.6.1: Monitor for social trails, erosion, reduced vegetation cover, evidence of trampling or compaction, and other evidence of significant soil or vegetation disturbance in habitats adjacent to the "Not a Part" areas;

Task 4.6.2: Monitor for trash, vandalism, or other forms of litter and property destruction surrounding the "Not a Part" areas;

ED_013814_00000996-00037

Task 4.6.3: Monitor for runoff from irrigation, septic systems, or other infrastructure that may be affecting habitats surrounding the "Not a Part" areas;

Task 4.6.4: Monitor for invasive species surrounding the "Not a Part" areas;

Task 4.6.5: Monitor for fire hazards surrounding the "Not a Part" areas; and

Task 4.6.6: Monitor for evidence of non-permitted uses in the land surrounding the "Not a Part" areas including off-highway vehicle use (OHV), out of season hunting, outdoor fires, and other potential violations to the Conservation Easement, local laws/ordinances, or state laws.

5.0 SECURITY, SAFETY, AND PUBLIC ACCESS

The Bank Properties will be fenced and shall have no general public access, nor any regular public or private use, except as allowed by the Conservation Easement. Research and/or other educational programs or efforts may be allowed on the Bank Properties as deemed appropriate by the IRT, but are not specifically funded or a part of this Long-term Management Plan.

5.1 Trash and Trespass

Objective: Monitor and minimize sources of trash and trespass.

Task 5.1.1: During each site visit, record occurrences of trash. Record type, location, and management recommendations to avoid, minimize, or rectify trash impacts.

Task 5.1.2: Replace "No Trespassing" signs which have been damaged or are otherwise illegible. Legible "No Trespassing" signs should be posted no more than 600 feet apart on all exterior fencing.

Task 5.1.3: On a monthly basis, survey for and record evidence of trespass and condition of gates, locks and "No Trespassing" signs. Record type, location, and management recommendations to avoid, minimize, or rectify trespass impacts.

Objective: Collect and remove trash, repair vandalized structures, and rectify trespass impacts.

Task 5.1.4: At least once yearly collect and remove any accumulated trash.

Task 5.1.5: Within 30-days of the identification of trespass impacts (broken or missing fences, gates, locks, or "No Trespassing" signs), impacts will be repaired. Any additional measures to prevent trespass will be prioritized and implemented as funding allows.

5.2 Fire Hazard Reduction

Objective: Maintain the site as required for fire control while limiting impacts to biological values.

ED_013814_00000996-00038

Task 5.2.1: Graze to reduce vegetation height and reduce fuel loads to reduce risk and intensity of future fires.

5.3 Infrastructure

Objective: Monitor condition of perimeter and exclusion fences and gates.

Task 5.3.1: During the monthly trespass monitoring visit, record the condition of fences, gates, and roads. Any necessary tasks will be identified in the annual monitoring report.

Objective: Maintain fences and gates to prevent casual trespass, allow necessary access, and facilitate grazing management.

Task 5.3.2: Maintain fences and gates as necessary by replacing posts, wire, and/or gates.

Objective: Maintain roads to allow necessary access

Task 5.3.4: Maintain primary access roads by grading, filling gullies, and reducing encroaching vegetation, as necessary, and as funding allows.

Objective: Maintain water trough infrastructure to ensure grazing regime and management can be fully implemented.

Task 5.3.5: Maintain trough infrastructure by replacing and repairing plumbing and troughs, as necessary, and as funding allows.

Objective: Maintain engineered structures associated with the Munz Canyon, Turkey Tail Floodplain, and Joey Stream Restoration Site (Restoration Sites 1, 4, and 5).

Task 5.3.6: Maintenance of engineered structures associated with the Munz Canyon, Turkey Tail Floodplain, and Joey Stream Restoration Site (Restoration Sites 1, 4, and 5) may need to occur at infrequent intervals (every 100 years). Maintenance requirements could include riprap replacement, riprap removal, concrete replacement, and concrete removal.

6.0 REPORTING AND ADMINISTRATION

6.1 Annual Report

Objective: Provide annual report on all management tasks conducted and general site conditions to IRT and any other appropriate parties.

Task 6.1.1: Prepare annual report and any other additional documentation. Include a summary of all above mentioned monitoring and maintenance requirements. Complete and circulate to the IRT and other parties by November 15 of each year.

Task 6.1.2: Make recommendations with regard to (1) any habitat enhancement measures deemed to be warranted, (2) any problems

ED_013814_00000996-00039

requiring short and long-term attention (e.g., weed removal, fence repair, erosion control), and (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date.

6.2 Long-Term Management Plan Updates

Objective: Provide updates to the long-term management plan to account for changes in bank conditions and changes approved by the IRT based on these new management priorities or considerations.

Task 6.2.1: Review the long-term management plan every five years and update accordingly based on any changes in the bank conditions or changes to the plan approved by the IRT. This task will include reviewing and, if necessary, updating the vegetation map based on current aerial imagery.

7.0 PERMITTED ACTIVITIES

The above listed activities represent the activities which will be required to ensure the Bank Properties continue to fulfill the requirements set forth in the BEI in perpetuity. Several additional activities which do not conflict with the successful function of the Bank will be permitted within the Bank Properties.

7.1 Permitted Uses

Limited private access will be available for out-door recreation for the Property Owner and their guests. No permitted recreation activity will conflict with the above-listed tasks, nor any requirement set forth in the BEI. The Property Owner reserves to itself and to its personal representatives, heirs, successors, and assigns the following uses:

- Hunting shall be allowed on the Property in accordance with the following restrictions: (i) hunting activities shall not adversely affect the Conservation Values; (ii) no hunting activities shall take place from March 1 through July 15 of any year, and this closure period may be extended in writing by either Grantee, in consultation with CDFW, or CDFW to accommodate early or late Swainson's Hawk presence in any given year; (iii) no hunting activities shall take place within the cattle exclusion zone along the rift valley until all final restoration performance standards associated with the original restoration or any required remediation have been met and approved by the interagency review team (IRT) as specified in the BEI; (iv) recreational or target shooting not directly associated with the lawful take of game is strictly prohibited; and (v) commercial hunting shall be allowed on an annual basis with the prior, written approval of CDFW and subject to any terms and conditions set forth in that written approval;

- The Property Owner may continue to engage in non-motorized recreational activities on the Property in the same manner as Grantor currently utilizes the Property. These uses include, by way of example and not limitation, hiking, horseback riding, and hunting (subject to the restrictions described above). No motorized recreational activities (e.g., recreational off-highway vehicle activities) are permitted except on existing roads and trails.

- The infrastructure currently existing on the Property includes storage tanks, ponds and a pipeline (largely located within existing roadways) for water extraction, storage and

ED_013814_00000996-00040

delivery; livestock structures; agricultural equipment; and safety equipment (fire and general). Infrastructure that currently exists on the Property may continue to be used, replaced and maintained by Grantor. Grantor may not expand the use of such infrastructure (including existing ponds) or change the nature of such infrastructure if such expansion or change would have a material, adverse impact on the Conservation Values without prior written approval from the IRT.

- The Property Owner reserves the right to continue to use the Bank Properties for outdoor education events, educational tours, and school-related events.

Infrastructure may be repaired, replaced or installed if necessary for the repair and function of houses, structures, restoration activities or other permitted activities in the Bank Properties. Prior to installation, the property owner must provide evidence that new infrastructure will not negatively impact the creditable resources in the Bank Properties and such installation must be approved by the IRT.

7.2 Permitted Maintenance Activities

Existing infrastructure, such as roads, pipelines, fences, utility lines, wells, water tanks, etc., will require occasional maintenance to facilitate the permitted uses of the Bank Properties by the Property Owner. Funding and scheduling the maintenance of this infrastructure is not a component of this LTMP or of the endowment as these maintenance activities are not required to achieve the objectives of the Bank, this LTMP or the CE. Maintenance of these facilities may require limited work within the Bank Properties; however, this work will be limited to the existing infrastructure and roads.

8.0 CULTURAL RESOURCES

Although cultural sites that are older than 50 years have been observed in the Bank Properties, including a reservoir, buildings and a turkey enclosure associated with the Munz Ranch and Frakes homestead, and distribution line from 1922, none of these sites are considered to be culturally or historically significant since they do not meet the standards as determined by Criterion 4/D, which states that in order for buildings, structures, or objects to be significant, they need to "be, or must have been, the principal source of information." Additionally, all of the building structures in the Elizabeth Lake Bank Property were destroyed in the Powerhouse fire. More information can be seen in the Cultural Report (Exhibit J of the BEI).

ED_013814_00000996-00041

Despite the low quality of the cultural sites in the Bank Properties warrant further protection. These include two features in close proximity to the Bank Properties, which are Not a Part of the Bank Properties and three prehistoric items in the Petersen Ranch Bank Properties. The two features that are not a part of the Bank Properties include an old adobe structure and a gravesite known as the Frakes burial plot. The adobe structure is located near the Petersen Ranch lodge and located outside of the Petersen Ranch Bank Property, far from any development areas. This adobe structure will be completely avoided during Bank development activities. As stated previously, the Frakes burial plot is also Not a Part of the Elizabeth Lake Bank Property, it will be avoided during development since the Health and Safety Code Section 7050.5 prohibits disinterring, disturbing, or removing human remains from any location other than a dedicated cemetery. It should be noted that this burial plot is located far from any grading or other ground-work and development activities, as they are planned, pose little to no risk of damaging this burial plot.

Three prehistoric items were located in the Petersen Ranch Bank Property. Two of these resources were isolated finds (Iso-1 and Iso-2) and are not eligible for National Register. The third resource, a lithic scatter comprised of two mano fragments and a quartzite core (S-1), may be eligible for the National Register since there may be additional artifacts that are not visible or buried in this area, but until it is excavated/evaluated this determination cannot be made. The areas where Iso-1, Iso-2, and S-1 were located are not subject to any Development Activities and are located far from roads, within preservation areas. Monitoring, weed management, and any other long-term or interim management activities in these areas will be conducted on foot. No groundbreaking activities will occur within this area and long-term management activities, as they are planned, pose no risk of damaging this site.

As recommended in the cultural resources report for Petersen Ranch, which was completed by Duke Cultural Resources Management (Exhibit J of the BEI), if maintenance work is ever required in these areas, then a monitor shall be present during any ground disturbance within 50 feet of Iso-1, Iso-2, and S-1. The archaeological monitor shall work under the direct supervision of a qualified archaeologist who meets the Secretary of the Interior professional qualifications for prehistoric archaeology. If an archaeological deposit or any artifacts are discovered the archaeological monitor shall have the authority to temporarily halt or divert construction. The monitor shall quickly assess the nature and significance of the find and in consultation with the qualified archaeologist make further recommendations to the Corps for consideration and compliance with section 106 of the National Historic Preservation Act and to the State Historic Preservation Officer (SHPO). In the event of any discoveries during construction of either human remains, archeological deposits, or any other type of historic property, the Corps' Archeology Staff will be notified within 24 hours. Work in any area(s) where potential cultural resources are discovered will be suspended, and construction will not resume in that area until authorized by the Corps.

Additionally, if human remains are encountered during any Management or Development Activities, State Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the County Coroner has made a determination of the origin and disposition of the remains pursuant to State Public Resources Code Section 5097.98. The County Coroner must be notified immediately.

9.0 TRANSFER, AMENDMENTS, AND NOTICES

9.1 Transfer

The Petersen Ranch Property Owner and Elizabeth Lake Property Owner shall have the right to sell, assign, transfer or convey (each a "transfer") its interest in the Bank Property at any time, provided, however, that any such transfer on or after the execution date of the BEI must be made in accordance with the BEI and the Conservation Easements, and shall be subject to written concurrence by the IRT. Such concurrence shall be subject to the requirement that the transferee assumes and agrees in writing to observe and perform all of the property owner's obligations pursuant to the BEI and Conservation Easements. From and after the date of any transfer by Petersen Ranch Property Owner or Elizabeth Lake Property Owner of its interest in the Bank Property, the transferor shall have not further obligations hereunder and all references to the Petersen Ranch Property Owner or Elizabeth Lake Property Owner in the BEI shall thereafter refer to such transferee, except that the transferor's liability for acts, omissions, or breaches occurring prior to the transfer shall survive the transfer.

9.2 Amendments

The Petersen Ranch Property Owner, Elizabeth Lake Property Owner, and the IRT may meet and confer from time to time, upon the request of any one of them, to revise the Long-term Management Plan to better meet management objectives and preserve the habitat and conservation values of the Bank Property. Any proposed changes to the Long-term Management Plan shall be discussed with the IRT. Any proposed changes will be designed with input from all parties. Amendments to the Long-term Management Plan shall be approved by the IRT in writing shall be required management components and shall be implemented by Petersen Ranch Property Owner and Elizabeth Lake Property Owner.

If the CDFW determines, in writing, that continued implementation of the Long-term Management Plan would jeopardize the continued existence of a state listed species, any written amendment to this Long-term Management Plan, determined by the CDFW as necessary to avoid jeopardy, shall be approved by the IRT in writing, shall be a required management component, and shall be implemented by the Petersen Ranch Property Owner and Elizabeth Lake Property Owner.

9.3 Notices

Any notices regarding this Long-term Management Plan shall be directed as follows:

Elizabeth Lake Property Owner:
LV Lake Elizabeth, LLC
1001 Bridgeway #246
Sausalito, CA 94965
(415) 729-3734
Contact: Tracey Brownfield

Petersen Ranch Property Owner:
LV-BP Investors Ranch, LLC
1001 Bridgeway #246
Sausalito, CA 94965
(415) 729-3734

ED_013814_00000996-00043

Contact: Tracey Brownfield

IRT:

U.S. Army Corps of Engineers
Los Angeles District
915 Wilshire Boulevard
Suite 13073
Los Angeles, CA 90017
Attn: Chief, Regulatory Division

U.S. Environmental Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105
Attn: Director, Water Division
Telephone: 415-947-8707
Fax: 415-947-3549

California Regional Water Quality Control Board
Lahontan Region
14440 Civic Drive, Suite 200
Victorville, CA 92392
Attn: Executive Officer

California Department of Fish and Wildlife
South Coast Region
3883 Ruffin Road
San Diego, CA 92123
Attn: Regional Manager

California Department of Fish and Wildlife
Habitat Conservation Branch
1416 Ninth Street, 12th Floor
Sacramento, CA 95814
Attn: Branch Chief
Telephone: 916-653-4875
Fax: 916-653-2588

ED_013814_00000996-00044

10.0 FUNDING AND TASK PRIORITIZATION

10.1 Funding

The Endowment Fund Analysis and Schedule (Exhibit D-2 of the BEI) summarizes the anticipated costs of long-term management for the Bank as outlined in this Long-term Management Plan. These costs include estimates of time and funding needed to conduct the basic monitoring site visits and reporting, weed mowing, trash removal, fence repair, and a prorated calculation of funding needed to fully replace the fences every 20 years. The Endowment Amount will be funded for each Area, by Phase, following the schedule outlined in the BEI.

Southwest Resource Management Association (SMRA) shall hold the Endowment Fund in accordance with the Endowment Agreement (Exhibit D-3 of the BEI). These interest monies from the Endowment Fund will fund the long-term management activities on the Bank Property in a manner consistent with this Long-term Management Plan.

The Petersen Ranch Property Owner and Elizabeth Lake Property Owner shall consult with SMRA on a year to year basis to determine the amount of funding available for long-term management activities. Interest monies from the Endowment Fund will be disbursed to the Petersen Ranch Property Owner and Elizabeth Lake Property Owner as outlined in the Endowment Agreement (Exhibit D-3 of the BEI).

10.2 Task Prioritization

Due to unforeseen circumstances, prioritization of tasks, including tasks resulting from new requirements, may be necessary if insufficient funding is available to accomplish all tasks. The Petersen Ranch Property Owner, Elizabeth Lake Property Owner, and the IRT shall discuss task priorities and funding availability to determine which tasks will be implemented. In general, tasks are prioritized in this order: 1) required by a local, state, or federal agency; 2) tasks necessary to maintain or remediate habitat quality; and 3) tasks that monitor resources, particularly if past monitoring has not shown downward trends. Equipment and materials necessary to implement priority tasks will also be considered priorities. Final determination of task priorities in any given year of insufficient funding will be determined in consultation with the IRT and as authorized by the IRT in writing.

ED_013814_00000996-00045

11.0 REFERENCES

Baldwin, B.G., D.H. Goldman, D.J. Keil, R. Patterson, T.J. Rosatti, and D.H. Wilken (eds.). 2012. The Jepson Manual: Vascular Plants of California, second edition. University of California Press, Berkeley, CA.

Bloom Biological, Inc. 2013. Results of a Swainson's Hawk (*Buteo swainsoni*) habitat assessment to evaluate the biological suitability of properties for mitigation for the Tehachapi Renewable Transmission Project. February 18, 2013.

CalFlora. 2013. Berkeley, California. Online at: www.CalFlora.org. Accessed July, 2013.

California Geological Survey . 2003. Seismic Hazard Zone Report for the Lake Hughes 7.5-Minute Quadrangle, Los Angeles County California.

California Invasive Plant Council (Cal-IPC). 2006. California Invasive Plant Inventory: Cal-IPC Publication 2006-2. California Invasive Plant Council, Berkeley, CA. Online at: http://www.cal-ipc.org/ip/inventory/index.php. Accessed October 2013.

California Native Plant Society (CNPS). 2013. Electronic Inventory of Rare and Endangered Vascular Plants of California. California Native Plant Society, Sacramento, California. Online at: http://www.cnps.org/inventory. Accessed August 2013.

California Soil Resources Laboratory (CSRL). 2013. Online at: http://casoilresource.lawr.ucdavis.edu/gmap/. Accessed July 2013.

Dibblee, T.W. 1961. Geologic map of the Bouquet Reservoir quadrangle, Los Angeles County, California: U.S. Geological Survey, Mineral Investigations Field Studies Map MF-79, scale 1:62500. Online at: http://ngmdb.usgs.gov/ngm-bin/ILView.pl?sid=2984_1.sid&vtype=b&sfact=1.5. Accessed: November 17, 2011.

Hernandez, J.L. 2011. Preliminary Geologic Map of the Lake Hughes 7.5-minute Quadrangle, Los Angeles County, California: A Digital Database. California Geologic Survey. Online at ftp://ftp.consrv.ca.gov/pub/dmg/rgmp/Prelim_geo_pdf/Lake_Hughes24k_preliminary-.pdf. Accessed: November 17, 2011.

Holland, R.F. 1986. Preliminary descriptions of the terrestrial natural communities of California. State of California, The Resources Agency, Nongame Heritage Program, Department of Fish and Game, Sacramento, CA.

Shuford, W.D. and T. Gardali, eds. 2008. California Bird Species of Special Concern: A ranked assessment of species, subspecies, and distinct populations of birds of immediate conservation concern in California. Studies of Western Birds 1. Western Field Ornithologists, Camarillo, California, and California Department of Fish and Game,

[TRPA] Tahoe Regional Planning Association. 2012. TRPA Code of Ordinances. Adopted by Governing Board December, 12, 2012. Effective February 9, 2013. Available online at: http://www.trpa.org/regional-plan/code-of-ordinances/

U.S. Department of Agriculture (USDA.) 1980. Soil Survey of Angeles National Forest Area. In cooperation with the University of California Agricultural Experiment Station.

U.S. Department of Agriculture (USDA). 1922. Soil Survey of the Lancaster Area. California. In cooperation with the University of California Agricultural Experiment Station.

U.S. Department of Agriculture (USDA). 1969. Soil Survey of the Los Angeles Area, California. In cooperation with the University of California Agricultural Experiment Station.

The Los Angeles County Soil Series (USDA 1969), Lancaster Area Soil Series (USDA 1922),

U.S. Geologic Survey (USGS). 1995. Lake Hughes 7.5-minute quadrangle map.

WRA, Inc. (WRA) 2012a. Biological Resource Inventory Report: Proposed Elizabeth Lake Mitigation/ Conservation Bank. Los Angeles County, California. July 2012

WRA, Inc. (WRA) 2012b. Preliminary Delineation of Waters of the U.S. and CDFW Section 1602 Jurisdiction: Proposed Elizabeth Lake Mitigation/Conservation Bank. Los Angeles County, California. April 2012.

WRA, Inc. (WRA) a. 2013 Biological Resources Inventory: Petersen Ranch. Leona Valley, Los Angeles County, California. March 2013.

WRA, Inc. (WRA) b. 2013. Delineation of Potential Jurisdictional Wetlands and Non-Wetland Waters Under Section 404 of the Clean Water Act, Porter-Cologne Water Quality Control Act, and Section 1600 of the California Fish and Game Code: Petersen Ranch. Leona Valley, Los Angeles County, California. July 2013.

ED_013814_00000996-00047

APPENDIX A:

FIGURES

APPENDIX B:

GRAZING PLAN

PURPOSE

This document outlines a plan for grazing management at the Petersen Ranch Mitigation Bank Properties (Bank Properties) and acts as an instructional document for the ranch manager. The ranch manager is the person in charge of the movement and management of livestock, and may be an employee or lessee of the Property Owner. Proper grazing management will be a key component to maintaining the condition and biological values of the Bank Properties. A preliminary analysis of the forage productivity and carrying capacity of the Bank Properties has been conducted to guide future grazing management from an ecological integrity and habitat management perspective. The purpose of this Grazing Plan is to provide the framework to determine the appropriate number of livestock the Bank Properties can support, while ensuring that all covered resources are protected and maintained through implementation of ecologically sound grazing practices. This document expands upon the associated Long-Term Management Plan (Exhibit D-5; LTMP; WRA 2014) to illuminate, and remain in compliance with, any grazing task in that document.

GOALS

Livestock grazing can play an important role in maintaining species diversity in grassland and scrub ecosystems (Barry 1996). The absence of grazing has been shown to have significant ecological effects in southwestern range and scrublands including increase in shrub cover, increase in non-native grass cover, changes to hydrology and dry matter ratios, decrease in species diversity and increased intensity of fire (Barry 1996, Manier 2007, Great Basin Restoration Initiative Workgroup (GBRIW) 2010).

The intent of this grazing plan is to achieve the goals and fulfill the requirements of the LTMP, with the primary intent being the maintenance of the covered resources within the Bank Properties. Historical grazing practices within the Bank Properties have included overgrazing and uncontrolled use by cattle. This grazing plan seeks to implement ecologically sound grazing practices to encourage a pre-settlement habitat structure, in which diverse vegetation types, heights, and moisture content are maintained in patches throughout the Bank Properties. This plan will meet these objectives through identification of appropriate stocking levels to reduce thatch, minimize fire hazards and manage invasive species.

SITE DESCRIPTION

Petersen Ranch Bank Property

The Petersen Ranch Bank Property has been historically used for cattle grazing for at least the last 100 years, and likely as far back as the Mexican Rancho period which began in 1821 (Duke 2013, Exhibit J of the BEI). Currently the Petersen Ranch Bank Property is lightly grazed during the winter and spring rainy season. Existing infrastructure includes perimeter and pasture fencing, a corral, developed springs and troughs. Additionally, exclusion fencing will be installed in the Petersen Ranch Bank Property that will exclude cattle from the rift valley wetland complex and select wetland features. This cattle exclusion fencing will include a 35-foot setback from select aquatic resources. The Petersen Ranch Bank Property consists of seven pastures totaling 3,689 acres that are available for grazing (Figure 1, Figure 2).

ED_013814_00000996-00050

There are 24 soil types (USDA 2014) documented within the Petersen Ranch Bank Property Grazing Areas. The following soil information is based on the Natural Resource Conservation Service (NRCS) online soil survey data. Vista coarse sandy loam (between 9-15 percent slopes) is the largest soil unit within the Petersen Grazing Area, accounting for approximately 1,360 acres. This soil is capable of producing 1,700 pounds per acre of forage in a favorable year. Amaragosa rocky, coarse, and sandy loams compose approximately 710 acres of the soils along the northeastern boundary, and are capable of annually producing approximately 1,000 pounds of forage per acre. Hanford loams (between 15 and 30 percent slopes) are the final major soil unit, and underlays approximately 590 acres of the Petersen Grazing Area. In a favorable year, is capable of producing approximately 1,100 pounds of forage per acre per year. The remaining 1,000 acres is underlain by a further 16 soil types which are capable of producing between 500 and 2,975 pounds of forage in a favorable year (USDA 2014). The distribution of soil productivity for favorable and unfavorable years at Petersen Ranch is depicted in Figures 3 and 4.

Vegetation within the Petersen Ranch Bank Property consists of 59 different land cover types that provide various quality and quantity of forage. Four land cover types (Chamise (*Adenostoma fasciculatum*), Desert Olive (*Forestiera pubescens*), Open Water and Roads) totaling approximately 420 acres were considered not to provide suitable forage for livestock, these land cover types are concentrated primarily in pastures 2, 6 and 7. Approximately 800 acres of the Petersen Ranch Bank Property consist of open herbaceous habitats that provide relatively high quantity and quality of forage consist of non-native annual grasslands (brome (*Bromus spp.*), cheatgrass (*B. tectorum*), barley (*Hordeum spp.*)) intermixed with native perennial grasslands (deergrass (*Muhlenbergia rigens*), wild rye (*Elymus spp.*)). The remaining acreage consists of mixed scrub habitats of varying densities supporting open patches of suitable forage.

Elizabeth Lake Bank Property

The Elizabeth Lake Bank Property has not been grazed for at least the last five years. In 2013 the Powerhouse Fire burned the Elizabeth Lake Bank Property removing most of the woody vegetation, though some stump sprouting is evident and some trees in riparian areas still remain. There are no immediate plans to graze the Elizabeth Lake Bank Property; however, fencing will be put in place to allow grazing following successful re-establishment of vegetation should the Property Owner find it an appropriate and useful management tool in accordance with this grazing plan. Additionally, cattle exclusion fencing is planned in the Elizabeth Lake Bank Property surrounding select sensitive aquatic resources to prevent grazing impacts to these areas.

The Elizabeth Lake Property includes three soil types: the Tujunga-Capistrano association is the largest in the Elizabeth Lake Grazing Area accounting for 192 acres. The Caperton-San Andreas-Modesto and Hanford soils are the other two soils representing 82 and 15 acres of the Elizabeth Lake Grazing Area respectively. All of the soils present in the Elizabeth Lake Grazing Area are capable of producing 1,100 pounds of forage per acre in favorable years according to the NRCS soils data (USDA 2014). The distribution of soil productivity at Elizabeth Lake, for favorable and unfavorable years, is depicted in Figures 5 and 6.

Vegetation within the Elizabeth Lake Bank Property is recovering from the Powerhouse Fire and the resulting landcover types and suitability of forage should be assessed prior to introduction of cattle, should grazing be introduced to this property.

BENEFITS OF LOW-DENSITY GRAZING ON SEASONAL WETLANDS

It has been documented that high-intensity livestock grazing can negatively affect riparian areas, where overuse by cattle can lead to trampling damage and overbrowsing of riparian vegetation, erosion, and impacted water quality (Belsky et al. 1999). However, potential deleterious effects can be lessened through the management decisions proposed in this plan. Excluding cattle within mesic wetland and riparian areas through the use of exclusion fencing, and adjusting the timing, frequency and intensity of grazing in upland areas, will be used to minimize impacts to riparian areas and other sensitive aquatic features.

Wetland areas within the Petersen Ranch Bank Property where livestock will not be excluded include seasonal depression or swale wetlands dominated by annual grasses and forbs. Many studies have been conducted to determine the benefits of grazing on seasonal depression or swale wetlands dominated by annual grasses and forbs (Barry 1996, Marty 2004, Pyke and Marty 2005, Middleton et al. 2004, Collins et al. 1998, Hayes and Holl 2003). These studies have shown that seasonal and ephemeral wetlands dominated by annual species and surrounded by annual, non-native grasses, benefit from low- to moderate-intensity grazing. Wetlands of this type exhibited greater biodiversity and native annual forb species richness (Marty 2004, Pyke and Marty 2005, Middleton et al. 2006), longer-lasting wetland hydrology (Marty 2004), and less thatch accumulation (Barry 1996) when compared to areas which completely removed cattle from the previously-grazed wetlands. Complete removal of the cattle from these previously grazed areas led to shorter inundation of wetlands (Barry 1996, Marty 2004, Pyke and Marty 2005), accumulation of thatch (Marty 2004, Barry 1996), and reduced biodiversity (Collins et al. 1998, Middleton et al. 2006). These effects were accompanied by an increase in non-native annual forbs and grasses (Barry 1996) or encroachment of shrubs (Middleton et al. 2006) within and along the margin of the wetlands. These studies also recommend considering the effects of season of grazing and grazing intensity when creating a grazing plan as well as monitoring plant species, amount of unutilized forage (residual dry matter, RDM), and utilization (Barry 1996, Hayes and Holl 2003, Collins et al. 1998, Marty 2004, Pyke and Marty 2005).

This grazing plan and the adaptive management actions described in the LTMP were modeled in a way to account for these recommended management practices and include consideration of the amount of cattle, vegetation, dry matter, forage availability, and seasonality, among many other factors, before making the recommendations described herein. As supported by the publications listed above, these seasonal wetlands dominated by annual species can benefit from management by grazing when the grazing is managed in a way that takes these factors into consideration. Despite this, some wetlands may not benefit from grazing due to their semi-perennial nature. These wetlands have been identified and a perimeter of cattle exclusion fencing will be installed around these selected wetland features, setback 35 feet from the edge of wetland or riparian vegetation. If degradation of any of the wetlands is observed as a result of the cattle grazing in preservation areas, adjustments will be made to the management plan to correct these impacts.

ED_013814_00000996-00052

GRAZING MANAGEMENT

Grazing Carrying Capacity

Grazing capacity is an estimate of the number of grazing animals that the forage produced annually on a site can support. It is based on the forage availability of a site after accounting for a desired minimum amount of unutilized forage (RDM) left in the pastures at the beginning of the growing season. This minimum RDM target is selected to minimize erosion and to maintain soil fertility within the pastures.

Many public and private preserved lands require prescribed grazing as a management tool to promote healthy habitats for protected species, control invasive weeds, or reduce fire hazards. WRA has created the carrying capacity (Cowpacity) GIS model as a tool to help quantify optimal grazing regimes to meet management objectives. The Cowpacity model takes into consideration a pasture's soils, slope, vegetation, and distance to available water sources for livestock, to map minimum RDM targets, expected productivity, expected utilization patterns and the carrying capacity of a given pasture. The Cowpacity model uses data and recommendations from Bartolome et al. 2002, Holecheck 1998, NRCS Soil Survey Geographic (SSURGO) Soils Data, and field data when available. This model outputs values in Animal Unit Months (AUM, the amount of forage consumed by a single animal unit in a 30 day period, approximately 900 lbs.) so that the results can be applied to grazing operations of any animal type and duration.

Using the Cowpacity GIS model, WRA, determined the estimated carrying capacity for each pasture (Figures 7 through 10). The analysis was conducted using both favorable and unfavorable (dry/drought) years and is summarized in Table 1 below.

Table 1: Estimated Grazing Capacity (Animal Unit Month, AUM)

Pasture	Acres	Favorable Year AUM	Unfavorable Year AUM
1	1,078	442	97
2	844	163	28
3	636	161	34
4	78	30	6
5	53	3	0
6	483	61	6
7	517	30	3
8	270	91	7
TOTAL	**3,958.24**	**981**	**181**

The above stocking rates are estimates, using the available soils data and assumptions of forage availability. Annual monitoring of RDM will take place at the end of each year's growing season. RDM data will be collected at sample points within each pasture and compared to the stocking rates for the year in combination with ecological data collected on-site, such as signs of erosion, or excessive weed regeneration which may be controlled by changes in grazing practices and/or herbicide application. The grazing capacity for each pasture will be calculated based on the previous year measurements. Actual stocking rates will be determined on an annual basis by the ranch manager in accordance with this grazing plan, and in conjunction with the Property Owner based on analyses of annual monitoring results. However the maximum number of cattle should

ED_013814_00000996-00053

not exceed 164 Animal Units (adults or cow-calf pairs) over a 6 month period, unless RDM measurements demonstrate a higher carrying capacity is warranted. Flexibility in determining annual stocking rate is necessary to accommodate annual variation in weather, which can cause large variations in forage production (e.g. favorable year AUM versus unfavorable year), however the goal of the annual stocking rate is to ensure low-impact grazing to create heterogenic habitat structure, reduce thatch, minimize fire hazards and manage invasive species. Annual field measurements of forage production and actual stocking records will be used to update and modify the estimated carrying capacity.

Residual Dry Matter

RDM data provides an indication of the previous season's forage production and consumption by grazing animals (Bartolome et al. 2002) and is useful to land managers in making stocking rate decisions that will be beneficial to overall management objectives. Maintaining target RDM levels will help protect soil from erosion and nutrient loss and can promote an increase in the forage quality and quantity of grassland vegetation. In California annual grasslands, RDM levels have been shown to correlate with plant species composition and productivity within similar sites and climate conditions. However, the driving factors of herbaceous plant species composition in California annual grasslands are climate and site conditions such as soil type, tree cover, and slope (Bartolome et al. 1980, Bentley and Talbot 1951, Frost et al. 1997, and Jackson and Bartolome 2002).

While recommended RDM levels have not been determined for rangelands in this area, target RDM levels have been set using the recommendations for dry annual grasslands (with average annual rainfall totaling less than 12 inches) from the publication *California guidelines for Residual Dry Matter (RDM) management on coastal and foothill annual rangelands* (Bartolome et al. 2002). To preserve soil stability and productivity, higher target RDM levels are recommended in areas with low woody cover, and steep slopes, with lower RDM levels needed on flatter, and/or more densely vegetated habitats. The Bank Property has significant variation in topography, and RDM targets will vary across the site from 100 pounds per acre in the flattest areas, to 800 pounds per acre in the steepest grassland areas (Figures 11 and 12). An average RDM of 500 pounds per acre should be maintained in most pastures throughout the Bank Properties.

Cattle Exclusion Areas

Wetlands and riparian zones are particularly sensitive to deleterious effects of cattle grazing due to nutrient inputs, sedimentation, erosion, and over utilization of riparian vegetation during the summer months. Several federal, state and regional agencies including the U.S. Forest Service (Clary and Webster 1989), U.S. Bureau of Land Management (BLM 2006), and Tahoe Regional Planning Association (TRPA 2012), encourage grazing management practices, such as exclusion, rotation, and season of rest to protect riparian resources.

ED_013814_00000996-00054

Numerous studies have highlighted the benefits of grazing setbacks around wetland and riparian areas to control pollution associated with cattle operations (Borin and Bigon 2002, Osborne and Kovacic 1993, Tate et al. 2004, Tate et al. 2006, Young et al. 1980). Grazing setbacks around wetland and riparian areas encourage the development of vegetated buffer strips. Vegetated buffer strips comprised of just five meters (16.4 feet) of herbaceous vegetation and one meter (3.3 feet) of woody vegetation have been shown to significantly reduce nitrogen pollution to streams and wetlands through uptake in aboveground plant biomass (Borin and Bigon 2002). Five-meter grass buffer strips have been shown to reduce fecal bacteria pollution (Tate et al. 2004, Tate et al. 2006).

The Petersen Ranch Bank Property contains wetland and riparian habitats of varying quality and hydrology, ranging from xeric alluvial floodplain, to more mesic seasonal wetland, riparian wetland, and freshwater marsh. In order to decrease the potential deleterious effects to wetland and riparian resources, and increase colonization by hydrophytic plants, 35-foot grazing setbacks will be established around selected wetland and riparian habitats (Figure 1, Figure 2). Thirty-five foot setbacks are based on policies established by the Tahoe Regional Planning Agency (TRPA) livestock grazing standards for grazing in areas adjacent to stream channels. TRPA maintains some of the strictest water quality standards in the state and are used here in absence of any local or regional standards. Cattle grazing will be excluded within 35-foot setbacks around the entire rift valley riparian area and other mesic wetland and riparian features (Figure 1, Figure 2) through installation of exclusion fencing. This will help improve and preserve existing riparian habitat and ensure successful re-establishment of mature aquatic and riparian vegetation communities.

The 35-foot grazing setbacks within the selected wetland and riparian areas will enhance wetland and riparian habitats. The fenced grazing exclusion areas will protect aquatic resources from potential eutrophication, sedimentation, nutrient deposition, and fecal bacteria originating from upland pastures. Expansion of woody vegetation within the grazing exclusion areas will improve habitat and water quality conditions for the watershed. Low density grazing within seasonal wetland areas outside of grazing exclusion areas is expected to maintain habitat conditions through the removal of thatch and control of non-native grasses. Grazing impacts will be monitored within grazed seasonal wetland areas. If excessive soil compaction, trampling or overgrazing of wetland areas is observed, adaptive management measures such as placement of supplemental salt or hay in upland areas away from wetlands will be considered. If supplemental attractants are deemed necessary to prevent negative impacts to wetlands, supplements should be placed no closer than one-quarter mile from the impacted wetland. Occasionally, grazing within the exclusion areas may be desirable to control invasive species or a build-up of thatch or fuels. If deemed necessary for management objectives, and subject to IRT approval, grazing in these areas would be conducted after the end of season rains, but while grasses are still green. Careful timing of grazing after rains have stopped and the ground has hardened will protect soil stability around wetlands and will prevent excess nutrient inputs into the downstream waters. Grazing while grasses are still green will prevent cattle from over-utilizing riparian vegetation as cattle preferentially forage on protein rich grasses when available and will be less inclined to loaf in riparian habitats when temperatures are cool.

Cattle exclusion fencing will be erected around the Spineflower Introduction Area (Figure 2), within which the State-listed endangered and Federally proposed threatened San Fernando Valley spineflower (*Chorizanthe parryi* var. fernandina) ("Spineflower") will be introduced following the San Fernando Valley Spineflower Introduction Plan (Exhibit E-4.6 Appendix C). An easement over the Introduction Area has been granted to Newhall Land and Farming Company LLP ("Newhall") to allow for the introduction of the Spineflower on the Elizabeth Lake Bank Property

ED_013814_00000996-00055

(Exhibit E-4.6 Appendix A). Newhall will be solely responsible for all monitoring and maintenance of the cattle exclusion fencing surrounding the Introduction Area.

Thatch Removal

The primary ecological issue with allowing grasses to grow uncontrolled is the accumulation of thatch at the end of each growing season. Thatch is capable of dramatically altering an ecosystem by changing soil temperature and moisture, allowing further infestation by invasive species, and increasing fire risk. Grazing to reduce forage levels to, or near, the target RDM levels will reduce thatch build up. If patchy utilization results in observations of increased thatch build-up in specific areas of a pasture, increased stocking rates, or attractants such as salt licks or molasses may be used to encourage grazing in these target areas until thatch is reduced.

Fuels Reduction

Historically, sagebrush (*Artemisia sp.*) plant communities had shorter intervals between wildfire, and when the wildfires occurred, they were smaller and less intense. These fires lead to a many successional stages within any given area. As fire moved through those successional stages, it would reach different fuel heights and vegetation moisture content, leading to smaller localized fires (GBRIW 2010).

Since the introduction of livestock across the American West, several important factors have combined to dramatically change the historic fire regime. With the introduction of feed-grains, several species of non-native annual grasses were naturalized throughout the region. These grasses invade the interstitial space between native bunchgrasses and slowly outcompete native grasses, creating homogenous stands of non-native annual grasslands. In contrast to native perennial bunchgrasses, non-native annual grasses die completely in the summer leaving a highly flammable thatch layer spread across the habitat. As this transition was happening, the land became actively managed and a policy of zero fire was implemented across the American West. That combination of factors created large banks of fuel material leading to very large, hot fires (GBRIW 2010). Diverse microhabitats offer natural fire suppression and create a fuel environment that is less likely to result in catastrophic high-intensity fires.

To reduce fuel loads, the prescribed grazing regime within the Bank Property will focus on reducing thatch, minimizing the encroachment of shrubs into the open grassland habitats, and grazing scrub lands to create and maintain openings. Stocking rates should be set to utilize forage throughout all pastures to reduce RDM to near the target levels.

Invasive Species Management

Grazing can be an effective method to control invasive plant species when used in conjunction with other eradication methods such as physical removal or herbicide applications (DiTomaso 2000). Prescribed grazing treatments may be utilized to control invasive species within the Bank Properties. Through modifying the season of grazing within a pasture, use of attractants such as salt licks, molasses or other supplements, changing the location or availability of water sources, modifying stocking rates, or through the use of temporary electric fencing to facilitate flash grazing of a specific area. Regardless of the prescribed grazing treatment that is used, the most important consideration is that treatments are carefully timed to take advantage of the target plant's phenology. The ranch manager will work closely with the Property Owner when prescribing grazing treatments, as well as any other physical or chemical treatments allowed per the LTMP, to coordinate the timing and application of any necessary treatments to ensure they are applied in a period that avoids impacts to the native biodiversity in the area.

ED_013814_00000996-00056

Maintaining Habitat for Swainson's Hawk

Grazing the Bank Properties will help maintain suitable foraging habitat for Swainson's hawk (*Buteo swainsoni*). The primary mechanism for this benefit is the effect grazing has on preventing encroachment of shrubs into open grasslands and creating openings in scrub habitats (GBRIW 2010). This will protect existing Swainson's hawk foraging habitat within the Bank. A secondary benefit is that grazing to achieve the target RDM levels will keep grasses short, improving habitat for prey, and maintaining prey visibility for Swainson's hawks. Since small rodents and grasshoppers make up a large part of the Swainson's hawk diet, attempts should not be made to control these populations.

Maintaining Habitat for Tricolored Blackbird

Grazing the Petersen Ranch Property will help maintain suitable foraging habitat for tricolored blackbird (*Agelaius tricolor*), a State species of special concern. Natural foraging habitats for the species include marshes and wetlands, vernal pools and other seasonal water features (wet and dry), grasslands, and scrublands (including riparian). Tricolored blackbird will benefit from implementation of this grazing plan in two ways. First off, the 35-foot grazing setback will be implemented around the perennial marsh on the Petersen Ranch Property and the Elizabeth Lake Property that provide tricolored blackbird breeding habitat. Grazing to meet target RDM levels in the surrounding areas outside of the setback will improve foraging conditions for the species by keeping the vegetation at an optimal height (less than 15 centimeters [6 inches]) which provides access to insect prey (Beedy and Hamilton 1999).

Bank Phasing

The Bank will be established, and conservation easements will be placed over the Bank Properties, in phases to meet the market demand for mitigation within the service area(s). The Bank will be established in phases comprised of six geographic Areas (Area A – Area F). Phase 1 includes Area A of the Petersen Ranch Bank Property and Area E of the Elizabeth Lake Bank Property. The Grazing Plan is intended to be implemented over the entire Bank Property, but it is only required to be implemented in Areas that have been incorporated into the Bank through an approved Phase.

Pastures do not always follow the boundaries of the Areas, in these cases the grazing plan will be implemented over the entirety of any pasture that is partially within an Area that has been incorporated into the Bank. For example, pastures 1, 3, and 6 are partially within Area A, therefore the entirety of pastures 1, 3 and 6 will be managed according to this Grazing Plan upon Bank Establishment. Pastures entirely outside of the conservation easement for Phase 1 (i.e. Pasture 2 and Pasture 5) are not required to be managed according to this Grazing Plan until a Conservation Easement is recorded over the phases that contain those pastures.

ED_013814_00000996-00057

CONCLUSION

The primary goal of the grazing operation is low-impact grazing that complies with any task set forth in the LTMP. This document has been created to provide a framework to guide grazing management, which the Grazing Lessee will consult to maintain a grazing regime that will provide the greatest ecological benefit to the Bank Properties. This plan provides the framework to determine the appropriate number of livestock that the Bank Properties can support, while ensuring that all covered resources are protected and maintained, in compliance with the LTMP. Annual RDM monitoring data will be used to generate target RDM values and stocking rates, which should not exceed the maximum number of cattle, based on a 6-month grazing rotation, unless approved by the IRT. Cattle exclusion fencing, as well as targeted grazing for invasive species management and maintenance of special-status species habitats, will ensure that sensitive resources are protected and maintained through adherence to this plan.

ED_013814_00000996-00058

REFERENCES

Barry, SJ 1998. Managing the Sacramento Valley Vernal Pool Landscape to Sustain the Native Flora. Ecology, conservation and management of vernal pool ecosystems – proceedings from a 1996 conference. California Native Plant Society, Sacramento. 1998.

Bartolome, JW, WE Frost, NK McDougald, and M Conner. 2002. California guidelines for residual dry matter (RDM) management on coastal and foothill annual rangelands. University of California Division of Agriculture and Natural Resources (ANR) and the California Rangelands Research and Information Center; Rangeland Monitoring Series Publication 8092.

Bartolome, JW, MC Stroud, and HF Heady. 1980. Influence of natural mulch on forage production at differing California annual range sites. Journal of Range Management. 45: 103-107.

Beedy, E. C., and Hamilton, W. J., III. 1999. Tricolored Blackbird (*Agelaius tricolor*), in The Birds of North America (A. Poole and F. Gill, eds.), no. 423. Birds N. Am., Philadelphia.

Bentley, JR and M.W Talbot 1951. Efficient use of annual plants on cattle ranges in the California foothills. USDA Circ. 870. 52 pages.

Borin M, and E Bigon. 2002. Abatement of NO_3–N concentration in agricultural waters by narrow buffer strips. Environmetnal Pollution 117:165–8

Clary, WP and BF Webster. 1989. Managing Grazing of Riparian Areas in the Intermountain Region. General Technical Report #INT-263. United States Department of Agriculture, Forest Service. Intermountain Research Station, Ogden, UT. 11 pp.

Collins, SL, AK Knapp, JM Briggs, JM Blair, EM Steinauer. 1998. Modulation of Diversity by Grazing and Mowing in Native Tallgrass Prairie. Science. 280: 745-747.

DiTomaso, J. 2000. Invasive Weeds in Rangelands: Species, Impacts, and Management. Weed Science. Vol. 48:2:255-265.

Duke, C. 2013. Cultural Resources Assessment for Petersen Ranch Conservation/Mitigation Bank, Leona Valley, Los Angeles County. Prepared for Land Veritas Corporation Sausalito, California and WRA Inc., Los Angeles, California. Duke Cultural Resources Management, LLC, Rancho Santa Margarita, California. November 2013.

Frost, WE, JW Bartolome, and JM Conner. 1997. Understory-canopy relationships in oak woodlands and savannas. In: Pillsbury, N.H., J. Verner, and W.D. Tietje (tech. coord.), Proceedings of a Symposium on Oak Woodlands: Ecology, Management, and Urban Interface Issues, March 19-22, 1996, San Luis Obispo, CA. U.S. Forest Service Technical Report PSW-GTR-160: 183-190.

Great Basin Restoration Initiative Workgroup. 2010. Consideration for Strategically Reducing Fuels and Wildfires on Public Lands in the Great Basin with Targeted Grazing. March 2010. Prepared for the Bureau of Land Management (BLM).

Hayes, GE and KD Holl. 2003. Cattle Grazing Impacts on Annual Forbs and Vegetation Composition of Mesic Grasslands in California. Conservation Biology, 17(6): 1694-1702.

Holechek, JL 1998. An Approach for Setting the Stocking Rate. Rangelands (10)1. February 1998.

Jackson, RD and JW Bartolome. A state-transition approach to understanding nonequilibrium plant community dynamics in California grasslands. Plant Ecology, 162:49-65.

Jackson, RD, B Allen-Diaz, LG Oates and KW Tate. 2006. Spring-water Nitrate Increased with Removal of Livestock Grazing in a California Oak Savanna. Ecosystems 9:2, 254-267.

Marty, JT. 2004. Effects of Cattle Grazing on Diversity in Ephemeral Wetlands. Conservation Biology, 19(5): 1626 – 1632.

Middleton, BE, B Holsten, and R VanDiggelen. 2004. Biodiversity Management of Fens and Fen Meadow by Grazing, Cutting, and Burning. Applied Vegetation Science, 9: 307-316.

Osborne, LL and DA Kovacic. 1993. Riparian Vegetated Buffer Strips in Water-quality Restoration and Stream Management. Freshwater Biology, 29, 243-258.

Pyke, CR and J Marty. 2005. Cattle Grazing Mediates Climate Change Impacts on Ephemeral Wetlands. Conservation Biology. 19(5): 1619-1625.

Soil Survey Geographic (SSURGO) Database for Los Angeles County, California. Available online at http://nrcs.usda.gov. Accessed March 2015.

[TRPA] Tahoe Regional Planning Association. 2012. Tahoe Regional Planning Agency Code of Ordinances, Chapter 64: Livestock Grazing. Adopted by Governing Board December, 12, 2012. Effective February 9, 2013. Available online at: http://www.trpa.org/regional-plan/code-of-ordinances/

Tate, KW, MC Pereira, and ER Atwill. 2004. Efficacy of Vegetated Buffer Strips for Retaining Cryptosporidium parvum. Journal of Environmental Quality 33:2243–2251. November 2004.

Tate, KW, ER Atwill, JW Bartolome, and G Nader. 2006. Significant *Escherichia coli* Attenuation by Vegetative Buffers on Annual Grasslands. Journal of Environmental Quality 35:795–805. April 2006.

[BLM] U.S. Bureau of Land Management. 2006. Riparian Area Management: Grazing Management Processes and Strategies for Riparian-Wetland Areas. Technical Reference 1737-20. BLM/ST/ST-06/002+1737. Bureau of Land Management, National Science and Technology Center, Denver, CO. 105 pp.

[USDA] U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS). 2014a. Official Soil Series Descriptions. USDA-NRCS, Lincoln, NE. http://soils.usda.gov/technical/classification/osd/index.html Accessed June 2014.

WRA. 2014. Long Term Management Plan: Petersen Ranch Mitigation Bank. Prepared for the Interagency Review Team. July 2014

Young, RA, T Huntrods, and W Anderson. 1980. Effectiveness of Vegetated Buffer Strips in Controlling Pollution from Feedlot Runoff. Journal of Environmental Quality 9:483-487.

APPENDIX C:

HUNTING RULES, REGULATIONS, AND IMPACT-MINIMIZATIONS MEASURES FOR STATE OF CALIFORNIA AND THE PETERSEN RANCH MITIGATION BANK

Attachment 3
Exhibit E-4.6: Conservation Easement Area F

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Southwest Resource Management Association
4500 Glenwood Dr.
Riverside, CA 92501
Attn: Shelli Lamb

Space Above Line for Recorder's Use Only

CONSERVATION EASEMENT DEED
Petersen Ranch Mitigation Bank Area F

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of the _____ day of _____, 20____, by **LV Lake Elizabeth, LLC**, in favor of Southwest Resource Management Association ("SRMA") ("Grantee"), with reference to the following facts:

RECITALS

A. Grantor is the sole owner in fee simple of certain real property containing approximately 154.2 acres and located in unincorporated Leona Valley in the County of Los Angeles, State of California, and designated Assessor's Parcel Number(s):

3235-008-002, 3235-006-002, 3235-008-001, 3235-006-001, 3235-008-017, 3235-008-003.

The Real Property is legally described on **Exhibit "A"** attached hereto and incorporated by this reference. Grantor intends to grant a conservation easement over a 154.2-acre portion of the Elizabeth Lake Bank Property Area F (the "Property"). The Property is legally described and depicted on **Exhibit "B"** attached hereto and incorporated by this reference.

B. The Property possesses wildlife and habitat values of great importance to Grantee, the people of the State of California and the people of the United States. The Property will provide high quality natural, restored and/or enhanced habitat for Swainson's hawk, a state threatened species, as well as other special-status species; including tricolor blackbird, burrowing owl, and coast horned lizard and restored, established, re-established, rehabilitated, enhanced and/or preserved jurisdictional waters of the United States and Waters of the State. Individually and collectively, these wildlife and habitat values comprise the "Conservation Values" of the Property.

C. The California Department of Fish and Wildlife ("CDFW") has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of these species pursuant to California Fish and Game Code Section 1802.

D. The U.S. Environmental Protection Agency ("USEPA") and U.S. Army Corps of Engineers ("USACE") have jurisdiction over waters of the United States pursuant to the federal Clean Water Act, 33 U.S.C. Section 1251, *et seq.*

E. The Regional Water Quality Control Boards ("RWQCB") have jurisdiction over waters of the state of California pursuant to the Porter-Cologne Water Quality Control Act , Water Code Section 13000 et seq. Waters of the state include any surface water or groundwater, including saline waters, within the boundaries of the state.

F. Grantee is authorized to hold this Conservation Easement pursuant to California Civil Code Section 815.3 and Government Code Section 65967. Specifically, Grantee is (i) a tax-exempt nonprofit organization qualified under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, and qualified to do business in California which has as its primary purpose the protection, preservation, and enhancement of lands in its natural, scenic, agricultural, forested, or open space condition or use.

G. This Conservation Easement is granted pursuant to the Bank Enabling Instrument (the "BEI"), by and between Land Veritas Corp., LV Lake Elizabeth, LLC, CDFW South Coast Region (Tracking No. 1798-2013-04-R5), the Los Angeles District of USACE, (USACE File No. SPL-2012-00669), U.S. Environmental Protection Agency Region IX ("EPA") and the Lahontan Regional Water Quality Control Board ("Lahontan RWQCB"), and the Bank Development Plan (the "Development Plan"), and the Interim Management Plan and Long-Term Management Plan created under the BEI. CDFW, USACE, USEPA, and, as applicable, the Lahontan RWQCB are together referred to in this Conservation Easement as the "Interagency Review Team (IRT)".

A final, approved copy of the BEI, Development Plan, the Interim Management Plan, and Long-term Management Plan, and any amendments thereto approved by the Signatory Agencies, shall be kept on file at the respective offices of the Signatory Agencies. If Grantor, or any successor or assign, requires an official copy of the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan, it should request a copy from one of the Signatory Agencies at its address for notices listed in Section 12 of this Conservation Easement.

The BEI, the Development Plan, the Interim Management Plan, the Long-term Management Plan shall be incorporated by this reference into this Conservation Easement as if fully set forth herein.

H. LV Lake Elizabeth, LLC, has granted to Newhall Land and Farming Company ("Newhall") a 6.76 acre easement ("Easement") to enable Newhall to perform seeding trials, introduction, monitoring, and perpetual maintenance of San Fernando Valley Spineflower (*Chorizanthe parryi* var. fernandina) ("Spineflower"), as described in the Spineflower Easement Agreement ("Agreement") dated September 7, 2017(**Exhibit "D"**). This easement includes perpetual pedestrian access from Lake Elizabeth Road to the Introduction Area. This easement has been subordinated to the Conservation Easement as described in the Subordination Agreement dated _____. (**Exhibit "E"**)

I. Pursuant to that certain San Fernando Valley Spineflower Introduction Plan ("Introduction Plan") dated as of August 2017 prepared by Dudek, which has been provided to Grantor and is incorporated by reference herein (**Exhibit "F"**), Newhall plans to carry out a

conservation program pursuant to which Newhall shall, among other things, perform seeding trials and subsequently introduce, monitor, and perpetually manage Spineflower within a portion of the Property depicted on Exhibit C.

J. All section numbers referred to in this Conservation Easement are references to sections within this Conservation Easement, unless otherwise indicated.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the laws of the United States and the State of California, including California Civil Code Section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property.

1. Purposes.

The purposes of this Conservation Easement are to ensure that the Property will be retained forever in its natural, restored, or enhanced condition as contemplated by the BEI, the Development Plan, the Interim Management Plan and Long-term Management Plan, and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to activities that are consistent with such purposes, including, without limitation, those involving the preservation, restoration and/or enhancement of native species and their habitats implemented in accordance with the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan. This Conservation Easement will also allow for the maintenance and management of the Introduction Area by Newhall in accordance with the Introduction Plan, and as agreed upon in the Agreement.

2. Grantee's Rights.

To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee:

(a) To preserve and protect the Conservation Values of the Property.

(b) To enter the Property at reasonable times and with twenty four (24) hours notice to Grantor, in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, and as applicable, the BEI, the Development Plan, the Interim Management Plan, the Introduction Plan, and Long-term Management Plan and, where appropriate, to implement at Grantee's sole discretion Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan activities that have not been implemented, provided that Grantee shall not unreasonably interfere with Grantor's authorized use, and quiet enjoyment of the Property.

(c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Conservation Easement.

(d) To require that all mineral, air and water rights as Grantee or the Signatory Agencies reasonably deem necessary to preserve and protect the biological resources and Conservation Values of the Property shall remain a part of and be put to

beneficial use upon the Property except as reserved herein by Grantor, consistent with the purposes of this Conservation Easement.

(e) All present and future development rights appurtenant to, allocated, implied, reserved or inherent in the Property covered by this Conservation Easement; are hereby terminated and extinguished and may not be used on or transferred to any portion of the Property, or any other property adjacent or otherwise.

3. Prohibited Uses.

Any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following uses and activities by Grantor, Grantor's agents, and third parties are expressly prohibited:

(a) Unseasonable watering; use of fertilizers, pesticides, biocides, herbicides or other agricultural chemicals; weed abatement activities; incompatible fire protection activities, ; and any and all other activities and uses which may impair or interfere with the purposes of this Conservation Easement except for in emergencies and when required by law or specifically provided for in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(b) Use of off-road vehicles and use of any other motorized vehicles except on existing trails, paths and roadways.

(c) Agricultural activity except grazing for vegetation management as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(d) Recreational activities, including, but not limited to, horseback riding, biking, hunting, or fishing except for personal, non-commercial, recreational activities of the Grantor (or as specifically allowed in Section 6), so long as such activities are consistent with the purposes of this Conservation Easement and/or specifically provided for in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(e) Commercial, industrial, residential, or institutional uses. Existing uses on the Property are acceptable.

(f) Any legal or de facto division, subdivision or partitioning of the Property.

(g) Construction, erecting or placement of any building, billboard or sign, or any other structure or improvement of any kind except as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(h) Depositing or accumulation of soil, trash, ashes, refuse, waste, bio-solids or any other materials.

(i) Planting, introduction or dispersal of non-native or exotic plant or animal species.

ED_013814_00000996-00066

(j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sand, gravel, rock or other material on the surface of the Property, or granting or authorizing surface use for any of these purposes.

(k) Altering the surface or general topography of the Property, including but not limited to any alterations to habitat, building new roads or trails, paving or otherwise covering the Property with concrete, asphalt or any other impervious material except for those roadway maintenance or habitat management activities specified in the Development Plan, Interim Management Plan, Introduction Plan, or Long-term Management Plan.

(l) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required by law for (i) fire breaks, (ii) maintenance of existing foot trails or roads, or (iii) prevention or treatment of disease; and except for mowing or manual removal of non-native and invasive species as specifically provided in the Development Plan, Interim Management Plan, Introduction Plan, and Long-term Management Plan.

(m) Manipulating, impounding or altering any natural water course, body of water or water circulation on the Property outside of historical practices, documented in the baseline section of the first annual report, and any activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters except for construction activities as specifically provided in the Development Plan or Introduction Plan.

(n) Without the prior written consent of Grantee and the IRT prior to bank closure, which Grantee or IRT may reasonably withhold only on the basis that the purposes of this Conservation Easement would be harmed, transferring, encumbering, selling, leasing, or otherwise separating the mineral, air or water rights for the Property; changing the place or purpose of use of the water rights (except as noted herein); abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (i) riparian water rights; (ii) appropriative water rights; (iii) rights to waters which are secured under contract with any water purveyor, to the extent such waters are customarily applied to the Property; and (iv) any water from wells that are in existence on the Property.

(o) Engaging in any use or activity that violates, or fails to comply with, federal, state, or local laws, or regulations, applicable to the Bank or detrimental to the Conservation Values of the Property.

(p) Creation of any encumbrance on the Property superior to this Conservation Easement, other than those encumbrances set forth in Title Report March 7, 2015 on file with the Grantee and IRT, or the recording of any involuntary lien (which is not released within thirty calendar days), or the granting of any lease, license or similar possessory interest in the Bank Property which will affect the conservation values of the Property.

(q) Cause or consent to the release, or any action that threatens to cause the release, of any Hazardous Materials in, on, under, from, or in the immediate vicinity of the Introduction Area or cause or consent to the storage, use, disposal, deposit, treatment or abandonment of any underground storage tanks in, on, under, from or in the immediate vicinity of the Introduction Area.

ED_013814_00000996-00067

(r) Any activities within the Introduction Area that interfere with the persistence of the established Spineflower populations or with the ecological and biological values of the Introduction Area as Spineflower habitat.

4. Grantee's Duties.

(a) To ensure that the purposes of this Conservation Easement as described in Section 1 are being accomplished, Grantee and its successors and assigns shall:

(1) Perform, at a minimum on an annual basis, compliance monitoring inspections of the Property; and

(2) Prepare reports on the results of the compliance monitoring inspections, and provide these reports to the Signatory Agencies on an annual basis.

(b) In the event that the Grantee's interest in this easement is held by, reverts to, or is transferred to the State of California, Section 4(a) shall not apply.

5. Grantor's Duties.

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Property or that are otherwise inconsistent with this Conservation Easement. In addition, Grantor shall undertake all necessary actions to perfect and defend Grantee's rights under Section 2 of this Conservation Easement, and to observe and carry out the obligations of Grantor under the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan.

The Introduction Area shall be perpetually maintained, managed, and preserved in a natural condition and in conformance with the Introduction Plan. Implementation of the Introduction Plan will be the responsibility of Newhall, and not the Grantor. Grantor shall permit Newhall pedestrian access to carry out the Permitted Activities as defined in the Agreement to maintain and manage the Introduction Area. The balance of the Property, excluding the Introduction Area, shall be conserved, maintained and managed in perpetuity consistent with the IRT-approved Interim Management Plan and Long-term Management Plan.. In accordance with certain sections from the Agreement, including but not limited to Section 7.c.2., Section 11, Section 15, or Section 16, if Newhall becomes unable to perform agreed upon duties, Newhall's rights, as described in the Agreement shall terminate. In such case, Grantor is released from duties previously executed by Newhall within the Introduction Area, and the Grantor will be responsible for managing the Introduction Area according to the Long-term Management Plan.

6. Reserved Rights.

Notwithstanding any contrary provision in this Conservation Easement, Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from Grantor's ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited or limited by, and are consistent with the purposes of, this Conservation Easement, and including but not limited to air and water rights, and the following uses.

ED_013814_00000996-00068

(a) While the primary purpose of the Property is to provide habitat for Swainson's Hawk, hunting shall be allowed on the Property in accordance with the following restrictions: (i) hunting activities shall not adversely affect the Conservation Values; (ii) no hunting activities shall take place from March 1 through July 15 of any year, and this closure period may be extended in writing by either Grantee, in consultation with CDFW, or CDFW to accommodate early or late Swainson's Hawk presence in any given year; (iii) no hunting activities shall take place within the cattle exclusion zone along the rift valley until all final restoration performance standards associated with the original restoration or any required remediation have been met and approved by the interagency review team (IRT) as specified in the BEI; (iv) recreational or target shooting not directly associated with the lawful take of game is strictly prohibited; (v) commercial hunting shall be allowed on an annual basis with the prior, written approval of CDFW and subject to any terms and conditions set forth in that written approval

(b) Grantor may continue to engage in non-motorized recreational activities on the Property in the same manner as Grantor currently utilizes the Property. These uses include, by way of example and not limitation, hiking, horseback riding, and hunting (subject to the restrictions described above). Motorized recreational activities (e.g., recreational off-highway vehicle activities) are permitted only on existing trails, paths and roadways.

(c) The infrastructure currently existing on the Property includes, but is not limited to, storage tanks, ponds and a pipeline (largely located within existing roadways) for water extraction, storage and delivery; livestock structures; agricultural equipment; and safety equipment (fire and general). Infrastructure that currently exists on the Property may continue to be used, replaced and maintained by Grantor and/or Newhall as described in the Long-Term Management Plan and Introduction Plan. Grantor may not expand the use of such infrastructure (including existing ponds) or change the nature of such infrastructure if such expansion or change would have a material, adverse impact on the Conservation Values without prior written approval from the IRT.

(d) Grantor may continue to use the Property for outdoor education events, educational tours, and school-related events.

7. Grantee's Remedies.

If Grantee determines that a violation of this Conservation Easement has occurred or is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation ("Notice of Violation"). If Grantor fails to cure the violation within thirty (30) days after receipt of a Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and Grantor fails to begin the cure within the thirty (30)-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction for any or all of the following: to recover any damages to which Grantee may be entitled for violation of the terms of this Conservation Easement or for any injury to the Conservation Values of the Property; to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies; to pursue any other legal or equitable relief, including but not limited to, the restoration of the Property to the condition in which it existed prior to any violation or injury; or to otherwise enforce this Conservation Easement. Without limiting the liability of Grantor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Property.

If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate injury to the Conservation Values of the Property, Grantee may pursue its remedies under this Conservation Easement without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this section apply equally to actual or threatened violations of this Conservation Easement.

Grantor agrees that Grantee's remedies at law for any violation of this Conservation Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to the remedies set forth in California Civil Code Section 815, *et seq.* The failure of Grantee to discover a violation or to take immediate legal action shall not bar Grantee from taking such action at a later time.

(a) Costs of Enforcement.

All costs incurred by the Grantee or Third Party Beneficiary, where Grantee or Third Party Beneficiary is a prevailing party, in enforcing the terms of this Conservation Easement against the Grantor, including, but not limited to, costs of suit and attorneys' and experts' fees, and any costs of restoration necessitated by negligence or breach of this Conservation Easement, shall be borne by the Grantor.

(b) Grantee's Discretion.

Enforcement of the terms of this Conservation Easement by Grantee shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement 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 Conservation Easement or of any rights of Grantee under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

(c) Acts Beyond Grantor's Control.

Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from (i) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, and earth movement, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes; or (ii) acts by Grantee, Signatory Agencies, or their employees; or (iii) illegal, terrorist, or other acts caused by third parties.

(d) Enforcement; Standing.

All rights and remedies conveyed to Grantee under this Conservation Easement shall extend to and are enforceable by the Third-Party Beneficiaries (as defined in Section 14(m)). These enforcement rights are in addition to, and do not limit, the rights of enforcement under the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan. If at any time in the future Grantor uses, allows the use, or threatens to use or allow use of, the Property for any purpose that is inconsistent with or in violation of this Conservation Easement then, despite the provisions of California Civil Code Section 815.7, the

ED_013814_00000996-00070

California Attorney General and the Third-Party Beneficiaries each has standing as an interested party in any proceeding affecting this Conservation Easement.

(e) Notice of Conflict.

If Grantor receives a Notice of Violation from Grantee or a Third-Party Beneficiary with which it is impossible for Grantor to comply consistent with any prior uncured Notice(s) of Violation, Grantor shall give written notice of the conflict (hereinafter "Notice of Conflict") to the Grantee and Third-Party Beneficiaries. In order to be a valid, a Notice of Conflict shall be given within fifteen (15) days of the date Grantor receives a conflicting Notice of Violation, shall include copies of the conflicting Notices of Violation, and shall describe the conflict with specificity, including how the conflict makes compliance with the uncured Notice(s) of Violation impossible. Upon issuing a valid Notice of Conflict, Grantor shall not be required to comply with the conflicting Notices of Violation until such time as the entity or entities issuing said conflicting Notices of Violation issue(s) revised Notice(s) of Violation that resolve the conflict. Upon receipt of a revised Notice of Violation, Grantor shall comply with such notice within the time period(s) described in the first grammatical paragraph of this Section 7. The failure of Grantor to issue a valid Notice of Conflict within fifteen (15) days of receipt of a conflicting Notice of Violation shall constitute a waiver of Grantor's ability to claim a conflict.

(f) Reversion.

If the Signatory Agencies determine that Grantee is not holding or monitoring this Conservation Easement for conservation purposes in the manner specified in this Conservation Easement or in the BEI, the Development Plan, Interim Management Plan, or the Long-term Management Plan, then, pursuant to California Government Code Section 65967(e), this Conservation Easement shall revert to the State of California, or to another public agency or nonprofit organization qualified pursuant to Civil Code Section 815.3 and Government Code Section 65967 (and any successor or other provision(s) then applicable) and approved by the Signatory Agencies in consultation with Grantor or Grantor's successors in interest.

8. Access.

This Conservation Easement does not convey a general right of access to the public.

9. Costs and Liabilities.

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Grantor agrees that neither Grantee nor Third-Party Beneficiaries shall have any duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions on it, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use permitted by this Conservation Easement, and any activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency laws, statutes, ordinances, rules, regulations, orders and requirements.

(a) Taxes; No Liens.

Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinated to this Conservation Easement, as provided in Section 14(k)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

(b) Hold Harmless.

(1) Grantor shall hold harmless, protect and indemnify Grantee and its directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Grantee Indemnified Party" and collectively, "Grantee's Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (i) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except that this indemnification shall be inapplicable to any Claim due to the negligence of Grantee or any of its employees; (ii) the obligations specified in Sections 5, 9 and 9(a); and (iii) the existence or administration of this Conservation Easement. If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Grantee's Indemnified Party.

(2) Grantor shall hold harmless, protect and indemnify Third-Party Beneficiaries and their respective directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Third-Party Beneficiary Indemnified Party" and collectively, "Third-Party Beneficiary Indemnified Parties") from and against any and all Claims arising from or in any way connected with: (i) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause and (ii) the existence or administration of this Conservation Easement. *Provided, however,* that the indemnification in this Section 9 (b) (2) shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Claim due to the negligence of that Third-Party Beneficiary Indemnified Party or any of its employees. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any Claim to which the indemnification in this Section 9 (b) (2) applies, then at the election of and upon written notice from the Third-Party Beneficiary Indemnified Party, Grantor shall defend such action or proceeding by counsel reasonably acceptable to the applicable Third-Party Beneficiary Indemnified Party or reimburse the Third-Party Beneficiary Indemnified Party for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

(c) Extinguishment.

If circumstances arise in the future that render the preservation of Conservation Values, including wetland functions and values, or other purposes of this

Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

(d) Condemnation.

The purposes of this Conservation Easement are presumed to be the best and most necessary public use as defined at California Code of Civil Procedure Section 1240.680 notwithstanding Code of Civil Procedure Sections 1240.690 and 1240.700. If this Conservation Easement is condemned, the net proceeds from the condemnation shall be used in compliance with Government Code section 65966(j).

10. Transfer of Conservation Easement or Property.

(a) Conservation Easement.

This Conservation Easement may be assigned or transferred by Grantee upon written approval of the Signatory Agencies which approval shall not be unreasonably withheld or delayed, but Grantee shall give Grantor and the Signatory Agencies at least sixty (60) days prior written notice of the proposed assignment or transfer. Grantee may assign or transfer its rights under this Conservation Easement only to an entity or organization: (i) authorized to acquire and hold conservation easements pursuant to California Civil Code Section 815.3 and Government Code Section 65965 (and any successor or other provision(s) then applicable), and the laws of the United States; and (ii) otherwise reasonably acceptable to the Signatory Agencies. Grantee shall require the assignee to record the assignment in the county where the Property is located. The failure of Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforcement in any way. Any transfer under this section is subject to the requirements of Section 11.

(b) Property.

Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Grantor agrees that the deed or other legal instrument shall also incorporate by reference the BEI, the Development Plan, Interim Management Plan, or the Long-term Management Plan, and any amendment(s) to those documents. Grantor further agrees to give written notice to Grantee and the Signatory Agencies of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer. Grantee or the Signatory Agencies shall have the right to prevent any transfers in which prospective subsequent claimants or transferees are not given notice of the terms, covenants, conditions and restrictions of this Conservation Easement (including the exhibits and documents incorporated by reference in it). The failure of Grantor to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way. Any transfer under this section is subject to the requirements of Section 11.

11. Merger.

The doctrine of merger shall not operate to extinguish this Conservation Easement if the Conservation Easement and the Property become vested in the same party. If, despite this intent, the doctrine of merger applies to extinguish the Conservation Easement then, unless Grantor, Grantee, and the Signatory Agencies otherwise agree in writing, a replacement conservation easement or restrictive covenant containing the same protections

embodied in this Conservation Easement shall be recorded against the Property.

12. Notices.

Any notice, demand, request, consent, approval, or other communication that Grantor or Grantee desires or is required to give to the other shall be in writing, with a copy to each of the Signatory Agencies, and served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, addressed as follows:

To Grantor:	LV Lake Elizabeth, LLC 1001 Bridgeway #246 Sausalito, CA 94965
With a copy to:	Mitchell Chadwick LLP 3001 Lava Ridge Court Suite No. 120 Roseville, CA 95661 Attn: G. Braiden Chadwick
To Grantee:	Southwest Resource Management Association 4500 Glenwood Dr. Riverside, CA 92501 Attn: Shelli Lamb
With a copy to:	Best Best & Krieger LLP 3390 University Avenue, 5th Floor Riverside, CA 92501 Attn: Steve Anderson
To Newhall:	The Newhall Land and Farming Company 25124 Springfield Court, 3rd Floor Valencia, California 91355 Attn: Environmental Resources
To CDFW:	Department of Fish and Wildlife Region Five 3883 Rufflin Road San Diego, CA 92123 Attn: Regional Banking Coordinator
With a copy to:	Department of Fish and Wildlife Office of General Counsel 1416 Ninth Street, 12th Floor Sacramento, CA 95814-2090 Attn: General Counsel
To USACE:	U.S. Army Corps of Engineers Los Angeles District 915 Wilshire Blvd. Suite 13073

Los Angeles, CA 90017
Attn: Chief, Regulatory Branch

To USEPA: U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105
Attn: Director, Water Division

To Lahontan RWQCB: Regional Water Quality Control Boards
Lahontan Region
14440 Civic Drive, Suite 200
Victorville, CA 92392
Attn: Executive Office

or to such other address a party or a Signatory Agency shall designate by written notice to Grantor, Grantee and the Signatory Agencies. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

13. Amendment.

This Conservation Easement may be amended only by mutual written agreement of Grantor and Grantee and written approval of the Signatory Agencies which approval shall not be unreasonably withheld or delayed. Any such amendment shall be consistent with the purposes of this Conservation Easement and California law governing conservation easements, and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of the county in which the Property is located, and Grantee shall promptly provide a conformed copy of the recorded amendment to the Grantor and the Signatory Agencies.

14. Additional Provisions.

(a) Controlling Law.

The interpretation and performance of this Conservation Easement shall be governed by the laws of the United States and the State of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction.

Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the purposes of this Conservation Easement and the policy and purpose of California Civil Code Section 815, *et seq.* and Government Code Section 65965. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability.

If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(d) Entire Agreement.

This document (including its exhibits, the BEI, the Development Plan, the Interim Management Plan, and Long-term Management Plan incorporated by reference in this document) sets forth the entire agreement of the parties and the Signatory Agencies with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements of the parties relating to the Conservation Easement. No alteration or variation of this Conservation Easement shall be valid or binding unless contained in an amendment in accordance with Section 13.

(e) No Forfeiture.

Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors.

The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties and their respective personal representatives, heirs, successors, and assigns, and shall constitute a servitude running in perpetuity with the Property.

(g) Termination of Rights and Obligations.

A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

(h) Captions.

The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability.

(1) Grantor represents and warrants that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 9 (b), Grantor hereby releases and agrees to indemnify, protect and hold harmless the Grantee's Indemnified Parties (defined in Section 9 (b) (1)) from and against any and all Claims (defined in Section 9 (b)(1)) arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Property at any time, except any Hazardous Materials placed, disposed or released by Grantee or any of its employees. This release and indemnification includes, without limitation, Claims for (A) injury to or death of any person or physical damage to any property; and (B) the violation or alleged violation of, or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from the applicable Grantee Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Grantee Indemnified Party.

ED_013814_00000996-00076

(3) Without limiting the obligations of Grantor under Section 9 (b), Grantor hereby releases and agrees to indemnify, protect and hold harmless the Third-Party Beneficiary Indemnified Parties (defined in Section 9 (b)(2)) from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Property at any time, except that this release and indemnification shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Hazardous Materials placed, disposed or released by that Third-Party Beneficiary Indemnified Party or any of its employees. This release and indemnification includes, without limitation, Claims for (A) injury to or death of any person or physical damage to any property; and (B) the violation of alleged violation of, or other failure to comply with, any Environmental Laws. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any such Claim, Grantor shall, at the election or and upon written notice from the applicable Third-Party Beneficiary Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Third-Party Beneficiary Indemnified Party or pay for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

(4) Despite any contrary provision of this Conservation Easement, the parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed such that it creates in or gives to Grantee or any Third-Party Beneficiaries any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq.*; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. § 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws; or

(D) The right to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(5) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, *et seq.*; hereinafter, "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. §5101, *et seq.*; hereinafter, "HTA"); the Hazardous Waste Control Law (California Health & Safety Code § 25100, *et seq.*; hereinafter, "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300, *et seq.*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Conservation Easement.

(6) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee and Third-Party Beneficiaries that activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(j) Warranty.

Grantor represents and warrants that Grantor is the sole owner of the Property. Grantor also represents and warrants that, except as specifically disclosed to and approved by the IRT pursuant to the Property Assessment and Warranty signed by Grantor and attached as an exhibit to the BEI, the holder of any outstanding mortgage, lien, encumbrance or other interest in the Property (including, without limitation, mineral interest) which conflicts or is inconsistent with this Conservation Easement has expressly subordinated such interest to this Conservation Easement by a recorded Subordination Agreement approved by Grantee and the IRT..

(k) Additional Interests.

Grantor shall not grant any additional easements, rights of way or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), nor shall Grantor grant, transfer, abandon or relinquish (each a "Transfer") any mineral, air, or water right associated with the Property, without first obtaining the written consent of Grantee and the Signatory Agencies. Such consent may be withheld if Grantee and the Signatory Agencies reasonably determine(s) that the proposed interest or Transfer will impair or interfere with the Conservation Values of the Property. This Section 14(k) shall not limit the provisions of Section 2(d) or 3(n), nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 10. Grantor shall provide a copy of any recorded or unrecorded grant or Transfer document to the Grantee and the Signatory Agencies.

(l) Recording.

Grantor shall record this Conservation Easement in the Official Records of the County in which the Property is located, and Grantee may re-record it at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

(m) Third-Party Beneficiary.

Grantor and Grantee acknowledge that CDFW, Lahontan RWQCB, USACE, and the USEPA (the "Third-Party Beneficiaries") are third party beneficiaries of this Conservation Easement with the right of access to the Property and the right to enforce all of the obligations of Grantor including, but not limited to, Grantor's obligations under Section 14, and all other rights and remedies of the Grantee under this Conservation Easement.

(n) Funding.

This Conservation Easement covers 154.2 acres owned by Grantor. To maximize the conservation values, LV Lake Elizabeth, LLC will manage the Property covered by this Conservation Easement pursuant to the Endowment Funding Management Agreement attached hereto as Exhibit C.

ED_013814_00000996-00078

IN WITNESS WHEREOF Grantor has executed this Conservation Easement Deed the day and year first above written.

GRANTOR: [***Notarization Required***]

PROPERTY OWNER
LV Lake Elizabeth, LLC, a California limited liability company

By: Land Veritas Corp., its manager

By: _____ _____
H. Tracey Brownfield, President Date

Approved as to form:

General Counsel
State of California
Department of Fish and Wildlife

BY: _____
General Counsel

DATE: _____

This page intentionally left blank

EXHIBITS "A" and "B"

Legal Description and Plat Map

Conservation Easement

This page intentionally left blank

EXHIBIT "A"
LEGAL DESCRIPTION

Area E of the PR Mitigation Bank

PHASE 1 NORTH
THAT PORTION OF LOT 4 IN SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF ELIZABETH LAKE-PINE CANYON ROAD AND BOUNDED ON THE WEST BY A LINE BEGINNING AT A POINT IN THE CENTERLINE OF SAID ELIZABETH LAKE-PINE CANYON ROAD, SOUTH 59°41'25" EAST (RECORD SOUTH 59°49' 15" EAST), 490 FEET FROM THE WEST LINE OF SAID SECTION 25; THENCE AT RIGHT ANGLES TO SAID CENTER LINE, NORTH 30°18'36" EAST (RECORD NORTH 30°10' 45" EAST), 510 FEET, MORE OR LESS, TO A POINT IN THE NORTH LINE OF SAID SECTION 25.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 12.22 ACRES, MORE OR LESS.

PHASE 1 SOUTH
IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 2 AND ALL OF PARCELS 4 THROUGH 6 OF THE GRANT DEED RECORDED SEPTEMBER 13, 2011 AS INSTRUMENT NO. 20111238555 OF OFFICIAL RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25; THENCE, ALONG THE EASTERLY LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 25, SOUTH 00°06'02" EAST, 1323.52 FEET TO THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 25; THENCE, ALONG SAID SOUTHERLY LINE, SOUTH 89°58'02" WEST, 1984.59 FEET TO THE WESTERLY LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 25; THENCE, ALONG SAID WESTERLY LINE, NORTH 00°13'09" WEST, 1330.79 FEET TO THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 25; THENCE, ALONG SAID SOUTHERLY LINE, NORTH 89°49'24" WEST, 663.33 FEET TO THE WESTERLY LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 25; THENCE, ALONG SAID WESTERLY LINE, NORTH 00°14'44" WEST, 1650.30 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN STRIP OF LAND, 80.00 FEET WIDE, DESCRIBED IN THE DEED TO THE COUNTY OF LOS ANGELES FOR ELIZABETH LAKE ROAD (FORMERLY ELIZABETH LAKE – PINE CANYON ROAD) RECORDED AS DOCUMENT 6324-V ON APRIL 2, 1953 AND IN DEED RECORDED FEBRUARY 19, 1953 IN BOOK 41020, PAGE 228, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 1540.00 FEET, A RADIAL LINE FROM SAID BEGINNING OF CURVE BEARS NORTH 21°01'08" EAST; THENCE, ALONG SAID SOUTHERLY LINE THE FOLLOWING COURSES:

1. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°01'53" AN ARC LENGTH OF 538.41 FEET;

2. SOUTH 89°00'45" EAST, 380.28 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 1460.00 FEET;

3. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°15'30" AN ARC LENGTH OF 286.88 FEET;

4. THENCE SOUTH 77°45'15" EAST, 603.04 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 1460.00 FEET;

5. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°41'05" AN ARC LENGTH OF 221.30 FEET TO THE WESTERLY LINE OF THE EAST HALF OF THE WEST HALF OF THE OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE, ALONG SAID WESTERLY LINE, SOUTH 00°10'19" EAST, 10.72 FEET TO A POINT ON THE SOUTHERLY LINE OF LAKE ELIZABETH ROAD AS SHOWN ON THE RECORD OF SURVEY FILED IN BOOK 247, PAGES 40 AND 41 OF RECORD OF SURVEYS, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 1450.00 FEET, A RADIAL LINE FROM SAID BEGINNING OF CURVE BEARS SOUTH 21°04'59" WEST; THENCE ALONG SAID SOUTHERLY LINE THE FOLLOWING COURSES:

1. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°28'46" AN ARC LENGTH OF 37.44 FEET;

2. SOUTH 67°26'15" EAST, 245.64 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 1050.00 FEET;

3. EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°11'50" AN ARC LENGTH OF 351.81 FEET;

4. SOUTH 86°38'05" EAST, 59.28 FEET TO SAID EASTERLY LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE, ALONG SAID EASTERLY LINE, SOUTH 00°12'03" EAST, 1124.71 FEET TO THE **POINT OF BEGINNING**

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 147.42 ACRES, MORE OR LESS.

Area F of the PR Mitigation Bank

PHASE 2 WEST

IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING PARCELS 7 THROUGH 11 OF THE GRANT DEED RECORDED SEPTEMBER 13, 2011 AS INSTRUMENT NO. 20111238555 OF OFFICIAL RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN; THENCE, ALONG THE EASTERLY LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 25, SOUTH 00°06'02" EAST, 1323.52 FEET TO THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 25; THENCE NORTH 89°52'39" EAST, 1327.55 FEET TO THE

WESTERLY LINE OF FRACTIONAL SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN; THENCE, ALONG SAID WESTERLY LINE, THE FOLLOWING TWO (2) COURSES:

1. SOUTH 00°15'15" EAST, 131.12 FEET
2. SOUTH 00°10'55" WEST, 1157.83 FEET TO THE SOUTHERLY LINE OF SAID FRACTIONAL SECTION 30;

THENCE, ALONG SAID SOUTHERLY LINE, SOUTH 89°59'38" EAST, 1859.80 FEET TO THE WESTERLY LINE OF THE EASTERLY 987.36 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30; THENCE NORTH 00°10'35" EAST, 713.88 FEET TO **POINT "A"**;

THENCE LEAVING SAID WESTERLY LINE THE FOLLOWING COURSES:

1. NORTH 87°09'37" WEST, 113.74 FEET;
2. NORTH 89°59'15" WEST, 62.97 FEET;
3. NORTH 83°58'27" WEST, 38.40 FEET;
4. NORTH 63°59'10" WEST, 45.73 FEET;
5. NORTH 49°11'41" WEST, 44.20 FEET;
6. NORTH 45°37'18" WEST, 34.49 FEET;
7. NORTH 39°55'23" WEST, 28.57 FEET;
8. NORTH 36°33'51" WEST, 29.55 FEET;
9. NORTH 31°19'57" WEST, 86.02 FEET;
10. NORTH 26°16'20" WEST, 149.60 FEET;
11. NORTH 28°35'54" WEST, 135.96 FEET;
12. NORTH 26°03'53" WEST, 105.06 FEET;
13. NORTH 21°06'20" WEST, 273.22 FEET;
14. NORTH 26°41'32" WEST, 62.68 FEET;
15. NORTH 19°33'48" WEST, 67.74 FEET;
16. NORTH 08°30'13" WEST, 42.31 FEET;
17. NORTH 14°29'28" EAST, 103.81 FEET;
18. NORTH 26°24'17" EAST, 35.54 FEET;
19. NORTH 54°01'30" EAST, 84.98 FEET;
20. NORTH 57°32'13" EAST, 51.30 FEET;
21. NORTH 37°16'24" EAST, 159.75 FEET;
22. SOUTH 89°39'39" EAST, 170.01 FEET ;
23. NORTH 00°00'19" EAST, 634.69 FEET TO THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30;

THENCE, ALONG SAID NORTHERLY LINE, SOUTH 89°56'50" WEST, 1558.02 FEET TO THE WESTERLY LINE OF SAID FRACTIONAL SECTION 30; THENCE, ALONG SAID LINE, SOUTH 00°15'15" EAST, 43.63 FEET TO THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25; THENCE, ALONG SAID LINE, NORTH 89°49'24" WEST, 1324.04 FEET TO THE **POINT OF BEGINNING**.

EXCEPTING THEREFROM THAT PORTION OF PARCEL 9 DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, DISTANT FROM THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SOUTHWEST QUARTER OF SECTION 30, NORTH 0° 15' 15" WEST, 827.97 FEET; THENCE NORTH 89° 44' 45" EAST, 1138.21 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF A BURIAL PLOT, WHICH SOUTHWEST CORNER IS THE **TRUE POINT OF BEGINNING**;
THENCE NORTH 14°47'20" WEST, 35.00 FEET;
THENCE NORTH 77°28'40" EAST, 31.50 FEET;
THENCE SOUTH 14°47'20" EAST, 35.00 FEET;
THENCE SOUTH 77°28'40" WEST, 31.50 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 132.52 ACRES, MORE OR LESS.

PHASE 2 EAST
BEGINNING AT SAID **POINT "A"**; THENCE, ALONG THE WESTERLY LINE OF THE EASTERLY 987.36 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30, NORTH 00°10'35" EAST, 16.62 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE LEAVING SAID WESTERLY LINE THE FOLLOWING COURSES:

1. NORTH 88°46'01" WEST, 193.46 FEET;
2. NORTH 75°22'19" WEST, 30.37 FEET;
3. NORTH 58°18'54" WEST, 36.87 FEET;
4. NORTH 49°25'56" WEST, 75.35 FEET;
5. NORTH 31°37'19" WEST, 112.27 FEET;
6. NORTH 27°38'11" WEST, 177.86 FEET;
7. NORTH 29°03'34" WEST, 141.37 FEET;
8. NORTH 23°08'07" WEST, 179.26 FEET;
9. NORTH 20°43'55" WEST, 182.58 FEET;
10. NORTH 24°29'49" WEST, 105.42 FEET;
11. NORTH 13°38'11" WEST, 44.59 FEET;
12. NORTH 03°33'39" EAST, 47.52 FEET;
13. NORTH 16°56'26" EAST, 82.19 FEET;
14. NORTH 34°31'33" EAST, 31.25 FEET;
15. NORTH 56°33'44" EAST, 107.57 FEET;
16. SOUTH 00°00'00" EAST, 140.65 FEET;
17. SOUTH 42°26'09" EAST, 160.57 FEET;
18. NORTH 90°00'00" EAST, 160.94 FEET;
19. SOUTH 00°00'19" WEST, 288.77 FEET TO THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30;

THENCE, ALONG SAID NORTHERLY LINE, NORTH 89°58'36" EAST, 1296.28 FEET, TO THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30; THENCE, ALONG SAID EASTERLY LINE, SOUTH 00°10'35" WEST, 37.54 FEET TO THE NORTHERLY LINE OF THE PROPERTY DESCRIBED IN THE CORPORATION QUITCLAIM DEED, RECORDED APRIL, 23, 1985 AS INSTRUMENT NO. 85-455776, OFFICIAL RECORDS OF SAID COUNTY; THENCE, ALONG THE NORTHERLY, WESTERLY AND SOUTHERLY LINES OF SAID PROPERTY THE FOLLOWING COURSES:

1. NORTH 89°59'38" WEST, 30.00 FEET;

2. SOUTH 00°10'35" WEST, 175.01 FEET;
3. SOUTH 89°59'38" EAST, 30.00 FEET TO SAID EASTERLY LINE OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30;

THENCE, ALONG SAID EASTERLY LINE, SOUTH 00°10'35" WEST, 363.51 FEET TO THE NORTHERLY LINE OF THE SOUTHERLY 750.00 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30; THENCE ALONG SAID NORTHERLY LINE, NORTH 89°59'38" WEST, 987.36 FEET TO THE WESTERLY LINE OF THE EASTERLY 987.36 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID FRACTIONAL SECTION 30; THENCE, ALONG SAID WESTERLY LINE, SOUTH 00°10'35" WEST, 19.54 FEET TO THE **TRUE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 21.74 ACRES, MORE OR LESS.

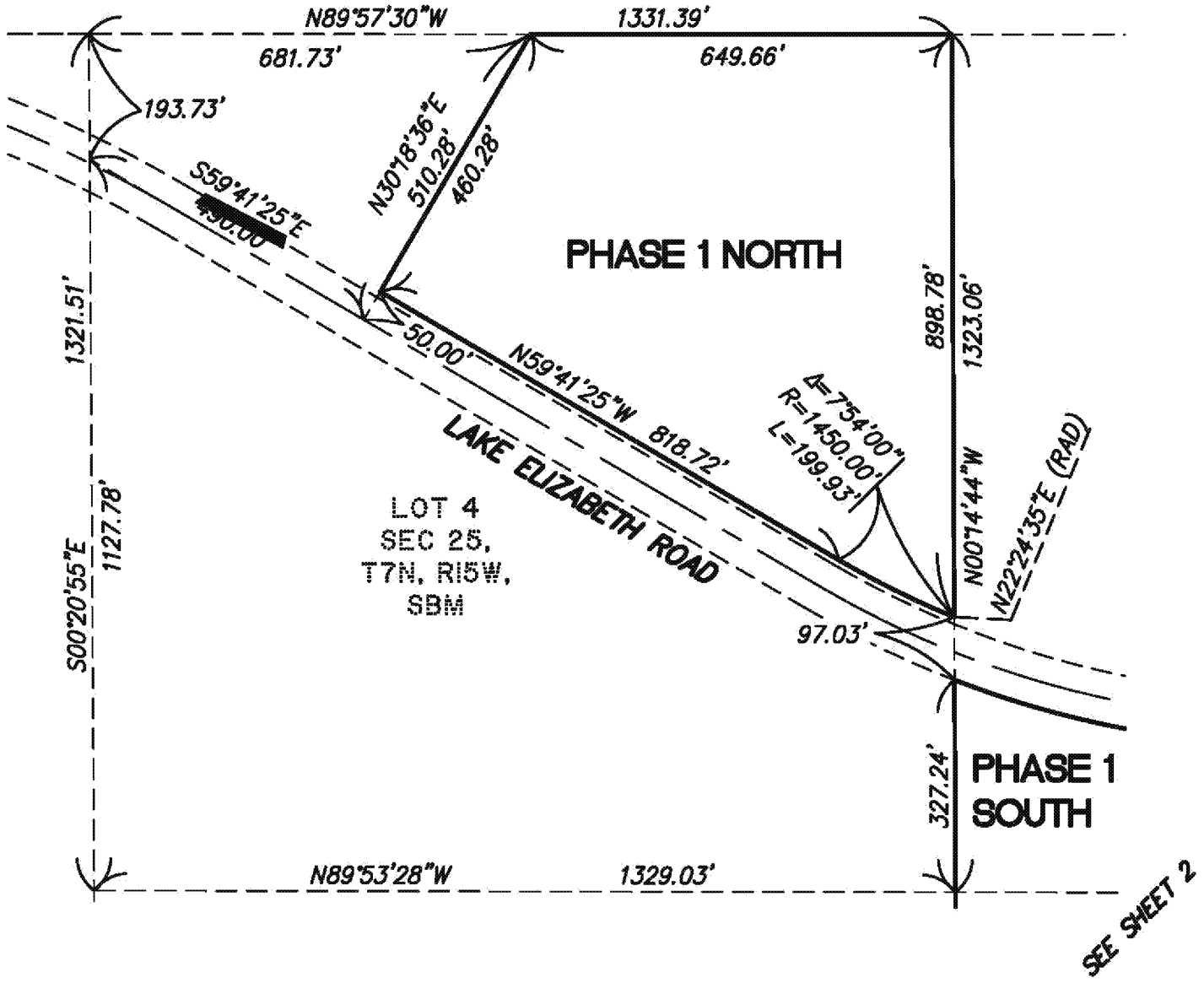
ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

THIS DESCRIPTION WAS PREPARED BY ME, OR UNDER MY SUPERVISION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS' ACT.

J. MARTY SMITH, LS 8070
DATE PREPARED: 08/11/2014

EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR EXHIBIT "A"



SEE SHEET 2

LEGEND

- PHASE BOUNDARY
- SECTION LINE
- GRANT DEED PARCEL LINE
- ROAD EASEMENT
- ROAD CENTERLINE

N

SCALE: 1"=250'

SHEET 1 OF 4

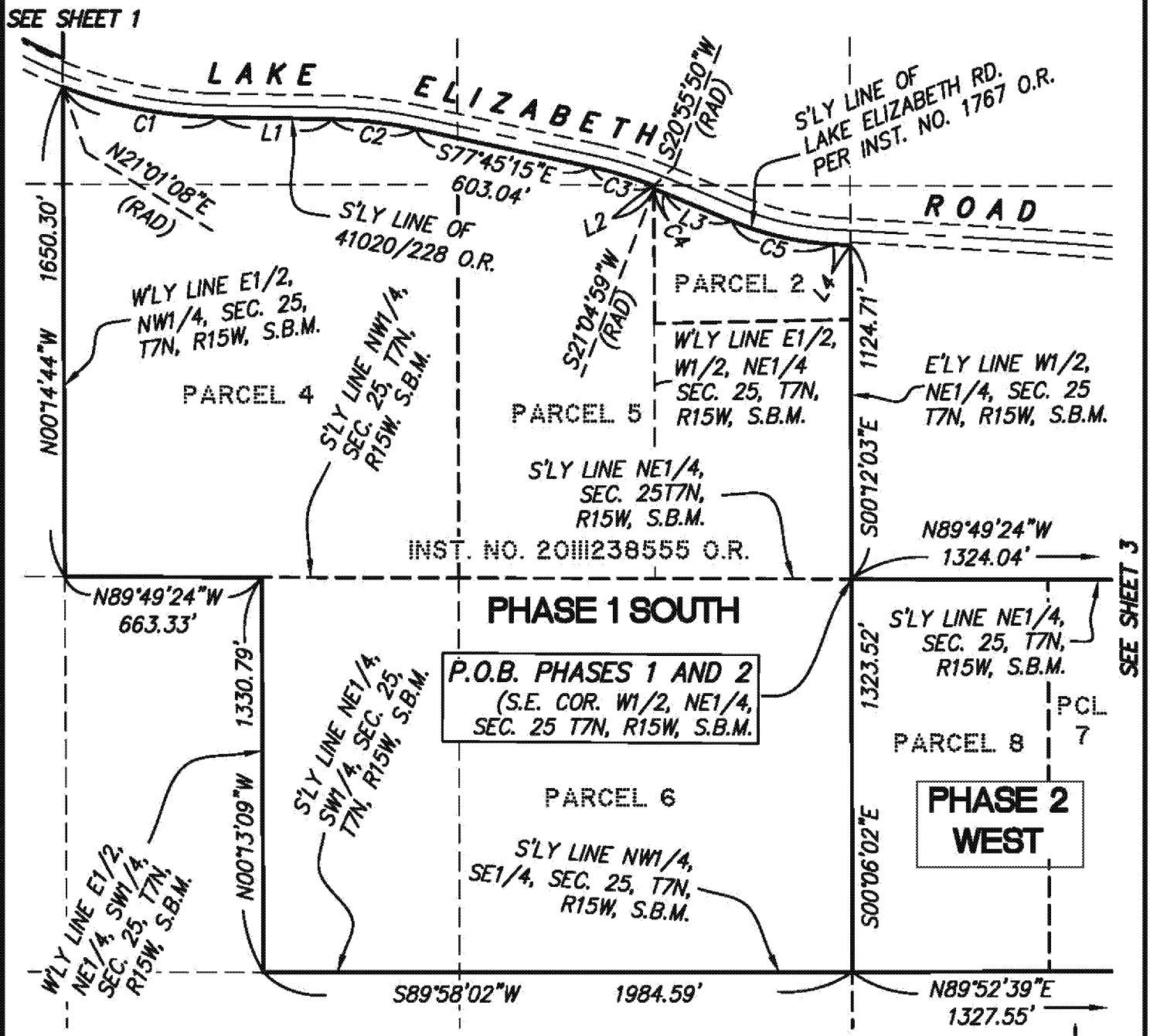
EXHIBIT "B" – PLAT
PHASING EXHIBIT
COUNTY OF LOS ANGELES, CALIFORNIA

ORC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning
160 S. Old Springs Road, Ste. 210
Anaheim Hills, California 92808
(714) 685-6860

L:\2011\11-563 Bello Consulting Lake Elizabeth Encumbrance Map\Ex\Phase Exhibits\11563 phase_ex01 rev.dwg 8/11/2014 10:49:20 AM PDT

EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR EXHIBIT "A"



SEE LINE AND CURVE DATA ON SHEET 4

LEGEND

- PHASE BOUNDARY
- SECTION LINE
- GRANT DEED PARCEL LINE
- ROAD EASEMENT
- ROAD CENTERLINE

N

SCALE: 1"=500'

SHEET 2 OF 4

EXHIBIT "B" – PLAT
PHASING EXHIBIT
COUNTY OF LOS ANGELES, CALIFORNIA

ORC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning
160 S. Old Springs Road, Ste. 210
Anaheim Hills, California 92808
(714) 685-6860

L:\2011\11-563 Bello Consulting Lake Elizabeth Encumbrance Map\Ex\Phase Exhibits\11563 phase_ex01 rev.dwg 8/11/2014 10:49:20 AM PDT

EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR EXHIBIT "A"

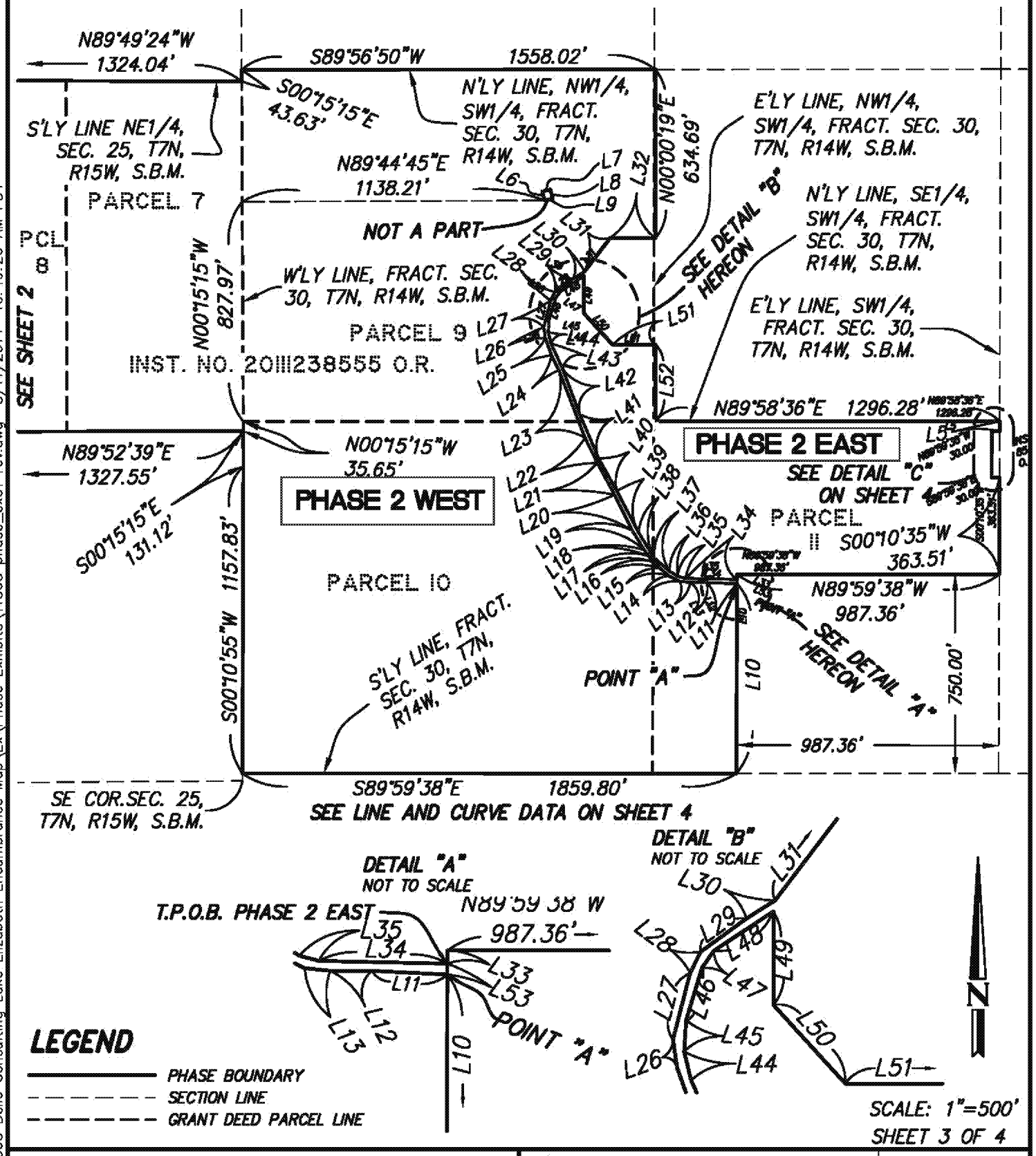


EXHIBIT "B" – PLAT
PHASING EXHIBIT
COUNTY OF LOS ANGELES, CALIFORNIA

ORC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning
160 S. Old Springs Road, Ste. 210
Anaheim Hills, California 92808
(714) 685-6860

L:\2011\11-563 Bello Consulting Lake Elizabeth Encumbrance Map\Ex\Phase Exhibits\11563 phase_ex01 rev.dwg 8/11/2014 10:49:20 AM PDT

EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR EXHIBIT "A"

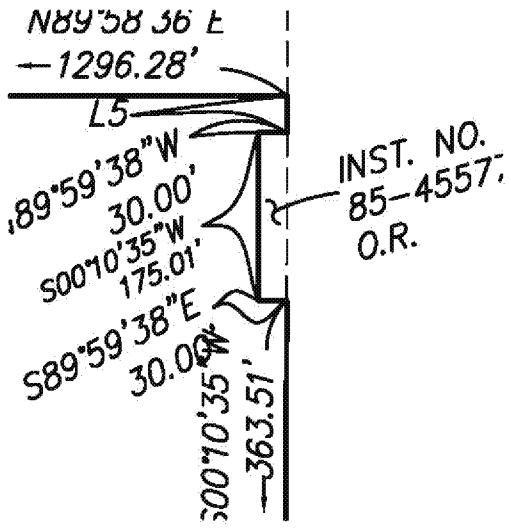
LINE TABLE		
LINE	BEARING	LENGTH
L1	S89°00'45"E	380.28'
L2	S00°10'19"E	10.72'
L3	S67°26'15"E	245.64'
L4	S86°38'05"E	59.28'
L5	S00°10'35"W	37.54'
L6	N14°47'20"W	35.00'
L7	N77°28'40"E	31.50'
L8	S14°47'20"E	35.00'
L9	S77°28'40"W	31.50'
L10	N00°10'35"E	713.88'
L11	N87°09'37"W	113.74
L12	N89°59'15"W	62.97'
L13	N83°58'27"W	38.40'
L14	N63°59'10"W	45.73'
L15	N49°11'41"W	44.20'
L16	N45°37'18"W	34.49'
L17	N39°55'23"W	28.57'
L18	N36°33'51"W	29.55'
L19	N31°19'57"W	86.02'
L20	N26°16'20"W	149.60'
L21	N28°35'54"W	135.96'
L22	N26°03'53"W	105.06'
L23	N21°06'20"W	273.22'
L24	N26°41'32"W	62.68'
L25	N19°33'48"W	67.74'
L26	N08°30'13"W	42.31'
L27	N14°29'28"E	103.81'
L28	N26°24'17"E	35.54'
L29	N54°01'30"E	84.98
L30	N57°32'13"E	51.30'
L31	N37°16'24"E	159.75'
L32	S89°39'39"E	170.01'
L33	S00°10'35"W	19.54'
L34	N88°46'01"W	193.46'
L35	N75°22'19"W	30.37'
L36	N58°18'54"W	36.87'
L37	N49°25'56"W	75.35'

LINE TABLE		
LINE	BEARING	LENGTH
L38	N31°37'19"W	112.27'
L39	N27°38'11"W	177.86'
L40	N29°03'34"W	141.37'
L41	N23°08'07"W	179.26'
L42	N20°43'55"W	182.58'
L43	N24°29'49"W	105.42'
L44	N13°38'11"W	44.59'
L45	N03°33'39"E	47.52'
L46	N16°56'26"E	82.19'
L47	N34°31'33"E	31.25'
L48	N56°33'44"E	107.57'
L49	S00°00'00"E	140.65'
L50	S42°26'09"E	160.57'
L51	N90°00'00"E	160.94'
L52	S00°00'19"W	288.77'
L53	N00°10'35"E	16.62'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	20°01'53"	1540.00'	538.41'
C2	11°15'30"	1460.00'	286.88'
C3	8°41'05"	1460.00'	221.30'
C4	1°28'46"	1450.00'	37.44'
C5	19°11'50"	1050.00'	351.81'

DETAIL "C"

NOT TO SCALE



SHEET 4 OF 4

EXHIBIT "B" – PLAT
PHASING EXHIBIT
COUNTY OF LOS ANGELES, CALIFORNIA

DRC Engineering, Inc.
Civil Engineering/Land Surveying/Land Planning
160 S. Old Springs Road, Ste. 210
Anaheim Hills, California 92808
(714) 685-6860

L:\2011\11-563 Bello Consulting Lake Elizabeth Encumbrance Map\Ex\Phase Exhibits\11563 phase_ex01 rev.dwg 8/11/2014 10:49:20 AM PDT

This page intentionally left blank

EXHIBIT "C"

Endowment Funding Management Agreement

This page intentionally left blank

See Exhibit “C” to Exhibit E-4.2 of BEI for sample Endowment Funding Agreement.

This page intentionally left blank

EXHIBIT "D"

Spineflower Easement Agreement

This page intentionally left blank

RECORDING REQUESTED BY:

The Newhall Land and Farming Company

AND WHEN RECORDED MAIL TO:

The Newhall Land and Farming Company
25124 Springfield Court, 3rd Floor
Valencia, California 91355-1088
Attention: Environmental Resources

Space Above Line for Recorder's Use Only

EASEMENT AGREEMENT

This EASEMENT AGREEMENT (this "**Agreement**") is made and entered into as of SEPTEMBER 7, 2017 ("**Execution Date**") by and between LV LAKE ELIZABETH, LLC, a California limited liability company ("**Grantor**"), LAND VERITAS CORP., a California corporation ("**Land Veritas**") and THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP), a California limited partnership ("**Grantee**").

RECITALS

A. Grantor is the sole owner in fee simple of that certain real property located in Los Angeles County, California, which is legally described and depicted on **Exhibit A** and **Exhibit B** attached hereto, respectively (the "**Lake Elizabeth Property**"). The Lake Elizabeth Property is known as Areas E and F of the "Petersen Ranch Mitigation Bank" ("**Mitigation Bank**"), which is approved to provide mitigation for permitted impacts under various federal and state resource agency permits.

B. Land Veritas is the sponsor of the Mitigation Bank, as the term "sponsor" is defined in the Bank Enabling Instrument by which the federal and state resource agencies that make up the mitigation banking Interagency Review Team ("**IRT**") have approved the Mitigation Bank. As the sponsor, Land Veritas is responsible for implementing mitigation activities within, and is authorized to sell mitigation credits subject to IRT approval within, the Mitigation Bank.

C. Grantee is a land management and development company that seeks to provide voluntary conservation measures for the benefit of the San Fernando Valley spineflower (*Chorizanthe parryi* var. fernandina) ("**Spineflower**").

D. Pursuant to that certain San Fernando Valley Spineflower Introduction Plan dated as of August 2017 prepared by Dudek, which has been provided to Grantor and Land Veritas and is incorporated herein by this reference ("**Introduction Plan**"), Grantee plans to carry out a conservation program pursuant to which Grantee shall, among other things, perform seeding

trials and subsequently introduce, monitor, and perpetually manage Spineflower within a portion of the Lake Elizabeth Property (the "**Introduction Area**"). The Introduction Area consists of approximately 6.76 acres and is legally described and depicted on **Exhibit C** and **Exhibit D** attached hereto, respectively.

E. Grantee seeks to acquire from Grantor and Grantor seeks to grant to Grantee, the Easement (as defined in Section 3 below) on the terms and conditions set forth herein, to enable Grantee to perform the seeding trials and subsequent introduction, monitoring and perpetual maintenance of Spineflower as described in this Agreement and in the Introduction Plan. The Easement includes a perpetual easement for pedestrian access (but not vehicular access) from Lake Elizabeth Road to the Introduction Area.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantee and Grantor agree as set forth below.

AGREEMENT

1. **Recitals and References**. The Recitals set forth above are incorporated herein as though set forth in full herein. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Introduction Plan.

2. **Grant of Easement**. In consideration of the Easement Fee (as defined below) and other good and valuable consideration paid, and subject to the satisfaction of the conditions described in Section 16 below, Grantor hereby grants to Grantee, on the terms and conditions set forth in this Agreement, a non-exclusive Easement (as defined in Section 3 below) in, under (to a depth of five feet beneath the surface elevation of the Property as it exists on the date of this Agreement), through, over, across, and upon the Introduction Area described and depicted in **Exhibit C** and **Exhibit D**, respectively, and in, through, over and across the access route (for pedestrian purposes only) which is legally described and depicted on **Exhibit E** and **Exhibit F** attached hereto, respectively. If at any time use of the access route described and depicted in Exhibit E and Exhibit F, respectively, becomes infeasible, Grantor shall designate, and grant an access easement to Grantee over, an alternative access route that provides feasible pedestrian access to the Introduction Area. The alternative access route and the terms and conditions of the instrument granting alternative access, shall be subject to the approval of Grantor, Land Veritas and Grantee.

3. **Description of Easement**. The easement ("**Easement**") granted by Grantor hereunder provides to Grantee the right for Grantee, its employees, consultants, contractors, sub-contractors and licensees (collectively, the "**Grantee Parties**") to have pedestrian access to the Introduction Area and also provides Grantee the right, on the Introduction Area, for the Grantee Parties to introduce, plant, seed, cultivate, improve, till, irrigate, study, monitor, remove, replant, relocate, maintain, manage, and otherwise carry out any and all activities identified in the Introduction Plan in order to introduce, test, study, monitor, maintain, cultivate and manage Spineflower within the Introduction Area, including, without limitation, weeding, invasive species control, planting of native plant species and other habitat enhancement activities, together with the obligation to install, maintain, repair and replace wildlife-friendly fencing or

similar wildlife-friendly access barriers, with appropriate signage denoting the Introduction Area as a restricted-access area (the "**Fencing**"), on or around all or any portion(s) of the Introduction Area (collectively, the "**Permitted Activities**"). In exercising Grantee's rights with regard to the Introduction Area, the Grantee Parties shall not use any motorized or mechanized equipment other than handheld tools such as electric- or gas-powered string trimmers and similar handheld devices that are not prohibited by the bank enabling instrument for the Mitigation Bank. Grantee shall bear all expenses and costs associated with its performance of the Permitted Activities.

4. **Easement Fee**.

a. In consideration for the Easement granted hereunder, Grantee agrees to pay to Grantor an amount equal to Seven Hundred Thousand Dollars ($700,000.00) (the "**Easement Fee**"). One Hundred Fifty Thousand and No/100 Dollars ($150,000) of the Easement Fee (the "**Deposit**") shall be due and payable to Grantor upon execution of this Agreement. The remaining Five Hundred Fifty Thousand Dollars ($550,000.00) of the Easement Fee (the "**Balance**") shall be due and payable to Grantor no later than April 15, 2018 (the "**Due Date**"). The Deposit and the Balance each shall be deemed fully earned and non-refundable upon payment to Grantor.

b. Until payment of the Balance, this Agreement shall be signed, acknowledged and held by an independent escrow holder established by Grantor, Land Veritas and Grantee. Subject to the provisions of the immediately following sentence, upon payment of the Balance, the independent escrow holder shall record this Agreement in the official records of the County of Los Angeles. Notwithstanding the foregoing, if at the time of recordation of this Agreement, the Conservation Easement referred to in Section 7a has not been recorded in the official records of the County of Los Angeles, then as a condition to the recordation of this Agreement, a subordination agreement approved for signature and recordation by the IRT, must have been signed and acknowledged by an authorized signatory of Grantee and deposited with the independent escrow holder, along with written authorization to record the subordination agreement in the official records of the County of Los Angeles, on the unilateral request of Grantor or Land Veritas.

c. In addition to the Easement Fee, Grantee shall reimburse Grantor, Land Veritas, and Southwest Resource Management Association ("SRMA") for out-of-pocket costs reasonably and actually incurred in connection with carrying out their obligations under this Agreement (including consulting fees and attorneys' fees) (collectively, the "**Expenses**"). The Expenses do not include the costs of carrying out the Baseline LTM Activities (as defined in Section 7(b)) or the costs of recording the Conservation Easement (as defined in Section 7(a)), except insofar as such costs are incurred to amend the Conservation Easement to conform to this Agreement or to obtain IRT approval of such amendments as described in Section 7(a). Reimbursement of the Expenses shall be made within 30 days after Grantee's receipt of written demand (accompanied by a copy of the applicable invoice) from Grantor, Land Veritas or SRMA, as the case may be. Notwithstanding the provisions of Section 14, any such invoice may be sent to Grantee by electronic means and shall be deemed received by Grantee when the transmission has been completed. At the request of Grantor or Land Veritas from time to time, Grantee shall provide the e-mail address to which invoices should be sent.

d. Prior to the Due Date, Grantee may terminate this Agreement by providing written notice of termination to Grantor and Land Veritas, in which case (i) the Agreement and the Easement, and all rights and obligations of the parties hereunder, shall terminate and have no further force or effect; (ii) Grantee shall have no obligation to pay the Balance to Grantor; and (iii) Grantor shall retain the Deposit and shall be entitled to receive and/or retain reimbursement for all Expenses incurred prior to the date of receiving the notice of termination required by this paragraph.

5. **Non-Interference**. In exercising its rights under this Agreement, the Grantee Parties shall (i) comply with all federal, state, local, site rules, procedures, laws, regulations, ordinances and codes, as they may be amended from time to time (the "**Applicable Laws**"), related to Grantee Parties' access to the Lake Elizabeth Property and/or performance of the Permitted Activities; (ii) provide Grantor and Land Veritas reasonable advance notice of any activities that will require access to the Lake Elizabeth Property and/or Introduction Area; and (iii) not take any action (or fail to take any action), and take all necessary and commercially reasonable steps to prevent their agents, employees and contractors from taking action, that may be reasonably anticipated to interfere with or adversely affect the Lake Elizabeth Property. Grantor and Land Veritas acknowledge and agree that they shall not take any action, which may be reasonably anticipated to interfere with or adversely affect Grantee's rights under this Agreement or the biological success of the Spineflower planted within the Introduction Area. Without limiting the effect of the foregoing, under no circumstances shall either Grantor or Land Veritas be responsible for the actions of any third party.

6. **Condition of Introduction Area; Release; Indemnity**.

a. Grantor and Land Veritas acknowledge and agree that each of them shall not (i) cause or consent to the release, or any action that threatens to cause the release, of any Hazardous Materials (defined below), in, on, under, from or in the immediate vicinity of the Introduction Area, or transported to or from or otherwise affecting the Introduction Area; or (ii) cause or consent to the storage, use, disposal, deposit, treatment or abandonment of any underground storage tanks in, on, under, from or in the immediate vicinity of the Introduction Area. The term "**Hazardous Materials**" includes, without limitation, (i) material that is flammable, explosive or radioactive; (ii) petroleum products, including by-products and fractions thereof; and (iii) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq, the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.); the Hazardous Waste Control Law (California Health & Safety Code Section 25100 et seq.); the Hazardous Substance Account Act (California Health & Safety Code Section 25300 et seq.); and in the regulations adopted and publications promulgated pursuant to them, or any other applicable federal, state or local laws, ordinances, rules, regulations or orders now in effect or enacted after the date of this Agreement.

b. Except as otherwise provided herein, Grantee acknowledges and agrees that, as of the Effective Date hereof, the Introduction Area shall be made available to Grantee in its "AS-IS, WHERE IS" condition, with no warranties or representations of any kind, express or implied, either oral or written, made by Grantor with respect to the physical or environmental

condition of the Introduction Area or its suitability for the Permitted Activities described herein. Grantee represents that it has investigated the condition of the Introduction Area for its use and accepts the same in its "AS-IS, WHERE IS" condition and agrees that, except as provided otherwise herein, Grantor shall be under no obligation to perform any work or provide any materials to prepare the Introduction Area for Grantee's use as provided hereunder.

c. Subject to the limitations in Section 6(d), Grantee shall hold free and harmless, protect, defend, and indemnify Grantor, Land Veritas and their respective members, directors, officers, managers and employees (herein collectively called "Grantor Indemnified Parties") from any and all liability, claims, loss, damages, causes of action (whether in tort or contract, law or equity, or otherwise), costs, expenses, charges, assessments, fines, and penalties of any kind, including without limitation, reasonable attorneys', experts' and arbitrators' fees and costs and court costs (collectively, "Indemnified Loss"), arising or resulting from (1) any of the Permitted Activities, regardless of cause, and (2) any negligence or intentional misconduct of the Grantee Parties on or about the Introduction Area or the Lake Elizabeth Property. Notwithstanding the foregoing, Grantee's indemnity contained in this Section 6(c) shall not apply to Indemnified Loss to the extent it arises or results from the sole negligence or intentional misconduct of the Grantor Indemnified Parties.

d. Grantee hereby releases Grantor and Land Veritas and their successors and assigns from any and all claims, actions, losses, liabilities, damages, demands, costs and expenses of every nature and character, including, without limitation, actual attorneys' fees, charges and costs, and any other liability whatsoever, whether known or unknown, foreseen or unforeseen, that arise in whole or in part out of or in connection with, or that relate to the Lake Elizabeth Property or the condition of the Lake Elizabeth Property or any portion thereof, except for (i) claims arising out of any breach of this Agreement by Grantor and/or Land Veritas, and (ii) claims arising out of the release by Grantor and/or Land Veritas of any Hazardous Materials or underground storage tanks. Without limiting the foregoing, from and after the Execution Date, this release shall continue to be effective with respect to each releasee irrespective of whether thereafter such releasee assigns or has purported to assign or otherwise dispose of its interest or any portion of its interest, under this Agreement, or in the Property; and shall be self-executing, without the need for any further instrument or action by any such releasee.

Grantee hereby assumes the above-mentioned risks and agrees that the aforesaid release shall apply to all unknown or unanticipated results of the transactions and occurrences described above, as well as those known and anticipated, and upon advice of legal counsel, Grantee, on behalf of itself and the Grantee Parties, hereby waives any and all rights under California Civil Code Section 1542, which Section has been duly explained to Grantee by its counsel, and reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Grantor's initials Land Veritas' initials Grantee's initials

Without limiting the generality of the foregoing, neither Grantor nor Land Veritas shall have any liability to Grantee and the Grantee Parties with respect to the condition of the Property under common law, or any federal, state or local law or regulation, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the California Health and Safety Code, and Grantee hereby releases and waives any and all claims that Grantee has or may have against Grantor and/or Land Veritas under any of the foregoing laws, except as to (i) claims arising out of any breach of this Agreement by Grantor and/or Land Veritas, and (ii) claims arising out of the release by Grantor and/or Land Veritas of any Hazardous Materials or underground storage tanks.

7. **Conservation Easement & Perpetual Maintenance and Monitoring**.

a. Grantor and Grantee both acknowledge and agree that Grantor shall record a conservation easement over the Mitigation Bank (the "**Conservation Easement**"), in a form approved by the **IRT**, which shall expressly acknowledge this Agreement and shall provide, without limitation, that so long as the Easement remains in effect: (i) the Introduction Area shall be perpetually maintained, managed, and preserved in a natural condition and in conformance with the Introduction Plan; (ii) Grantee shall be permitted to carry out the Permitted Activities, as defined herein; (iii) no activities may take place on the Introduction Area that interfere with the persistence of the established Spineflower populations or with the ecological and biological values of the Introduction Area as Spineflower habitat; and (iv) the balance of the Mitigation Bank, excluding the Introduction Area, shall be conserved, maintained and managed in perpetuity consistent with the IRT-approved long-term management plan for the Mitigation Bank (the "**Mitigation Bank LTMP**"). Grantor shall record the Conservation Easement in the official records of the County of Los Angeles by the later of July 1, 2020, or 30 days after Grantee has satisfied the additional conditions set forth in Sections 16(a) and 16(b), and shall provide Grantee with written notice within 30 days after recording. Grantee acknowledges and agrees that Grantor and Land Veritas have already discussed with SRMA, and drafted, a conservation easement covering Area F of the Mitigation Bank, to be held by SRMA, which requires amendment. Grantor, Land Veritas, SRMA and their respective representatives, shall lead the effort to amend the conservation easement and to obtain approval thereof from the IRT. Without limiting the effect of anything contained in this Agreement, Grantee shall reimburse Land Veritas, SRMA and Grantor their reasonable and actual out-of-pocket expenses, as provided in Section 4(c) herein.

b. Grantor, Land Veritas and Grantee acknowledge and agree that Grantor, its successors and assigns shall be responsible for the long-term maintenance and management activities applicable to the Mitigation Bank as described in the Mitigation Bank LTMP (the "**Baseline LTM Activities**"), and that Grantor intends for SRMA or another qualified entity approved by the IRT to hold and manage the financial endowment for the Baseline LTM Activities; provided, however, that Grantor, its successors and assigns shall not be required to carry out any Baseline LTM Activities within the Introduction Area so long as this Agreement remains in effect.

Grantor's initials	Land Veritas' initials	Grantee's initials

Without limiting the generality of the foregoing, neither Grantor nor Land Veritas shall have any liability to Grantee and the Grantee Parties with respect to the condition of the Property under common law, or any federal, state or local law or regulation, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the California Health and Safety Code, and Grantee hereby releases and waives any and all claims that Grantee has or may have against Grantor and/or Land Veritas under any of the foregoing laws, except as to (i) claims arising out of any breach of this Agreement by Grantor and/or Land Veritas, and (ii) claims arising out of the release by Grantor and/or Land Veritas of any Hazardous Materials or underground storage tanks.

7. **Conservation Easement & Perpetual Maintenance and Monitoring**.

a. Grantor and Grantee both acknowledge and agree that Grantor shall record a conservation easement over the Mitigation Bank (the "**Conservation Easement**"), in a form approved by the **IRT**, which shall expressly acknowledge this Agreement and shall provide, without limitation, that so long as the Easement remains in effect: (i) the Introduction Area shall be perpetually maintained, managed, and preserved in a natural condition and in conformance with the Introduction Plan; (ii) Grantee shall be permitted to carry out the Permitted Activities, as defined herein; (iii) no activities may take place on the Introduction Area that interfere with the persistence of the established Spineflower populations or with the ecological and biological values of the Introduction Area as Spineflower habitat; and (iv) the balance of the Mitigation Bank, excluding the Introduction Area, shall be conserved, maintained and managed in perpetuity consistent with the IRT-approved long-term management plan for the Mitigation Bank (the "**Mitigation Bank LTMP**"). Grantor shall record the Conservation Easement in the official records of the County of Los Angeles by the later of July 1, 2020, or 30 days after Grantee has satisfied the additional conditions set forth in Sections 16(a) and 16(b), and shall provide Grantee with written notice within 30 days after recording. Grantee acknowledges and agrees that Grantor and Land Veritas have already discussed with SRMA, and drafted, a conservation easement covering Area F of the Mitigation Bank, to be held by SRMA, which requires amendment. Grantor, Land Veritas, SRMA and their respective representatives, shall lead the effort to amend the conservation easement and to obtain approval thereof from the IRT. Without limiting the effect of anything contained in this Agreement, Grantee shall reimburse Land Veritas, SRMA and Grantor their reasonable and actual out-of-pocket expenses, as provided in Section 4(c) herein.

b. Grantor, Land Veritas and Grantee acknowledge and agree that Grantor, its successors and assigns shall be responsible for the long-term maintenance and management activities applicable to the Mitigation Bank as described in the Mitigation Bank LTMP (the "**Baseline LTM Activities**"), and that Grantor intends for SRMA or another qualified entity approved by the IRT to hold and manage the financial endowment for the Baseline LTM Activities; provided, however, that Grantor, its successors and assigns shall not be required to carry out any Baseline LTM Activities within the Introduction Area so long as this Agreement remains in effect.

c. Grantor, Land Veritas and Grantee acknowledge and agree that, following the introduction of Spineflower within the Introduction Area and a determination by Grantee that one or more self-sustaining populations of Spineflower has been established within the Introduction Area (the "**Success Finding**"), Grantee intends to perform the long-term maintenance and management of the introduced Spineflower in perpetuity in accordance with the Introduction Plan (the "**Spineflower Long-Term Management**").

(1) Within 90 days after making the Success Finding, Grantee shall prepare a property analysis record (the "**PAR**") detailing the tasks and annual costs needed to perform the Spineflower Long-Term Management and the amount of the endowment needed to fund the Spineflower Long-Term Management in perpetuity. In addition, Newhall Land shall establish an endowment with the holder of the Conservation Easement in the amount specified in the PAR (the "**Spineflower Endowment**"). The Spineflower Endowment funds shall be used or expended only for Spineflower Long-Term Management activities as specified in the Introduction Plan and/or the PAR, and shall be disbursed as needed to the entity designated by Grantee to carry out the Spineflower Long-Term Management. Grantee, at its option, may enter into an agreement with SRMA (or another qualified entity) to carry out the Spineflower Long-Term Management using the Spineflower Endowment; provided, however, that in order to limit the number of different entities accessing the Introduction Area, Grantee shall make good faith diligent efforts to secure agreement with SRMA to carry out such Long-Term Management.

(2) If Grantee determines that introduction of Spineflower within the Introduction Area has failed, and/or if Grantee fails to make the Success Finding before December 31, 2032, then within 90 days: (i) Grantee shall inform Grantor and Land Veritas that Grantee does not intend to perform the Spineflower Long-Term Management; and (ii) Grantee shall remove any Spineflower then remaining upon the Introduction Area, together with any equipment, Fencing, or other property of Grantee remaining within the Introduction Area. Upon the satisfaction of Grantee's responsibilities under this paragraph (2), Grantee shall have no obligation to fund the Spineflower Endowment or to perform the Spineflower Long-Term Management or any other management activity within the Introduction Area or any part of the Mitigation Bank, and Grantor, at its option, may perform the Baseline LTM Activities within the Introduction Area. In that event, the Easement and all of Grantee's rights with regard to the Easement shall terminate.

8. **Insurance**. Grantee shall ensure that Grantee, or any of the Grantee Parties that enter upon the Property for the purpose of performing the Permitted Activities, shall carry a policy of liability insurance that includes (i) Commercial General Liability insurance with limits of not less than One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) general aggregate, (ii) Umbrella Excess Liability insurance with limits of not less than Ten Million Dollars ($10,000,000) per occurrence and aggregate, and (iii) Automobile Liability insurance for all owned, non-owned, leased or hired vehicles, with One Million Dollars ($1,000,000) combined single limit of automobile liability insurance for bodily injury and property damage, as well as Workers' Compensation Insurance in the statutory amount required in California. Grantor, Land Veritas and other parties-in-interest as designated by Grantor and Land Veritas from time to time, shall be named as additional insured under such policy of liability insurance and coverage shall be on an "occurrence" basis. Such general liability insurance company shall be primary and any other coverage maintained by any additional

insured shall be non-contributing with the coverage provided under the policy. Any insurance policies required pursuant to this Section 8 shall be issued by companies having a current A.M. BEST's rating classification of A-VIII or better or a Standard & Poor rating of A- or better and shall be issued by an insurance company authorized to do business in the State of California.

9. **INTENTIONALLY OMITTED**.

10. **INTENTIONALLY OMITTED.**

11. **Casualty and Condemnation.** In the event of any condemnation or damage to the Introduction Area (or any portion thereof) that affects the performance of the Permitted Activities thereon, Grantee shall have the right to terminate this Agreement upon thirty (30) days written notice to Grantor and Land Veritas. Furthermore, in the event of any condemnation of the Introduction Area (or any portion thereof), Grantee shall have the right to terminate this Agreement upon thirty (30) days written notice to Grantor and Land Veritas and Grantee shall be entitled to recover from any condemning governmental authority compensation for all losses for which Grantee is entitled to recover under applicable law.

12. **INTENTIONALLY OMITTED.**

13. **Cooperation**. Grantor, Land Veritas and Grantee shall reasonably cooperate with one another in carrying out the intent of this Agreement; provided, however, that neither Grantor nor Land Veritas shall be required to cooperate with Grantee in any activity which in the sole discretion of Grantor or Land Veritas, would jeopardize the Mitigation Bank or any benefits of Grantor or Land Veritas associated with the Mitigation Bank.

14. **Notices**. Except as otherwise provided herein, all notices, demands and communications sent hereunder shall be in writing, and shall be delivered (a) personally, (b) by United States registered or certified mail, postage prepaid, (c) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (d) by a PDF or similar attachment to an e-mail, provided that such e-mail attachment shall be followed within one (1) business day by delivery of such notice pursuant to clause (a), (b) or (c) above. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

To Grantee: The Newhall Land and Farming Company
25124 Springfield Court, 3rd Floor
Valencia, California 91355-1088
Attention: Environmental Resources
Telephone: (661) 255-4000

The Newhall Land and Farming Company
c/o Five Point
25 Enterprise, Suite 300
Aliso Viejo, CA 92656
Attention: Legal Notices
Telephone: 949-349-1000

To Grantor: LV Lake Elizabeth, LLC
c/o Land Veritas Corp.
1001 Bridgeway #246
Sausalito, California 94965
Attention: Tracey Brownfield
Telephone: (415) 729-3734
E-mail: tracey@landveritas.com

To Land Veritas: Land Veritas Corp.
1001 Bridgeway #246
Sausalito, California 94965
Attention: Tracey Brownfield
Telephone: (415) 729-3734
E-mail: tracey@landveritas.com

15. **No Default; Remedies**. If any party fails to perform an obligation hereunder or otherwise violates the terms of this Agreement, one (1) of the non-defaulting parties shall give the defaulting party written notice and an opportunity to cure. Such cure period shall be ten (10) days after receipt of written notice of default for any monetary default, and fifteen (15) days for all other defaults; provided with respect to those defaults which are permitted a 15-day cure period, if the nature of such default reasonably requires more than fifteen (15) days to complete the cure, then the defaulting party shall have a commercially reasonable period of time after such 15-day period within which to complete its cure, so long as it commences curative efforts within the initial 15-day period and thereafter pursues completion with all appropriate diligence, but in no event whatsoever will the cure period last for more than forty-five (45) days. If a default occurs, beyond notice and cure periods, then the non-defaulting parties shall have all rights and remedies available under applicable laws and in equity, including, without limitation, the remedy of specific performance, recovery of damages, recovery of the Deposit and/or the Balance, or recovery of the non-defaulting party's costs, expenses and fees (including reasonable legal fees) incurred in connection with enforcing this Agreement, and the right to terminate this Agreement and the Easement granted hereunder.

16. **Additional Conditions**. Notwithstanding anything to the contrary contained herein, as a condition for the benefit of Grantor and Land Veritas, Grantee's rights to conduct the Permitted Activities shall be expressly conditioned upon the prior satisfaction of each of the following conditions:

a. **Approval from IRT**. Grantee shall work together with Grantor and Land Veritas to obtain approval from IRT, as needed, to: (i) conduct the Permitted Activities as described in this Agreement and the Introduction Plan; (ii) modify the proposed Mitigation Bank

Conservation Easement as described in Section 7(a) above; and (iii) modify the bank enabling instrument for the Mitigation Bank to allow the Permitted Activities and to conform to this Agreement.

b. **Safe Harbor Agreement**. Grantee shall work together with Grantor and Land Veritas to secure a safe harbor agreement, or equivalent, regarding Spineflower between Grantor and the California Department of Fish and Wildlife ("**CDFW**") and/or the U.S. Fish and Wildlife Service ("**USFWS**") (the "**Safe Harbor Agreement**"), which provides that Grantor and/or the Mitigation Bank shall not become subject to additional regulatory restrictions by CDFW or USFWS as a result of the Permitted Activities, including without limitation any restrictions that would prevent or interfere with the Baseline LTM Activities outside the Introduction Area, and that Grantor shall not be liable for any take of Spineflower. The Safe Harbor Agreement shall release Grantor from any liability for take of Spineflower within the Introduction Area caused by cattle grazing or other activities authorized under the Mitigation Bank LTMP, by trespassers upon the Mitigation Bank or the Introduction Area, or by any Force Majeure Event (as defined in Section 17(h) below).

c. Grantee shall install the Fencing before conducting any other Permitted Activities within the Introduction Area and shall maintain the Fencing in good repair so long as any Permitted Activities continue.

d. Notwithstanding any other provision of this Agreement, the failure of Grantee to satisfy any condition contained in this Section 16 shall not constitute a breach of the Agreement or a default under the Agreement and shall not permit Grantor to terminate this Agreement or the Easement; provided, however, that in the event Grantee has not satisfied the additional conditions set forth in Section 16(a) and 16(b), within 60 months following the Execution Date, Grantor shall have the right to terminate this Agreement, without liability to Grantee or any third party. Without limiting the effect of the foregoing, the failure of Grantee to satisfy any conditions contained in this Section 16 shall not in any way affect Grantee's obligation to pay the Balance on the Due Date, as set forth in Section 4(a). Notwithstanding the foregoing, Grantee shall not be permitted to conduct the Permitted Activities until the conditions contained in this Section 16 have been satisfied.

e. Grantee shall bear all costs associated with its fulfillment of the conditions contained in this Section 16 and shall reimburse Grantor and Land Veritas, as provided in Section 4(c) herein, for their reasonable out-of-pocket expenses actually incurred in working together with Grantee to fulfill the conditions.

17. **Miscellaneous**.

a. **Attorneys' Fees**. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover such reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled, as may be awarded by the court or arbitrator.

b. **Severability**. A determination by a court of competent jurisdiction that any provision of this Agreement or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Agreement, which shall remain in full force and effect.

c. **Interpretation**. The captions of the Sections of this Agreement are to assist the parties in reading this Agreement and are not a part of the terms or provisions of this Agreement.

d. **Entire Agreement**. This Agreement, together with its exhibits and the Introduction Plan, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein. No amendment or addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing by all of the parties hereto.

e. **Waivers**. Except as specifically provided otherwise herein, any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of any other provision of this Agreement, and the failure by either party to exercise any right under this Agreement shall not be deemed to be a waiver of such right.

f. **Choice of Law**. The laws of the State of California shall govern this Agreement.

g. **Exhibits**. All exhibits attached to this Agreement are incorporated herein by reference as though fully set forth herein.

h. **Force Majeure**. None of Land Veritas, Grantee, or Grantor shall be deemed in violation of this Agreement if it is prevented from performing any obligation hereunder by reason of strike, boycott, labor disputes, embargoes, shortage of materials, acts of God, acts of a public enemy or terrorist, acts of a superior governmental authority, weather conditions, riots, rebellions, or sabotage or any other circumstances for which it is not responsible and which is not within its reasonable control (each, a "**Force Majeure Event**").

i. **Construction of Agreement and Terms**. The terms and provisions of this Agreement represent the results of negotiations between Land Veritas, Grantee and Grantor, each of which are sophisticated parties and each of which has been represented or been given the opportunity to be represented by counsel of its own choosing, and neither of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement must be interpreted and construed in accordance with their usual and customary meanings, and Land Veritas, Grantee and Grantor each waive the application of any rule of law that ambiguous or conflicting terms or provisions contained in this Agreement are to be interpreted or construed against the party who prepared the executed Agreement or any earlier draft of the same. Notwithstanding the foregoing, the terms and provision of this Agreement shall be narrowly construed and interpreted.

j. **Effective Date**. This Agreement shall become effective and binding (the "**Effective Date**") only upon (ii) its execution by Land Veritas, Grantee and Grantor and delivery of the executed counterparts of Land Veritas, Grantee and Grantor, and (ii) the payment of the Deposit by Grantee to Grantor.

k. **Binding Effect; Subsequent Transfers**.

(i) Except as otherwise provided herein, the covenants, terms, conditions and restrictions of this Agreement and the Easement shall be binding upon, and inure to the benefit of, Grantor, Land Veritas and Grantee and their respective agents, heirs, successors in interest, licensees and permitted assigns and shall continue as a servitude running in perpetuity with the Lake Elizabeth Property.

(ii) Grantor, its successors and assigns agree to incorporate by reference this Agreement in any deed or other legal instrument by which each divests itself of any interest in all or a portion of the Lake Elizabeth Property, including, without limitation, a leasehold interest, such that any transferee or lessee of Grantor, its successors or assigns is aware that it takes title or a leasehold interest in the real property conveyed to it subject to this Agreement. Further, Grantor, its successors or assigns agrees to give written notice to Grantee of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer.

(iii) From and after the date of any transfer of all or any portion of the Lake Elizabeth Property by Grantor and each transfer thereafter, (i) the transferee shall be deemed to have taken title subject to all of the rights and obligations of Grantor as to the portion transferred, as set forth in this Agreement, (ii) the transferee shall be deemed to have accepted the obligations contained herein as to the portion transferred, (iii) all references to Grantor in this Agreement shall thereafter be deemed to refer to such transferee as to the portion transferred, and (iv) the transferor shall be released from liability for any acts or omissions which occur thereafter with respect to the portion transferred.

(iv) The rights and responsibilities of Grantor, Land Veritas and Grantee under this Agreement shall be freely transferrable upon the delivery of sixty (60) days' prior written notice to the other parties; provided, however, that the effectiveness of any proposed transfer shall be conditioned upon the proposed transferee assuming in writing each of the duties and obligations of Grantor, Land Veritas or Grantee under this Agreement, as applicable. From and after the date of any such transfer, the transferor shall be released from liability for any act or omission occurring thereafter under this Agreement. In addition, without limiting the generality of the foregoing, Grantee may license persons having a commercial interest in the Introduction Area and the activities being conducted thereon; provided, however, that any such licensee shall be subject to all of the provisions of this Agreement.

l. **INTENTIONALLY OMITTED**.

m. **Authority**. Each party represents and warrants that the individual(s) executing this Agreement on behalf of his or her respective party is duly authorized to execute and deliver this Agreement and that upon full execution and delivery this Agreement will be binding upon said entity in accordance with its terms.

n. **Relationship of the Parties**. Nothing contained herein shall be construed as creating a partnership or joint venture between the parties hereto.

o. **Quitclaim Deeds**. In the event of any termination of this Agreement, if this Agreement has been recorded pursuant to Section 4(b), Grantee shall make, execute and deliver to Grantor, its quitclaim deed, in recordable form, with authorization for Grantor to record the same in the official records of Los Angeles County. Such quitclaim deed shall expressly state the intent to terminate only this Agreement and the Easement and not any other recorded instrument including, without limitation, any conservation easement which is subordinate to this Agreement or the Easement. On the Execution Date, Grantee shall make, execute and deliver to an independent escrow holder which is agreeable to Grantor and Grantee, its quitclaim deed, in recordable form, with authorization for such escrow holder to record the same in the Official Records of Los Angeles County, in the event of any termination of this Agreement within 60 months after the Execution Date. In the event that this Agreement remains in effect as of the end of such 60-month period, the escrow holder shall return the quitclaim deed to Grantee, who shall continue to hold the same subject to the provisions of this Section.

p. **Duplicate Originals**. This Agreement may be fully executed in several duplicate originals and all such fully executed duplicates shall constitute one and the same Agreement, binding on all of the parties hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Execution Date.

GRANTEE:

The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership

By: NWHL GP LLC, a Delaware limited liability company, its General Partner

By: LandSource Holding Company, LLC, a Delaware limited liability company, its Sole Member

By: Five Point Land, LLC, a Delaware limited liability company, its Sole Member

By: Five Point Operating Company, LLC, a Delaware limited liability company, its Sole Manager

By: _____
Name:
Donald L. Kimball
Title: Vice President & Assistant Secretary

Land Veritas:

Land Veritas Corp., a California corporation

By: _____
Name: H. Tracey Brownfield
Title: President

GRANTOR:

LV Lake Elizabeth, LLC, a California limited liability company

By: Land Veritas Corp., a California corporation, Manager

By: _____
Name: H. Tracey Brownfield
Title: President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Execution Date.

GRANTEE:

The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership

By: NWHL GP LLC, a Delaware limited liability company, its General Partner

By: LandSource Holding Company, LLC, a Delaware limited liability company, its Sole Member

By: Five Point Land, LLC, a Delaware limited liability company, its Sole Member

By: Five Point Operating Company, LLC, a Delaware limited liability company, its Sole Manager

By: _____
Name:

_____
Title:

_____

Land Veritas:

Land Veritas Corp., a California corporation

By: _____
Name: H. Tracey Brownfield
Title: President

GRANTOR:

LV Lake Elizabeth, LLC, a California limited liability company

By: Land Veritas Corp., a California corporation, Manager

By: _____
Name: H. Tracey Brownfield
Title: 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 California)
County of Marin)

On September 8, 2017, before me, Barbara J. Luhrs, a Notary Public, personally appeared H. Tracey Brownfield, 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

BARBARA J. LUHRS
Commission # 2079395
Notary Public - California
Marin County
My Comm. Expires Sep 20, 2018

SMRH:483683144.14

L569-000 – 3237596.1

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

State of California)
County of Los Angeles)

On September 7, 2017, before me, JOHANNA PALMER, a Notary Public, personally appeared DONALD L. KIMBALL, 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 _____

JOHANNA PALMER
Notary Public – California
Los Angeles County
Commission # 2180210
My Comm. Expires Feb 16, 2021

SMRH:483683144.14

L569-000 -- 3236216.1

EXHIBIT A

LEGAL DESCRIPTION OF LAKE ELIZABETH PROPERTY

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Los Angeles, State of California, described as follows:

PARCEL 1:

INTENTIONALLY DELETED

PARCEL 2:

A PORTION OF THE SOUTH HALF OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, NOVEMBER 21, 1900, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25 WITH THE SOUTHERLY LINE OF A STRIP OF LAND 100 FEET WIDE THE CENTER LINE OF WHICH IS THAT CENTER LINE IN THAT CERTAIN 80 FOOT STRIP OF LAND DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES FOR ELIZABETH LAKE ROAD (FORMERLY ELIZABETH LAKE-PINE CANYON ROAD) RECORDED AS DOCUMENT 6324-V ON APRIL 02, 1953 AND IN DEED RECORDED FEBRUARY 19, 1953 IN BOOK 41020 PAGE 228, OFFICIAL RECORDS;
THENCE LEAVING SAID SOUTHERLY LINE, SOUTH 00° 20' 05" EAST 250.00 FEET ALONG THE EAST LINE OF SAID EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25;
THENCE SOUTH 88° 41' 49" WEST 662.15 FEET;
THENCE NORTH 00° 18' 22" WEST 454.00 FEET ALONG THE WEST LINE OF SAID EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25 TO A POINT ON THE SOUTHERLY LINE OF SAID 100 FOOT STRIP OF LAND, SUCH POINT BEING ALONG A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1,450 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 20° 53' 56" EAST;
THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE, THROUGH A CENTRAL ANGLE OF 1° 31' 34" AN ARC LENGTH OF 38.62 FEET;
THENCE TANGENT TO SAID CURVE, SOUTH 67° 34' 30" EAST 245.48 FEET ALONG THE SOUTHERLY LINE OF SAID 100 FOOT STRIP OF LAND TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1,050 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 22° 25' 30" WEST;
THENCE SOUTHEASTERLY ALONG SOUTHERLY LINE OF SAID 100 FOOT STRIP OF LAND, THROUGH A CENTRAL ANGLE OF 19° 12' 10" AN ARC LENGTH OF 351.91 FEET;
THENCE TANGENT TO SAID CURVE, SOUTH 86° 46' 40" EAST 58.70 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF LOT 4 IN SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE, BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF ELIZABETH LAKE-PINE CANYON ROAD AND BOUNDED ON THE WEST BY A LINE BEGINNING AT A POINT IN THE CENTERLINE OF SAID ELIZABETH LAKE-PINE CANYON ROAD,

SOUTH 59° 49' 15" EAST, 490 FEET FROM THE WEST LINE OF SAID SECTION 25; THENCE AT RIGHT ANGLES TO SAID CENTER LINE, NORTH 30° 10' 45" EAST, 510 FEET, MORE OR LESS, TO A POINT IN THE NORTH LINE OF SAID SECTION 25.

PARCEL 4:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, AND THAT PORTION OF LOT 3 IN SECTION 25, ALL IN TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND BOUNDED ON THE NORTH BY THE SOUTHERLY LINE OF ELIZABETH LAKE ROAD, 80 FEET WIDE, AS DESCRIBED IN THE DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 41020, PAGE 228, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION INCLUDED IN THE FOLLOWING DESCRIBED LAND:

THAT PORTION OF THE NORTHERLY 1100 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 25, BOUNDED AS FOLLOWS:

ON THE SOUTH BY THE SOUTHERLY LINE OF SAID NORTHERLY 1100 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION, ON THE WEST BY A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID NORTHERLY 110 FEET, DISTANT EASTERLY ALONG SAID SOUTHERLY LINE 910 FEET FROM THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION, THENCE NORTH 71 FEET, MORE OR LESS TO THE NORTHERLY LINE OF THE COUNTY ROAD AS IT EXISTED IN SEPTEMBER 1904, BOUNDED ON THE NORTH BY THE NORTHERLY LINE OF SAID COUNTY ROAD, AND BOUNDED ON THE EAST BY THE EAST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION.

PARCEL 5:

THAT PORTION OF LOT 2 IN SECTION 25 AND THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 25, ALL IN TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, BOUNDED ON THE NORTH BY THE SOUTHERLY LINE OF ELIZABETH LAKE ROAD, 80 FEET WIDE, AS DESCRIBED IN THE DEEDS TO THE COUNTY OF LOS ANGELES, RECORDED DECEMBER 31, 1952 AS INSTRUMENT NO. 4137, IN BOOK 40633, PAGE 406, AND RECORDED FEBRUARY 19, 1953 IN BOOK 41020, PAGE 228, BOTH OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED IN THE DEED TO MANZANITA HILLS WATER COMPANY, RECORDED JULY 29, 1970 AS INSTRUMENT NO. 1767, IN BOOK D4785, PAGE 952, OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 6:

THAT EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 25, AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 25, ALL IN TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 7:

THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND ON FILE IN THE BUREAU OF LAND MANAGEMENT.

ALSO EXCEPT ONE-HALF OF ALL SUBSURFACE RIGHTS, AS RESERVED IN DEED FROM ELEANOR A. WILLIAMS, RECORDED AUGUST 12, 1949, IN BOOK 30761, PAGE 291, OF OFFICIAL RECORDS.

PARCEL 8:

THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND, ON FILE IN THE BUREAU OF LAND MANAGEMENT.

ALSO EXCEPT ONE-HALF OF ALL SUBSURFACE RIGHTS, AS RESERVED IN DEED FROM ELEANOR A. WILLIAMS, RECORDED AUGUST 12, 1949, IN BOOK 30761, PAGE 291, OF OFFICIAL RECORDS.

PARCEL 9:

LOT 3 OF FRACTIONAL SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, OF SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND ON FILE IN THE BUREAU OF LAND MANAGEMENT.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF THE SOUTHWEST ¼ OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, DISTANT FROM THE SOUTHWEST CORNER OF THE NORTHWEST ¼ OF SAID SOUTHWEST ¼ OF SECTION 30, NORTH 0° 15' 55" WEST, 827.97 FEET;
THENCE NORTH 89° 44' 05" EAST, 1138.21 FEET, MORE OR LESS, TO THE SOUTHWESTERLY CORNER OF A BURIAL PLOT, WHICH SOUTHWEST CORNER IS THE TRUE POINT OF BEGINNING;
THENCE NORTH 14° 48' WEST, 35.00 FEET;
THENCE NORTH 77° 28' EAST, 31.50 FEET;
THENCE SOUTH 14° 48' EAST, 35.00 FEET;
THENCE SOUTH 77° 28' WEST, 31.50 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ½ OF ALL SUBSURFACE RIGHTS, AS RESERVED IN DEED FROM ELEANOR A. WILLIAMS, RECORDED AUGUST 12, 1949 IN BOOK 30761, PAGE 291 OF OFFICIAL RECORDS.

PARCEL 10:

LOT 4 OF FRACTIONAL SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND, ON FILE IN THE BUREAU OF LAND MANAGEMENT.

EXCEPT ONE-HALF OF ALL SUBSURFACE RIGHTS, AS RESERVED IN DEED FROM ELEANOR A. WILLIAMS, RECORDED AUGUST 12, 1949, IN BOOK 30761, PAGE 291, OF OFFICIAL RECORDS.

PARCEL 11:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, OF SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND ON FILE IN THE BUREAU OF LAND MANAGEMENT.

EXCEPTING THEREFROM THAT PORTION IN THAT CERTAIN QUITCLAIM DEED RECORDED ON APRIL 23, 1985 AS INSTRUMENT NO. 85-455776 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE SOUTH 750.00 FEET OF THE EAST 987.36 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST ¼ OF SAID FRACTIONAL SECTION 30.

ALSO EXCEPTING THEREFROM 1/2 OF ALL SUBSURFACE RIGHTS, AS RESERVED IN DEED FROM ELEANOR A. WILLIAMS, RECORDED AUGUST 12, 1949 IN BOOK 30761, PAGE 291 OF OFFICIAL RECORDS.

APN: 3235-005-020 (Affects: Parcel 2)
3235-005-015 (Affects: Parcel 3)
3235-005-026 (Affects: portion of Parcel 4)
3235-005-027 (Affects: portion of Parcel 4 and Parcel 5)
3235-006-003 (Affects: Parcel 6)
3235-006-001 (Affects: Parcel 7) and
3235-006-002 (Affects: Parcel 8)
3235-008-002 (Affects: Parcel 9)
3235-008-003 (Affects: Parcel 10)
3235-008-017 (Affects: Parcel 11)

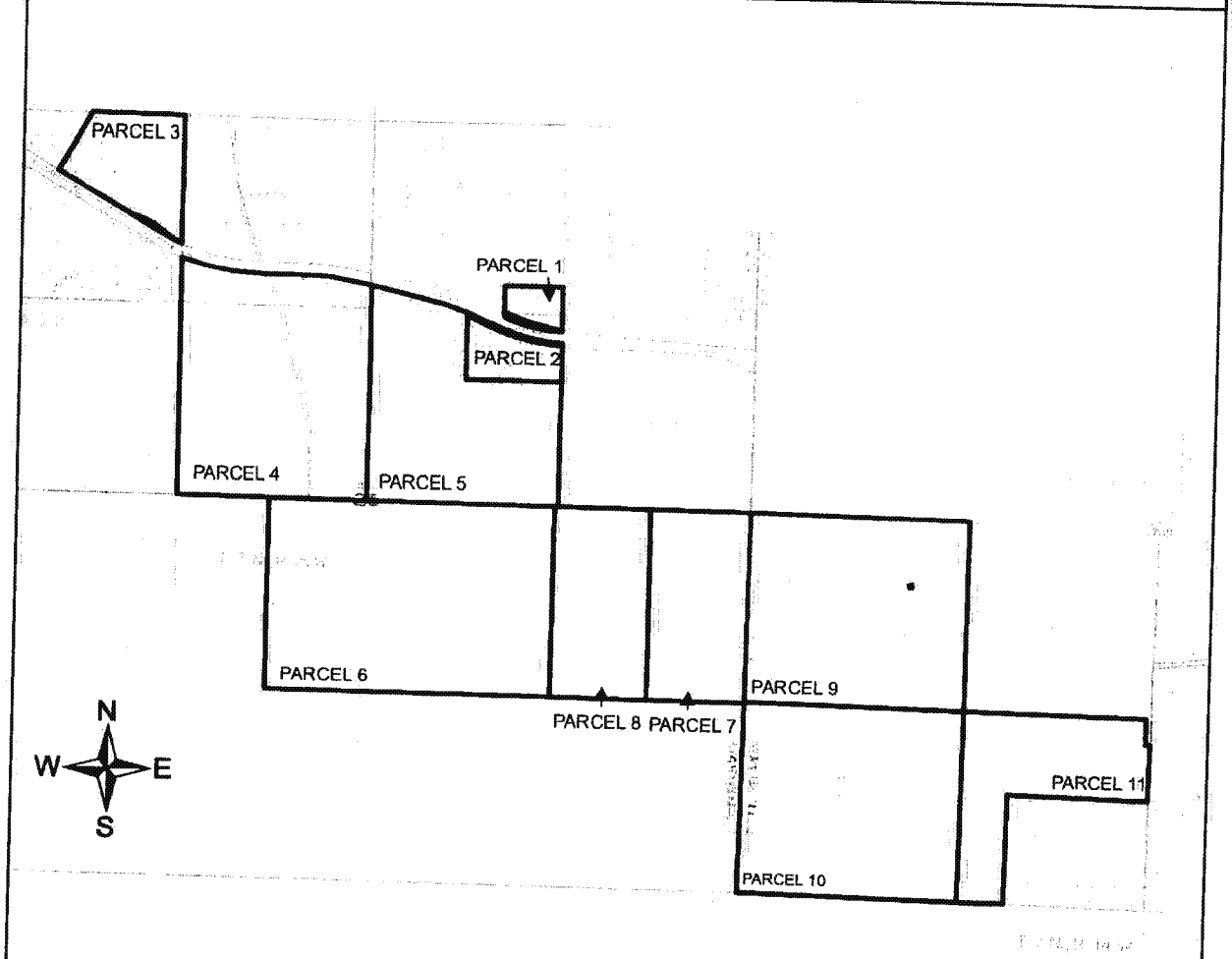
EXHIBIT B

DEPICTION OF LAKE ELIZABETH PROPERTY

47. Color Map_1_Plotted Easements

First American Title Company

Reference No.: 476026-1
County: Los Angeles



Plotted Easements

Legend

- PARCEL 1
- PARCEL 2
- PARCEL 3
- PARCEL 4
- PARCEL 5
- PARCEL 6
- PARCEL 7
- PARCEL 8
- PARCEL 9
- NOT A PART
- PARCEL 10
- PARCEL 11

Bk6867 Pg324 (Pipes, Culverts, Bulkheads, Passes or Wingwalls)

08/13/1919 Bk6916 Pg154 (Public Road & Highway)

Bk28495 Pg161 (Trail or Roadway - Not Plottable)

Tax ID: Please Refer Prelim for list of APN's

Short Legal: A Portion of County of Los Angeles

Map Not To Scale

This map may or may not be a survey of the land depicted hereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. First American Title expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map.

EXHIBIT C

LEGAL DESCRIPTION OF INTRODUCTION AREA

EXHIBIT "C"

ELIZABETH LAKE EASEMENT AGREEMENT
INTRO PLAN AREA

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, TOGETHER WITH THAT PORTION OF SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 30;

THENCE SOUTHERLY ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 30, AS SHOWN ON MAP FILED IN BOOK 247, PAGES 40 AND 41, OF RECORD OF SURVEY, RECORDS OF LOS ANGELES COUNTY, SOUTH 00°15'15" EAST 569.47 FEET TO THE **TRUE POINT OF BEGINNING;**

THENCE LEAVING SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 30, SOUTH 87°30'10" EAST 937.89 FEET;

THENCE NORTH 40°33'39" EAST 155.20 FEET;

THENCE NORTH 89°44'45" EAST 158.33 FEET;

THENCE SOUTH 32°23'59" WEST 100.20 FEET;

THENCE SOUTH 45°57'52" WEST 166.50 FEET;

THENCE SOUTH 20°16'22" WEST 93.80 FEET;

THENCE SOUTH 11°53'19" WEST 46.18 FEET;

THENCE SOUTH 04°05'08" WEST 33.38 FEET;

THENCE SOUTH 81°48'54" WEST 116.93 FEET;

THENCE NORTH 89°14'10" WEST 356.76 FEET;

THENCE NORTH 80°33'26" WEST 378.23 FEET;

THENCE NORTH 87°27'19" WEST 71.40 FEET;

THENCE NORTH 57°15'26" WEST 191.93 FEET;

THENCE NORTH 35°25'01" EAST 162.19 FEET;

THENCE SOUTH 87°30'10" EAST 5.88 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 6.722 ACRES OF LAND, MORE OR LESS

EXHIBIT D

DEPICTION OF INTRODUCTION AREA

EXHIBIT "D"

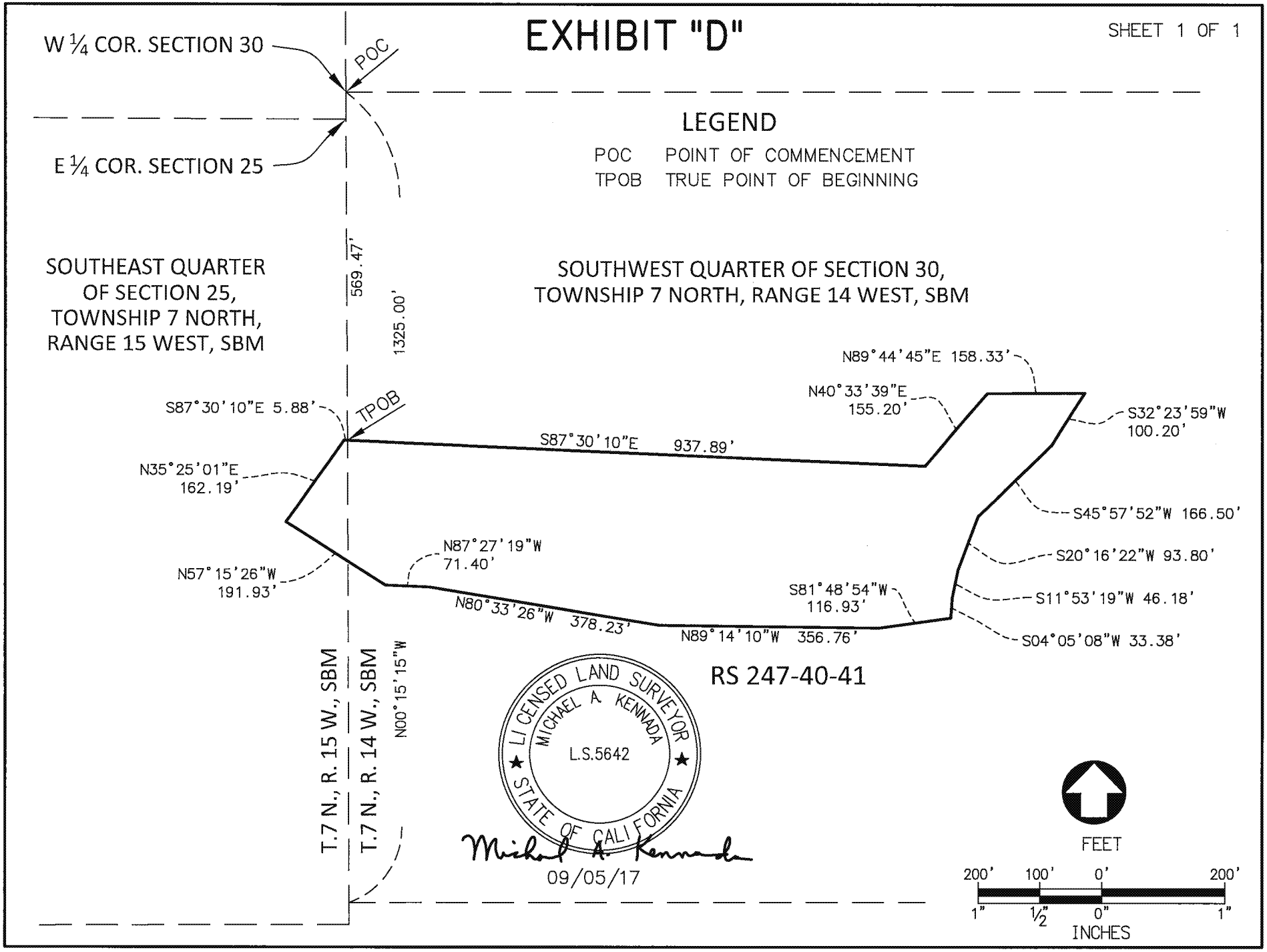

W ¼ COR. SECTION 30
POC
E ¼ COR. SECTION 25
LEGEND
POC POINT OF COMMENCEMENT
TPOB TRUE POINT OF BEGINNING
SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SBM
569.47'
1325.00'
SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SBM
N89°44'45"E 158.33'
N40°33'39"E 155.20'
S32°23'59"W 100.20'
S87°30'10"E 5.88'
TPOB
S87°30'10"E 937.89'
N35°25'01"E 162.19'
S45°57'52"W 166.50'
N87°27'19"W 71.40'
S20°16'22"W 93.80'
N57°15'26"W 191.93'
S81°48'54"W 116.93'
S11°53'19"W 46.18'
N80°33'26"W 378.23'
N89°14'10"W 356.76'
S04°05'08"W 33.38'
RS 247-40-41
T.7 N., R. 15 W., SBM
T.7 N., R. 14 W., SBM
N00°15'15"W
LICENSED LAND SURVEYOR
MICHAEL A. KENNADA
L.S.5642
STATE OF CALIFORNIA
09/05/17
FEET
200' 100' 0' 200'
1" ½" 0" 1"
INCHES

EXHIBIT E

LEGAL DESCRIPTION OF PEDESTRIAN ACCESS EASEMENT

EXHIBIT "E"

ELIZABETH LAKE EASEMENT AGREEMENT
ACCESS ROUTE

THAT PORTION OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, TOGETHER WITH THAT PORTION OF SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE CENTERLINE OF A 20.00-FOOT WIDE STRIP OF LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT NORTHWESTERLY TERMINUS OF THAT COURSE IN THE SOUTHERLY LINE OF ELIZABETH LAKE ROAD, SHOWN ON MAP FILED IN BOOK 247 PAGES 40 AND 41, OF RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, SHOWN AS HAVING A BEARING AND DISTANCE OF NORTH 77°45'15" WEST 142.72 FEET, SAID POINT BEING THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1460.00 FEET;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID ELIZABETH LAKE ROAD AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°32'49" AN ARC DISTANCE OF 141.35 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY LINE OF ELIZABETH LAKE ROAD, SOUTH 01°07'24" WEST 531.82 FEET;

THENCE SOUTH 55°49'27" EAST 1987.27 FEET;

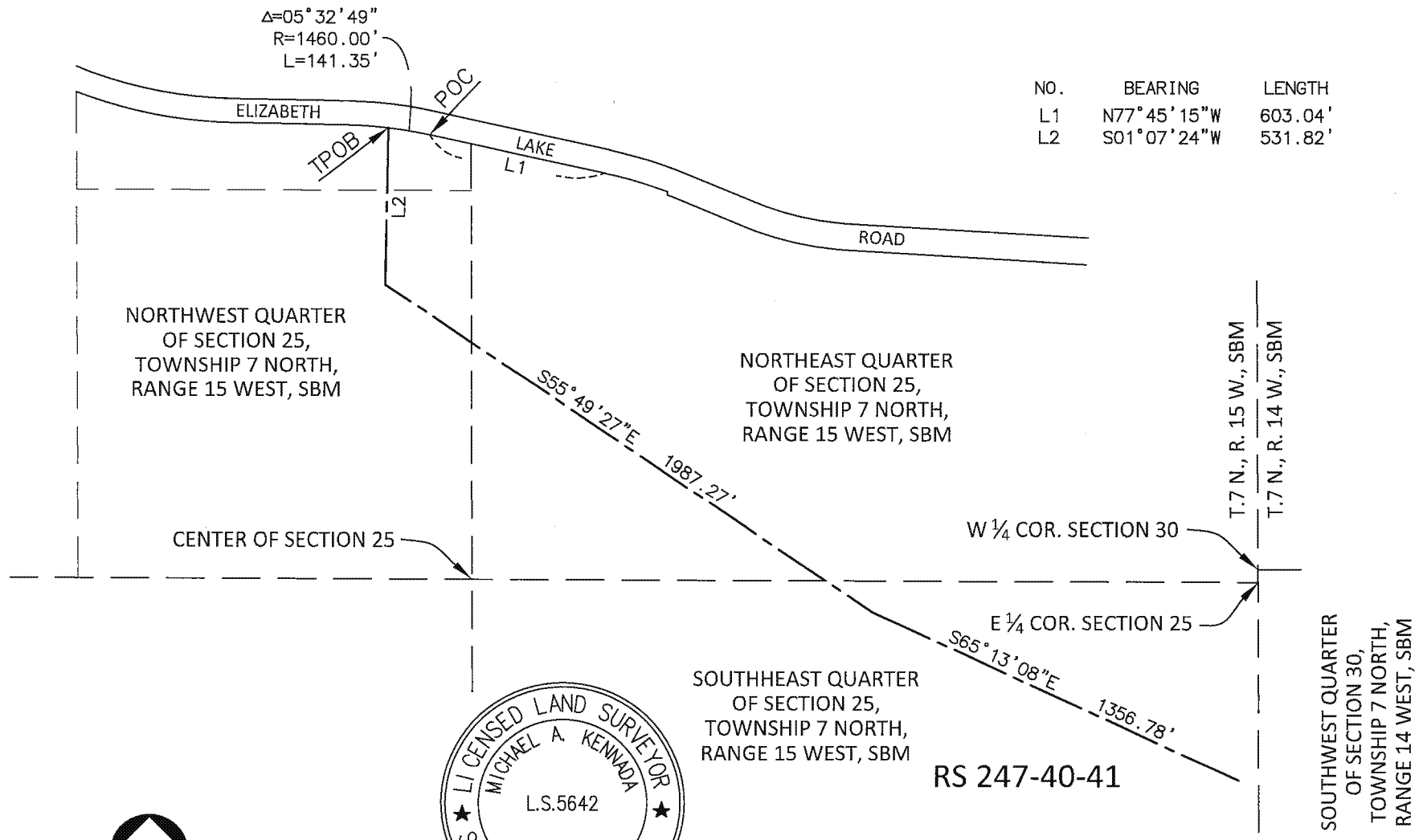
THENCE SOUTH 65°13'08" EAST 1356.78 FEET TO THE **POINT OF TERMINATION.**

ED_013814_00000996-00129

EXHIBIT F

DEPICTION OF PEDESTRIAN ACCESS EASEMENT

EXHIBIT "F"



Michael A. Kennada
09/05/17

NO.	BEARING	LENGTH
L1	N77°45'15"W	603.04'
L2	S01°07'24"W	531.82'

LEGEND

POC POINT OF COMMENCEMENT
TPOB TRUE POINT OF BEGINNING

This page is intentionally left blank.

EXHIBIT "E"

Subordination Agreement

This page intentionally left blank

RECORDING REQUESTED BY:
_____ Bank
_____
_____
_____, CA _____

WHEN RECORDED MAIL TO:
_____ Bank
_____
_____
_____, CA _____

Space Above This Line For Recorder's Use

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN A LATER RECORDED CONSERVATION EASEMENT INSTRUMENT.

THIS AGREEMENT, made this ___ day of _____, 20__, by **LV Lake Elizabeth, LLC**, owners of the land described in Exhibit A attached hereto and incorporated herein (hereinafter **"OWNER"**), and The Newhall Land and Farming Company Bank (hereinafter **"NEWHALL"**), trustee and beneficiary under that certain Spineflower Easement Agreement ("Agreement") dated September 7, 2017 and recorded _____ as Instrument No. __of the official records of the County Recorder of Los Angeles County, State of California. The land described in Exhibit A shall be referred to as "Introduction Area".

WHEREAS, OWNER has granted, or is about to grant, to Southwest Resource Management Association (hereinafter "SRMA"), across the Introduction Area described in the Agreement, a conservation easement deed to protect the conservation values as set forth in that certain Conservation Easement Deed dated and recorded concurrently herewith in the official records of the County Recorder, Los Angeles County, State of California (the "Conservation Easement").

WHEREAS, NEWHALL is agreeing to subordinate the Agreement to the Conservation Easement only on the basis that Newhall's rights to implement the San Fernando Valley Spine Flower Introduction Plan ("Introduction Plan") shall not be affected so long as implementation is made subject to the terms of the Conservation Easement.

WHEREAS, OWNER is willing to execute this Subordination Agreement, but only upon the terms and conditions herein stated.

WHEREAS, NEWHALL is willing to execute this Subordination Agreement, but only upon the terms and conditions herein stated.

WHEREAS, OWNER and NEWHALL agree that nothing herein contained shall alter the terms of the Agreement herein described.

NOW, THEREFORE in consideration of the above recitals, Newhall hereby subordinates the Agreement, consents to the execution of the grant of said Conservation Easement, and agrees that implementation of the Introduction Plan, shall be subject to the Conservation Easement.

Dated:_____

Lake Elizabeth LLC, a California limited liability company [Owner]
By: Land Veritas Corp, its manager

_____

By: H. Tracey Brownfield, President

State of California)
) ss
County of Los Angeles)

On _____, before me, _____, a notary public, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal.

NOTARY SEAL

_____
Notary Public

ED_013814_00000996-00136

Dated:_____

The Newhall Land and Farming Company,
a California limited liability company [Newhall]

By: NWHL GP LLC, a Delaware limited liability company, its General Partner

By: LandSource Holding Company, LLC, a Delaware limited liability company, its Sole Member

By: Five Point Land, LLC, a Delawarelimited liability company, its Sole Member

By: Five Point Operating Company, LLC, a Delaware limited liability company, its Sole Manager

_____

By: Donald L. Kimball, Vice President & Assistant Secretary

State of California)
) ss
County of Los Angeles)

On _____, before me, _____, a notary public, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(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.

WITNESS my hand and official seal.

NOTARY SEAL

_____
Notary Public

ED_013814_00000996-00137

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of California)

)ss.

County of _____)

On _____ before me, _____, 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 _____ (Seal)

ED_013814_00000996-00138

Exhibit A

(Legal Description of Introduction Area)

This page intentionally left blank

EXHIBIT "C"

ELIZABETH LAKE EASEMENT AGREEMENT
INTRO PLAN AREA

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, TOGETHER WITH THAT PORTION OF SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 30;

THENCE SOUTHERLY ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 30, AS SHOWN ON MAP FILED IN BOOK 247, PAGES 40 AND 41, OF RECORD OF SURVEY, RECORDS OF LOS ANGELES COUNTY, SOUTH 00°15'15" EAST 569.47 FEET TO THE **TRUE POINT OF BEGINNING;**

THENCE LEAVING SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 30, SOUTH 87°30'10" EAST 937.89 FEET;

THENCE NORTH 40°33'39" EAST 155.20 FEET;

THENCE NORTH 89°44'45" EAST 158.33 FEET;

THENCE SOUTH 32°23'59" WEST 100.20 FEET;

THENCE SOUTH 45°57'52" WEST 166.50 FEET;

THENCE SOUTH 20°16'22" WEST 93.80 FEET;

THENCE SOUTH 11°53'19" WEST 46.18 FEET;

THENCE SOUTH 04°05'08" WEST 33.38 FEET;

THENCE SOUTH 81°48'54" WEST 116.93 FEET;

THENCE NORTH 89°14'10" WEST 356.76 FEET;

THENCE NORTH 80°33'26" WEST 378.23 FEET;

THENCE NORTH 87°27'19" WEST 71.40 FEET;

THENCE NORTH 57°15'26" WEST 191.93 FEET;

THENCE NORTH 35°25'01" EAST 162.19 FEET;

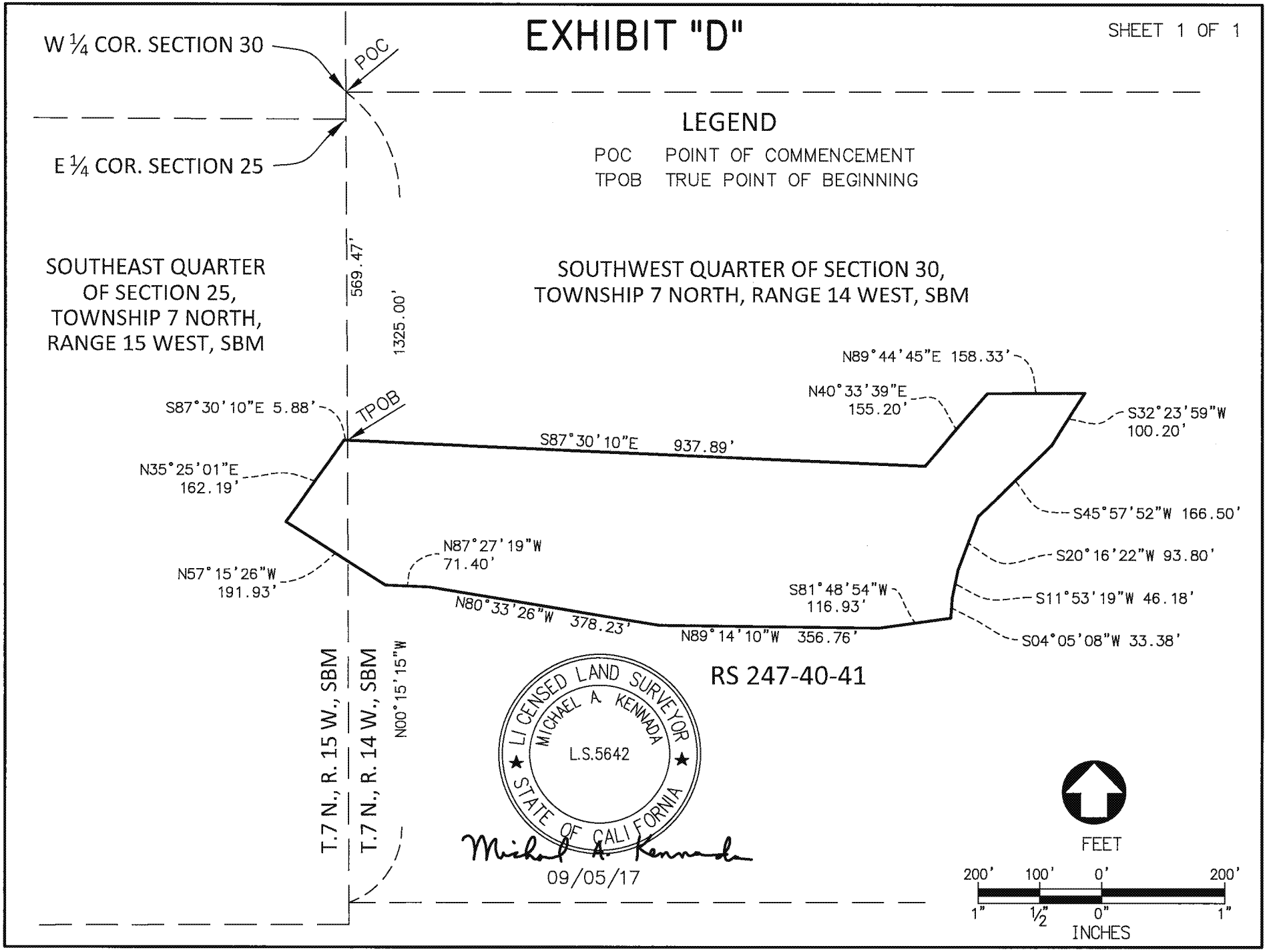
THENCE SOUTH 87°30'10" EAST 5.88 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 6.722 ACRES OF LAND, MORE OR LESS

ED_013814_00000996-00141

This page intentionally left blank

EXHIBIT "D"


W ¼ COR. SECTION 30
POC
E ¼ COR. SECTION 25
LEGEND
POC POINT OF COMMENCEMENT
TPOB TRUE POINT OF BEGINNING
SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 NORTH, RANGE 15 WEST, SBM
569.47'
1325.00'
SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 7 NORTH, RANGE 14 WEST, SBM
N89°44'45"E 158.33'
N40°33'39"E 155.20'
S32°23'59"W 100.20'
S87°30'10"E 5.88'
TPOB
S87°30'10"E 937.89'
N35°25'01"E 162.19'
S45°57'52"W 166.50'
N87°27'19"W 71.40'
S20°16'22"W 93.80'
N57°15'26"W 191.93'
S81°48'54"W 116.93'
S11°53'19"W 46.18'
N80°33'26"W 378.23'
N89°14'10"W 356.76'
S04°05'08"W 33.38'
RS 247-40-41
T.7 N., R. 15 W., SBM
T.7 N., R. 14 W., SBM
N00°15'15"W
LICENSED LAND SURVEYOR
MICHAEL A. KENNADA
L.S.5642
STATE OF CALIFORNIA
09/05/17
FEET
200' 100' 0' 200'
1" ½" 0" 1"
INCHES

Attachment 4
Exhibit F-1: Credit Evaluation

EXHIBIT F-1.1: CREDIT EVALUATION

1.0 INTRODUCTION

Within the 4,103-acre Bank Property there are 85.56 acres that are subject to easements or which otherwise do not allow for full protection within their boundaries though they do not conflict with the Conservation Easement. An additional 319.92 acres have been dedicated to Southern California Edison (SCE) as a stand-alone sale of mitigation through a separate conservation easement, and 6.76 acres have been dedicated to The Newhall Land and Farming Company LLP for the reintroduction of the San Fernando Valley spineflower (*Chorizanthe parryi* var. *fernandina*), which is proposed for listing under the Endangered Species Act (ESA). These 412.24 acres have been excluded from all crediting determinations. An additional 187.25 acres are subject to easements that do not conflict with the purposes of the Bank and have been included in the crediting determinations. The nature of these latter easements allow for full protection of the resources within the Bank Property (see Property Assessment and Warranty for additional information, Exhibit E-2). The resulting creditable acreage across the Bank Properties is 3690.48. These credits will be generated in Areas as depicted in Tables 1-7 below.

The Credits in each of the following tables overlap but are non-additive. Overlapping credits are bundled and the transfer of any one credit type that overlaps with another will result in a debit to both credit types; any other types of overlapping credits that exist over the same acreage will no longer be available for transfer. No more than 3,697.24 total credits can be transferred from the Bank from across all credit categories. A credit crosswalk table will be used to track transfer of overlapping credit types and is included in Exhibit F-1.2.

2.0 CREDIT METHODOLOGY

Credits in the Bank will consist of various categories that can be used for mitigating impacts authorized under Section 404 of the Clean Water Act, Section 1600 of the California Fish and Game Code, the Porter-Cologne Water Quality Control Act, the California Endangered Species Act (CESA), and the California Environmental Quality Act (CEQA). The creditable area for each of these credit categories is depicted on the figures in Exhibit F-1.3. These credits may occupy overlapping habitats, in which case they are considered bundled, but each bundled credit may only be applied as mitigation for a single impact. Under certain circumstances, bundled credits may be sold to a single permittee for combined impacts to multiple resources within the same habitat (see section 3.0).

Credits have been evaluated using GIS data to determine areas where certain credits may overlap (e.g., 404 wetland credits and 1600 wetland riparian credits). The analysis and documentation of these overlap areas will ensure only one credit is sold for every acre of habitat in the Bank Properties, regardless of other creditable habitats occupying that acre.

2.1 404 Credit Determination

All Credits at the Bank are either "Uniform Re-establishment" or Preservation credits. "Uniform Re-establishment Credit" is used in this context to represent the functional lift provided by one acre of aquatic resource Establishment that is equal in quality to the highest quality aquatic resource in the watershed. The credits available to be used as compensatory mitigation for impacts under Section 404 of the Clean Water Act consist of Alluvial Floodplain, Ephemeral Stream, Freshwater Marsh, Open Water, Wetland Riparian, and Seasonal Wetland resource types, and their associated riparian and upland buffers. Uniform Re-establishment Credits are

ED_013814_00000996-00145

generated through establishment/re-establishment, rehabilitation, and enhancement of the aquatic resources and their buffers. Each of these mitigation types are expected to generate a certain amount of functional lift. This functional uplift was determined based on an analysis of the expected change of California Rapid Assessment Method (CRAM) scores. Based on the expected lift of each of the mitigation types, a crediting ratio is applied to calculate the number of Waters of the U.S. "Uniform Re-establishment Credits" awarded for each mitigation type. The following ratios have been used to determine the number of potential uniform re-establishment credits at the Petersen Ranch Mitigation Bank resulting from the mitigation types.

Mitigation Type	Functional Uplift (compared to reference score)	Credit Ratio
Re-establishment	93%	1:1
Rehabilitation	26%	1:2
Enhancement	6%	1:4
Riparian Buffer Re-establishment	45%	1:3
Riparian Buffer Rehabilitation	13%	1:4
Riparian Buffer Enhancement	11%	1:5
Upland Buffer Re-establishment	21%	1:7
Upland Buffer Rehabilitation	5%	1:8
Upland Buffer Enhancement	2%	1:9

Preservation of aquatic resources and their buffers produces Preservation Credits. Preservation will result in the protection of existing aquatic resources that could otherwise be degraded through indirect impacts and adverse land management practices. In addition to the Uniform Re-establishment Credits described above, Preservation Credits available to be used as compensatory mitigation under Section 404 of the Clean Water Act consist of the same resource types noted above for Uniform Re-establishment Credits.

Preservation	Functions Protected
Preservation	26%
Riparian Buffer Preservation	23%
Upland Buffer Preservation	16%

Use of Corps (404) Credits

Each Uniform Re-establishment Credit and Preservation Credit is equal to one acre. Per the Bank Enabling Instrument, the smallest unit of credit that can be sold is 0.01 acre. These Uniform Re-establishment and Preservation Credits are intended to be used as mitigation to compensate for impacts to Waters of the United States (WoUS) within the Primary 404, Secondary 404, and Tertiary 404 Service Areas described in Exhibit B. The Mitigation Ratio Setting Checklist for both Re-establishment and Preservation Credits is included as Appendix A, and should be used as a guide to find the appropriate mitigation ratio when purchasing credits from the Bank.

Alluvial Floodplain Habitat: These include low-gradient floodplains with dispersed, braided channel streams formed through flashy flows. Vegetation in alluvial floodplain habitats is typically

ED_013814_00000996-00146

comprised of xeric-riparian species adapted to sediment deposition and soil disturbance patterns typical of alluvial floodplains.

Ephemeral Stream Habitat: These include streams which are subject to flashy flows, sometimes vegetated with riparian plants or xeric riparian species. Ephemeral stream habitat is typically associated with high-gradient, mountainous regions.

Freshwater Marsh Habitat: Freshwater marsh habitats are located in areas with semi-perennial water sources, including along the fringe of Elizabeth Lake. Freshwater marshes in the Bank provide valuable habitat for tricolored blackbirds, pacific pond turtles, and other special-status species.

Open Water Habitat: Open water habitats are unvegetated ponds and lakes, although a fringe wetland may occur along the margin. Open water habitats in the Bank are often surrounded by a fringe of riparian species, including willows and cottonwoods.

Wetland Riparian Habitat: Wetland riparian habitat contains an understory of wetland plants and a canopy of woody, riparian shrub and tree species. Vegetation is typically comprised of Mexican rush, mulefat, cottonwood, and willows.

Seasonal Wetland Habitat: These include seasonal depressions, wet meadows, swales, and seeps. Wetlands in the Bank are dominated by Mexican rush marsh, with isolated stands of willows (*Salix spp.*), mulefat (*Baccharis salicifolia*), and cottonwood (*Populus fremontii*).

Available 404 credits for each area of the Bank Property are shown in Tables 1 and 2.

Table 1: 404 Uniform Re-Establishment Credits

	Area A	Area B	Area C	Area D	Area E	Area F
Alluvial Floodplain	3.87				25.95	7.09
Ephemeral Stream	1.59			0.99	1.02	2.00
Freshwater Marsh	0.36				0.05	8.14
Open Water	0.08			0.67	1.64	
Seasonal Wetland	35.89			2.78		
Wetland Riparian	9.09			2.97		
TOTAL	50.88			7.41	28.66	17.23

ED_013814_00000996-00147

Table 2: 404 Preservation Credits

	Area A	Area B	Area C	Area D	Area E	Area F
Alluvial Floodplain Riparian Buffer	0.02					
Alluvial Floodplain Upland Buffer	0.32					
Ephemeral Stream	0.32			0.43		
Ephemeral Stream Riparian Buffer	2.05			8.83		
Ephemeral Stream Upland Buffer	36.26		2.86	59.09		
Freshwater Marsh Upland Buffer	2.12					
Open Water					1.23	9.22
Open Water Riparian Buffer	0.23			0.22		
Open Water Upland Buffer	5.31			1.62		
Seasonal Wetland	1.29		0.24	3.59		
Seasonal Wetland Riparian Buffer	14.56		0.08	1.39		
Seasonal Wetland Upland Buffer	264.51		11.95	149.03		
Wetland Riparian Riparian Buffer	4.78			12.92		
Wetland Riparian Upland Buffer	142.17		9.85	90.89		
TOTAL	**473.94**		**24.98**	**328.01**	**1.23**	**9.22**

2.2 CDFW (1600) Credits Determination

The credits available to be used as compensatory mitigation for impacts under section 1600 of the California Fish and Game Code consist of Alluvial Floodplain, Ephemeral Stream, Wetland Riparian, Non-wetland Riparian, Freshwater Marsh, Open Waters, and Seasonal Wetland resource types. Within each of these resource types credits are being generated through establishment/re-establishment, rehabilitation (restoration), enhancement and preservation of these resources as outlined below and in the Development Plan (Exhibit C-1 of the BEI). Each 1600 credit is equal to one acre of 1600 jurisdictional habitat.

Use of CDFW (1600) Credits

There are various Section 1600 credit types that are available at the Bank and each credit is equal to 1 acre. Per the bank Enabling Instrument, the smallest unit of credit that can be sold is 0.01 acre. For each habitat that the Bank has credits, the credits come in one of four categories that represent the level of value provided by different restoration actions. These categories in order from the greatest mitigation value to the least mitigation value are; Re-establishment, Rehabilitation, Enhancement and Preservation. Mitigation ratios for projects utilizing these credits should generally be dependent on the category of credit used.

Re-establishment: consists of upland areas that are being returned to their natural aquatic condition as a result of the proposed restoration. These result in an increase in the area of aquatic resources.

Rehabilitation: consists of degraded aquatic resources that have altered hydrology or vegetation, that are being returned to their pre-disturbance condition as a result of restoration. These result in a substantial increase in habitat quality but not increased acreage of habitat.

ED_013814_00000996-00148

Enhancement: consists of existing aquatic resources that are being improved through focused restoration actions such as invasive species removal, cattle exclusion, etc. This results in increased habitat quality but not increased acreage of habitat.

Preservation: consists of existing aquatic resources that are being protected, monitored and managed in perpetuity to ensure they continue to provide the same or better habitat qualities as the baseline conditions.

In addition to the resource types described above for 404 credits, 1600 credits also include non-wetland riparian habitat, which contains various woody species, sometimes comprised of wetland indicator species including mulefat, cottonwood, and willows. Other non-wetland riparian habitat consists of xeric riparian species, associated with flashy-flow ephemeral streams and alluvial fans. These species include thick leaf yerba santa, basketbrush, scale broom (Lepidospartum squamatum), elderberry, Parish's sagebrush (*Artemisia tridentata ssp. parishii*), and desert olive (*Forestiera pubescens*). Available 1600 credits for each area of the Bank Property are shown in Table 3.

Table 3: 1600 Credits

	Area A	Area B	Area C	Area D	Area	Area F
Alluvial Floodplain Enhanced	0.50				0.60	4.01
Alluvial Floodplain Preserved	0.73					
Alluvial Floodplain Re-established	3.68				51.69	31.30
Alluvial Floodplain Rehabilitated	0.44				5.85	1.01
Ephemeral Stream Enhanced	0.60			1.14	0.49	0.24
Ephemeral Stream Preserved	4.92	2.78	6.00	5.68		
Ephemeral Stream Re-established						
Ephemeral Stream Rehabilitated	0.13					0.02
Freshwater Marsh Enhanced	0.72				0.10	3.70
Non-wetland Riparian Enhanced	8.69			3.83	5.69	1.49
Non-wetland Riparian Preserved	18.46	8.93	10.38	20.90		
Non-wetland Riparian Re-established	0.03					0.25
Non-wetland Riparian Rehabilitated	12.54					
Open Water Enhanced	0.03			2.67		
Open Water Preserved					1.23	9.22
Seasonal Wetland Enhanced	1.18			8.26		1.78
Seasonal Wetland Preserved	3.59		0.24	4.06		
Seasonal Wetland Re-established	5.45					
Seasonal Wetland Rehabilitated	52.75					
Wetland Riparian Enhanced	0.31			6.89	5.25	3.03
Wetland Riparian Re-established						
Wetland Riparian Rehabilitated	5.17					
Total	**119.92**	**11.71**	**16.62**	**53.43**	**70.90**	**56.05**

ED_013814_00000996-00149

2.3 Lahontan RWQCB (Porter-Cologne) Credits

The Lahontan RWQCB may authorize use of Porter-Cologne credits for mitigating impacts under the Porter Cologne Water Quality Control Act for portions of the Bank that are within the Antelope-Fremont Valley Sub-basin (Areas A-D). Per the bank Enabling Instrument, the smallest unit of credit that can be sold is 0.01 acre. These aquatic resources include Ephemeral Stream, Freshwater Marsh, Open Water, Wetland Riparian, Seasonal Wetland, and Non-wetland Riparian. Within each of these resource types credits are being generated through preservation of these resources and their buffers. Additional enhancement actions will take place in select aquatic features as a result of cattle exclusion from those features. These activities are detailed in the Development Plan (Exhibit C-1). The same crediting methods used for 404 credits were used to determine the amount of potential Porter Cologne credits. Therefore, the Bank will provide Lahontan RWQCB Uniform Re-Establishment Credits where "Re-establishment Credit" is used in this context to represent the functional lift provided by one acre of aquatic resource creation that is equal in quality to the Reference Standard, and "Preservation Credit" to represent one acre of preserved aquatic resource. Available Porter-Cologne credits are shown in Tables 4 and 5.

Table 4: Porter-Cologne Uniform Re-Establishment Credits

	Area A	Area B	Area C	Area D
Ephemeral Stream	0.33			0.96
Freshwater Marsh	0.28			
Open Water	0.08			0.67
Wetland Riparian	0.13			2.36
Seasonal Wetland	0.06			3.84
TOTAL	0.88			7.83

Table 5: Porter-Cologne Preservation Credits

	Area A	Area B	Area C	Area D
Ephemeral Stream	2.35	2.78	5.83	5.52
Ephemeral Stream Riparian Buffer	1.52	0.55	4.17	6.36
Ephemeral Stream Upland Buffer	72.62	96.64	78.24	201.69
Freshwater Marsh Upland Buffer	1.61			
Open Water	0.01			
Open Water Riparian Buffer	0.17			
Open Water Upland Buffer	3.31			
Wetland Riparian Riparian Buffer	0.02			10.10
Wetland Riparian Upland Buffer	0.14			92.05
Seasonal Wetland	0.93			4.06
Seasonal Wetland Riparian Buffer	1.19			0.17
Seasonal Wetland Upland Buffer	98.15			170.67
Non-wetland Riparian	4.54	8.93	10.31	20.82
TOTAL	186.56	108.90	98.55	511.44

ED_013814_00000996-00150

2.4 CDFW (CEQA) Credits

The credits available for use as mitigation for impacts under the California Environmental Quality Act (CEQA) are determined based on the acreage of each habitat type present, or proposed to be planted within the Bank Property. Per the bank Enabling Instrument, the smallest unit of credit that can be sold is 0.01 acre. CEQA Credits will result both from existing habitats that are being improved through removal of invasive species and native species planting, and from areas subject only to IMP and LTMP management tasks. Available CEQA credits are shown in Table 6.

Table 6: CEQA Credits

	Area A	Area B	Area C	Area D	Area E	Area F
Bare Ground[1]	14.08	3.67	3.08	14.86	0.40	0.30
Chaparral	353.95	474.56	386.04	721.66	61.72	60.04
Cismontane pinyon-juniper woodland	11.87	11.47	25.08	29.64		
Great Basin scrub	341.63	2.28	20.6	138.01	62.10	50.12
Non-native woodland[2]	0.49					
Open water	0.03			2.67	1.23	9.22
Riparian forest	9.27			8.89	13.55	4.85
Riparian scrub	6.26	8.06	12.19	10.54		
Seeps, meadows, marshes	71.62		0.24	6.42	4.20	8.03
Valley and foothill grassland	224.05	10.22	174.14	291.46	13.22	12.45
TOTAL	**1,033.25**	**510.26**	**621.37**	**1,224.15**	**156.42**	**145.01**

1 There are 14.08, 3.67, 3.08, 14.86, 0.39, and 0.30 acres of bare ground in Areas A, B, C, D, E, and F, respectively, that will be Swainson's hawk forging habitat Preservation Credits.
2 There is 0.49 acre of non-native woodland in Area A that will be Swainson's hawk forging habitat credits.

2.5 CDFW (CESA) Credit Types

The credits available for use as mitigation for impacts under the California Endangered Species Act (CESA) for impacts to Swainson's hawk are determined based on the acreage of suitable foraging habitat present within the Bank Properties. Preservation Credits will be generated through the protection and management of Swainson's hawk habitat and are shown in Table 7.

Table 7: Swainson's Hawk Habitat Preservation Credits

	Area A	Area B	Area C	Area D	Area E	Area F
Swainson's hawk foraging habitat[1]	1030.55	510.27	620.29	1221.48	155.20	135.78

1 This includes the bare ground and non-native woodland described in the footnote to Table 6.

3.0 PHASING

The Bank will be established in Phases, with each geographic area (Area A-F) being incorporated into the Bank through an IRT approved phase. Credit releases will occur per area incorporated via an approved phase as each area demonstrates that it meets the criteria provided in section VII of the BEI.

ED_013814_00000996-00151