



Midpeninsula Regional
Open Space District

R-12-80
Meeting 12-29
August 22, 2012

AGENDA ITEM 9

AGENDA ITEM

Authorization to Amend the Preliminary Use and Management Plan for Bluebrush Canyon Addition to the Purisima Creek Redwoods Open Space Preserve to Incorporate a Rangeland Management Plan for the Bluebrush Canyon Grazing Unit; and Authorization to Approve a Grazing Lease for the Bluebrush Canyon Grazing Unit

GENERAL MANAGER'S RECOMMENDATIONS

A handwritten signature in black ink, appearing to be "G.M.", written over the text "GENERAL MANAGER'S RECOMMENDATIONS".

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA) as set out in this report.
2. Adopt an Amendment to the Preliminary Use and Management Plan for the Bluebrush Canyon addition to the Purisima Creek Redwoods Open Space Preserve to incorporate a Rangeland Management Plan.
3. Adopt the attached Resolution authorizing the General Manager to execute a five-year grazing lease to Tom Pacheco for the Bluebrush Canyon Grazing Unit on the terms and conditions set forth in the attached Grazing Lease.

SUMMARY

In June 2009, the District purchased the Peninsula Open Space Trust (POST) Bluebrush Canyon Property (see report R-09-78). At the time of purchase, the District assumed the existing grazing lease with the intent of continuing grazing on the property with the current tenant, Tom Pacheco. Staff recommends continuing cattle grazing on the Bluebrush Canyon property with Tom Pacheco as the lessee and has created a District grazing lease and a comprehensive Rangeland Management Plan in keeping with the District's *Service Plan* to preserve existing and potential agricultural operations. The Rangeland Management Plan has been reviewed by the County of San Mateo Farm Bureau. This report outlines the objectives of a ten-year Rangeland Management Plan and the terms and conditions of a five-year District grazing lease with an option to extend the term for an additional five years.

DISCUSSION

The District purchased the POST Bluebrush Canyon property in June of 2009. The District Board of Directors adopted a Preliminary Use and Management Plan for this addition to the District's open space preserve system. The property was leased to a local grazing operator, Tom Pacheco, on a month-to-month basis for cattle grazing. This grazing lease was assigned to the District at the time of purchase. Under the terms of the existing lease, Mr. Pacheco has been running a seasonal cow-calf operation on approximately 260 acres of grassland and shrub land areas suitable for cattle grazing (referred to in this report as the Bluebrush Canyon Grazing Unit (Attachment 1). For the District to maintain uninterrupted grazing on these properties following the principles of "conservation grazing", implementation of a Rangeland Management Plan (Attachment 2) and District grazing lease (Attachment 3) is required. This report outlines the objectives of a ten-year Rangeland Management Plan and the terms and conditions of a five-year District grazing lease with an option to extend the term for an additional five years.

Rangeland Management Plan

The Rangeland Management Plan for the Bluebrush Canyon Grazing Unit has four main objectives. The first objective is to maintain uninterrupted grazing on the property following the principles of "conservation grazing". The existing tenant will continue to graze the properties with a maximum estimated 165 Animal Unit Months (AUMs) on Bluebrush Canyon typically from May to November. Mr. Pacheco will have the option of grazing throughout the remainder of the year if ample livestock water and forage are available without negatively impacting habitat value or water quality. The District performance standards for residual dry matter (RDM) are the same standards set forth by the US Department of Agriculture Natural Resources Conservation Service (NRCS) to enhance the habitat value of the grasslands while reducing the fire fuel load.

The second objective is to control non-native, invasive plants species on the property. The District will work closely with a certified pest control advisor and the tenant and/or contractor to identify, map, and treat infestations on the property. There are minor infestations of milk thistle, bull thistle, and poison hemlock on the property. Additionally, coyote brush encroachment into grasslands is reducing the grassland habitat. Specific brush encroachment zones have been identified and will be treated to preserve the integrity of the grasslands.

The third objective is to protect and enhance riparian and aquatic habitat on the property. Bluebrush Canyon is bordered by Lobitos Creek to the south and Purisima Creek to the north. There are two ponds on the property. Cattle access to Lobitos Creek is restricted by steep terrain and dense vegetation. Cattle access to Purisima Creek is currently limited by a fence in one location but additional fencing is required to restrict access to the rest of the stream. Cattle access will be limited to events when the tenant moves cattle from one side of the creek to the other for management purposes once the remaining fence is built. Both stock ponds on the property are small in size and seasonally hold water.

The fourth objective is to develop or improve ranch infrastructure on the property to enhance the ease and benefit of the livestock operation and improve wildlife habitat value. The District will work with the current tenant and/or contractor to repair and strengthen the perimeter fencing and

add new fencing along Purisima Creek. The corral facility that services these properties is located on the north side of Purisima Creek near Purisima Creek Road and is fairly small and in poor operating condition. The option of developing a new, larger corral on the property will be evaluated with the potential for relocating them to a better location as well as making them available for use to the District's grazing tenant on the neighboring Elkus and Lobitos Ridge properties. Additionally, drinking water for livestock is sufficient on the property, but additional troughs may be installed near Purisima Creek once cattle access to the creek is restricted.

Coastside Protection Program Process

The Bluebrush Canyon property is located within the Coastside Protection Area. The San Mateo County coastal annexation process, the District's *Service Plan* for the Coastside Protection Area and subsequent conditions approved by the San Mateo County Local Area Formation Commission (LAFCo) established a number of policies and procedures for implementing the District's Coastside Protection Program. The Program now guides the District's purchase, use, and management of open space land within the Coastside Protection Area. The Program requires consultation with interested public agencies, officials, organizations, and community interest groups to solicit input into the decision-making and planning process prior to the Board's consideration of significant decisions regarding use or improvements on District-owned lands within the Coastside Protection Area.

To comply with the District's *Service Plan* for the Coastside Protection Area, the Rangeland Management Plan for the Bluebrush Canyon Grazing Unit was considered and discussed by the San Mateo County Farm Bureau at its June 7, 2012 meeting.

AMENDMENT TO PRELIMINARY USE AND MANAGEMENT PLAN

The proposed project consists of amending the District's Preliminary Use and Management Plan for the Bluebrush Canyon addition to Purisima Creek Redwoods Open Space Preserve to allow for the continuation of cattle grazing under specific prescriptions and range management practices set forth in the Rangeland Management Plan, by award of a five-year lease to the current grazing tenant.

CEQA COMPLIANCE

Project Description

The proposed project consists of implementation of a ten-year Rangeland Management Plan (Plan) for the Bluebrush Canyon Grazing Unit, which encompass 260 acres between Purisima and Lobitos Creeks in coastal San Mateo County, California. The property was purchased by the District in June of 2009 and is within the Coastside Protection Area, an area that was annexed into District boundaries in 2004. The project therefore incorporates all of the San Mateo County Coastal Annexation Final Environmental Impact Report (FEIR) mitigation measures that apply to agricultural land management within the Coastside Protection Area and is subject to the FEIR mitigation monitoring program.

Bluebrush Canyon has undergone production agriculture with approximately 143 acres of annual grass rangeland on the property that has been continually grazed during the spring and summer months for at least 15 years. The goal of rangeland management on the Bluebrush Canyon Grazing Unit is to preserve, protect, and enhance the biotic values of the properties, while continuing to utilize the land as an agricultural resource.

The Rangeland Management Plan requires that any subsequent pond maintenance and grazing infrastructure improvement projects, as well as road projects adjacent to ponds or streams, incorporate specific prescribed Best Management Practices (BMPs) for work in or near aquatic habitats. These BMPs include habitat and species protection measures including seasonal limited operating periods, restrictions on the use of mechanized equipment, and biological monitoring. The Rangeland Management Plan also incorporates BMPs for erosion control from the District's Details and Specifications Guidelines. Federal, state, and local permits will be acquired for all major earth work projects (defined as those requiring the use of a bulldozer or excavator or resulting in cut or fill volumes of 150 cubic yards or greater).

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt from CEQA under Article 19, Sections 15301 and 15304 of the CEQA Guidelines as follows:

Section 15301 exempts operation, repair, restoration, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Rangeland Management Plan and lease will result in negligible expansion of the current use. Section 15304 exempts minor public or private alterations in the condition of land, water, or vegetation that do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. The Rangeland Management Plan identifies riparian protection measures to minimize impact to riparian corridors and to protect riparian vegetation. No grazing activity may be undertaken in this area.

TERMS AND CONDITIONS

Retention of Current Grazing Tenant

Staff recommends that the Board approve entering into a five-year grazing lease with a five-year option to extend the lease with the current grazing tenant, Tom Pacheco. Mr. Pacheco is a local operator with years of experience and familiarity with coastside ranching in San Mateo County. He has the necessary qualifications to run a grazing operation consistent with the Rangeland Management Plan and the District's resource management objectives. Further, the District's *Service Plan* discourages displacing current operators of agricultural lands purchased by the District provided that the operator has an interest in staying on and a willingness to work with the District in running the operation in a manner that supports the District's public use and resource management goals.

Grazing Lease Terms and Conditions

The lease term is for five (5) years, extendable for an additional five (5) years at the District's election, if the tenant is willing, on the terms and conditions set forth in the grazing lease. The effective date of the grazing lease will be September 1, 2012. Annual rent under the previous grazing lease assigned from the POST to the District was \$165.00 per month or \$1,980.00 per year. First year rent under the District lease will be \$2,805.00 per year. It is calculated as follows:

Bluebrush Canyon - 33 AUMs per month for five months (May – November stocking rates may vary per month) = 165 AUMS
Total Grazing Capacity = 165 AUMS
Per AUM Rent = \$17.00
Rent for first lease year = 165 AUM X \$17.00 = \$2,805.00

Rent will be adjusted annually thereafter to reflect any changes in the authorized grazing season, grazing capacity, and fluctuations in the market price of beef cattle from year to year.

Annually, the market rate for cattle is determined by averaging the sale price of 500-800 lb steers and heifers in the month of June. As a result, the AUM rates determined by the District follow trends in the local beef market. The District will inform the grazing tenant by July 15th of each year of the per AUM rent for the subsequent lease year. Under the lease terms, the grazing tenant has the option to terminate the lease by giving written notice no later than August 15th if the per AUM rent for the subsequent lease year will not enable the grazing tenant to conduct an economically viable grazing operation. In the event of such termination, the grazing tenant shall be allowed ninety (90) days following receipt of the written notice to vacate the grazing unit.

If no termination notice is given by the grazing tenant, the District shall notify the grazing tenant in writing by November 15th the authorized grazing capacity, grazing season, and annual rent. Rent is paid in two payments, one in January and one in July. Rent credit for performance of work by the tenant may be granted on a case-by-case basis for improvements to the ranch infrastructure, such as repairing perimeter fencing or constructing a new fence. Rental credits may not exceed the annual rent for the grazing unit.

The tenant is required to manage and operate the grazing unit according to the prescriptions and range management practices set forth in the Rangeland Management Plan.

BOARD COMMITTEE REVIEW

Committee review of this item is not needed.

BUDGET CONSIDERATIONS

The annual revenue for the Bluebrush Canyon Grazing Unit is variable and agreed to between the District and tenant annually by November 15th. For this first grazing season, the rent is \$2,805.00.

Rental credits are expensed and variable each year. At the beginning of the grazing season, suggested rental credits are agreed to and budgeted, but as the year progresses, weather and unforeseen circumstances can change rental credit priorities. For this first grazing season, the District and tenant will agree upon a set of rental credits that will be reflected in the midyear budget.

PUBLIC NOTICE

Written notice of this item has been sent to property owners of land located adjacent to or surrounding the Preserve, as well as to Coastside public officials, community interest groups, nonprofit land trusts, conservation-oriented organizations, elected officials, government agencies, and government sponsored organizations within the Coastside Protection Area.

NEXT STEPS

If the Rangeland Management Plan and the District grazing lease are approved by the Board of Directors for the Bluebrush Canyon Grazing Unit, staff will notify Mr. Pacheco of Board approval of this item and subsequently enter into a five year lease.

Attachments:

1. Resolution
2. Map
3. Rangeland Management Plan, Bluebrush Canyon Grazing Unit
4. Grazing Lease Bluebrush Canyon Grazing Unit, Purisima Creek Redwoods Open Space Preserve

Responsible Department Head:
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RESOLUTION NO. 12-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING
THE GRAZING LEASE FOR THE BLUEBRUSH CANYON GRAZING
UNIT OF THE PURISIMA CREEK REDWOODS OPEN SPACE
PRESERVE**

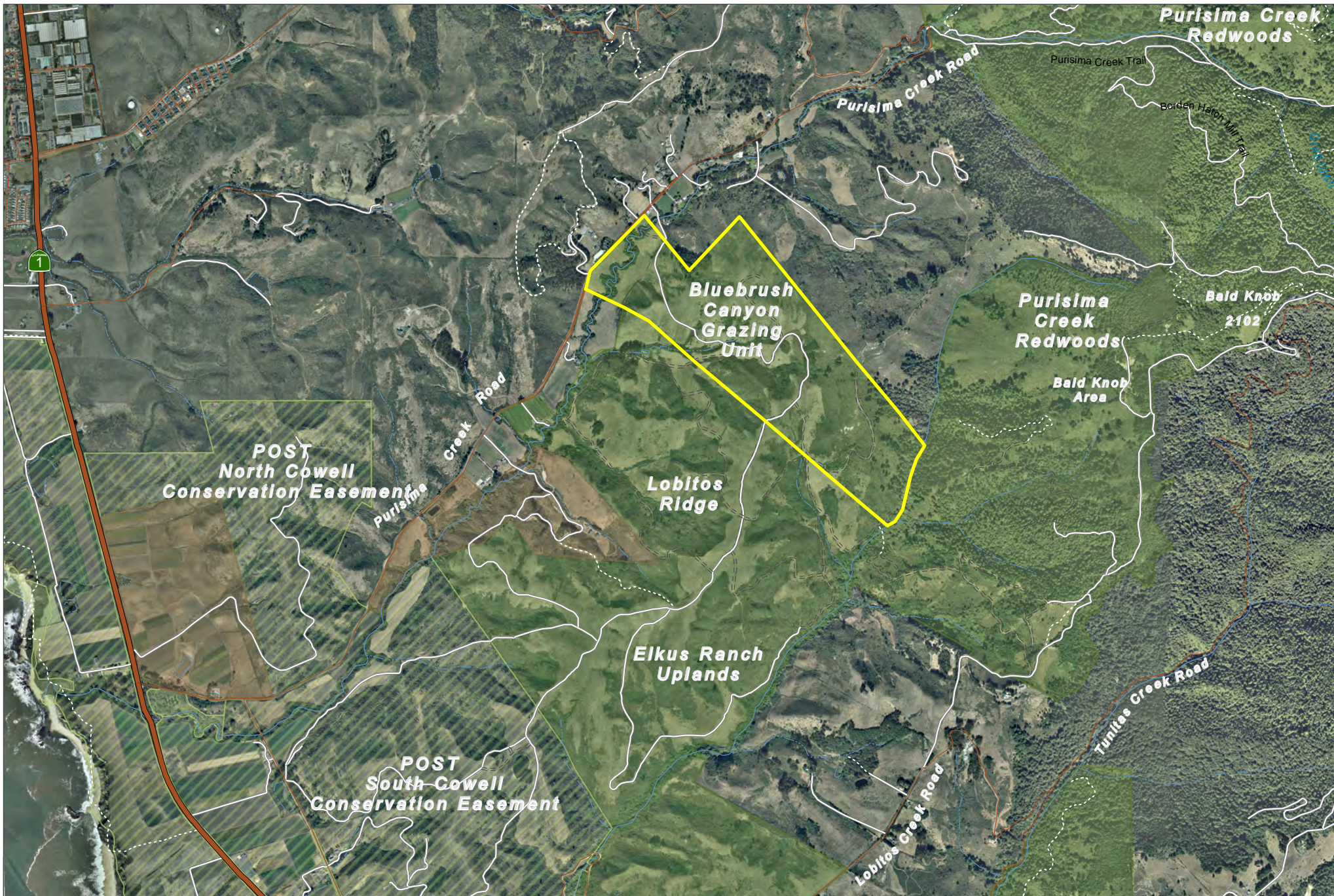
The Board of Directors of the Midpeninsula Regional Open Space District does hereby resolve:

Section One. The District may, under the provisions of Section 5540 of the Public Resources Code, lease property owned by the District, and the Board of Directors hereby finds that lease of a portion of the Purisima Creek Redwood Open Space Preserve for grazing and range management purposes is compatible with park and open space purposes, and finds the lease of such premises (referred to as the Bluebrush Canyon Grazing Unit) to be in the public interest on the terms hereinafter set forth.


Section Two. The Board of Directors of the Midpeninsula Regional Open Space District approves the grazing lease between Midpeninsula Regional Open Space District and Tom Pacheco, a copy of which is attached hereto and by this reference made a part hereof, and does hereby authorize the President or other appropriate officers to execute said lease on behalf of the District.

Section Three. The General Manager or the General Manager's designee is hereby authorized to negotiate and approve the exercise of an additional 5-year option of the grazing lease as set forth in the grazing lease. The General Manager is further authorized to execute any and all other documents necessary or appropriate to the completion of such transactions. The General Manager shall report in writing on any such exercise of an option to continue the subject grazing lease to the Board of Directors at the meeting immediately following the exercise thereof.

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Attachment 2: Bluebrush Canyon Grazing Unit

-  MROSD
-  Conservation or Agricultural Easement
-  Other Protected Open Space or Park Lands
-  Other Public Agency

Midpeninsula Regional
Open Space District

August 2012



0 0.125 0.25 0.5 Miles





Rangeland Management Plan Bluebrush Canyon Grazing Unit

Purisima Creek Redwoods Open Space Preserve

Introduction

The Bluebrush Canyon property encompasses 260 acres between Purisima Creek and Lobitos Creek, in coastal San Mateo County, California. Bluebrush Canyon was acquired in 2009, by the Midpeninsula Regional Open Space District (District) from Peninsula Open Space Trust (POST). The property is currently grazed as a single unit by a grazing tenant. This document details the current and prescribed conditions for rangeland management associated with the renewal of the grazing lease. It describes the District's plan for continued livestock grazing, resource management, and maintenance prescriptions. A summary of biotic resources on the property is included.

Property Description

The ranch is located on the south side of Purisima Creek Road approximately 3 miles east of Highway 1 and the Pacific Ocean, respectively (Exhibit 1). On its eastern side, Bluebrush Canyon is located immediately across Lobitos Creek from the former POST (Forde) property, now part of Purisima Creek Redwoods Open Space Preserve (the Preserve); therefore, it provides a natural western extension of the Preserve across the canyon and then linking to the District-owned Lobitos Ridge and Elkus Ranch Uplands properties.

Rising to an elevation of almost 1,200 feet, the property possesses unparalleled views of the coastline and the western Santa Cruz Mountains, and likewise is highly visible from the surrounding coastal lowlands. Lobitos Ridge, separating the watersheds of Purisima Creek to the north and Lobitos Creek to the south, is a prominent west-trending ridgeline defining the open yet rugged, rural landscape of the region. A prominent rocky scarp marks where the La Honda Fault bisects the property in a north/south direction.

Starting at its Lobitos Creek boundary, the coastal landscape of Bluebrush Canyon dramatically changes from redwood/fir forest to grazed rolling grasslands, steep brushy canyons, fallowed crop land, and lush creek corridors that represent the diversity of coastal San Mateo County.

Production agriculture and livestock grazing have been practiced on Bluebrush Canyon for decades. The property provides valuable, regionally-limited habitat for both common



and special-status plants and wildlife. Bluebrush Canyon contains 0.65 miles of perennial stream frontage along Purisima and Lobitos Creeks which support well-developed riparian woodland and resident populations of Rainbow/Steelhead trout. Lobitos Creek likely supports anadromy (Steelhead migration from the Pacific Ocean) in extremely wet years, though migration is limited by large culverts near Highway 1. California red-legged frogs occur in the creeks and their tributaries, and the San Francisco garter snake potentially utilizes this prey base. Grasslands, although heavily dominated by introduced pasture grasses, are relatively weed-free and potentially can be managed to increase their native component. Finally, the property provides stunning views and a potential future coastal trail connection.

Prior to POST's 2006 purchase, Bluebrush Canyon was owned by the Decesare family, who had occupied the property for over 50 years. The home still exists on the property and is leased out under a residential lease agreement, separate from the agricultural lease. Mr. Tom Pacheco, a descendant of the Decesare family, currently leases the property from the District to conduct seasonal cattle grazing and pasture horses while maintaining the property's roads and water infrastructure. Mr. Pacheco runs a seasonal cow/calf operation during the spring and summer months.

According to the California Department of Conservation's Farmland Mapping and Monitoring Program (FMMP) 2008 update, the property does not contain Prime Farmland, Unique Farmland or Farmland of Statewide Importance. Approximately 199 acres are shown in the FMMP as suitable for grazing, with the balance shown as "other lands" comprised of steep scrublands. San Mateo County soils maps show that about 11 acres between Purisima Creek and Purisima Creek Road meet the Local Coastal Plan / Service Plan definition of "Prime Agriculture" as lands well suited to the cultivation of irrigated agricultural crops. Although it may have been farmed historically, this 11-acre area is currently fallowed with no irrigation infrastructure. Gatzman Consulting Services, an agricultural consultant hired by the District to evaluate the agricultural condition of the property, suggests that farming the location would not be economically feasible and that it is better suited for livestock grazing.

The 1985 *Purisima Creek Adjudication Decree No. 278007* and subsequent modifications (the Decree) authorizes the owners of the Bluebrush Canyon property to use the waters of Purisima Creek and its tributaries, though the water must be used in accordance with the restrictions in the Decree. For the Bluebrush Canyon property, the Decree authorizes first priority rights to 333 1/3 gallons per day for domestic use. When the flow of Purisima Creek at the Purisima Creek Road upper bridge exceeds 0.750 cubic feet per second, second priority users may take water. The Decree authorizes second priority rights to 333 1/3 gallons per day for domestic use, and to 20,350 gallons per day to be used for irrigation on 25 acres. The property has 3 diversion points indicated on the Decree's map. The property's primary water system currently collects water from springs on the upper

property and stores it in on-site tanks as the water source for domestic and stock watering purposes.

Plan Objectives

The goal of rangeland management on Bluebrush Canyon is to preserve, protect, and enhance the biotic values of the properties, while continuing to utilize the land as an agricultural resource. This plan ensures progress towards this goal through the following short-term objectives:

- 1) Maintain uninterrupted grazing following the principles of conservation grazing;
- 2) Control invasive plant species and agricultural weeds;
- 3) Protect sensitive riparian and aquatic habitats;
- 4) Develop a plan to improve water infrastructure for livestock use and wildlife habitat and evaluate costs.

Range Facilities and Conditions

Bluebrush Canyon is currently grazed under the management of Tom Pacheco. Mr. Pacheco runs a seasonal cow/calf operation during the spring and summer months, rotating his 60 to 70 head on the 99 acres of grasslands. Fencing is present along the property perimeter and in several additional areas to separate the property into three pastures. Cattle are moved on and off the ranch by fording Purisima Creek to access a small holding pen and corral. Exhibit 2 shows the current ranch infrastructure including fencing, improved spring, water troughs, corral, and roads.

Fencing

Livestock-tight perimeter and cross fencing is adequate on the property except in the holding pen along Purisima Creek Road and along the southern edge of Purisima Creek (see Exhibit 5). The small corral consists of one paneled pen within the small holding pen on the north side of Purisima Creek. The corral is undersized for the operation and is positioned on the bank of Purisima Creek leaving it subject to flooding as well as increasing the potential for discharge of sediment and nutrients into the stream.

Water Sources

Water availability to livestock is sufficient on the Bluebrush Canyon property. Available sources include two seasonal stock ponds (discussed below) and a developed spring which feeds two water troughs year around as well as providing potable water to the residence located on the property. The spring feeds the two stock water troughs before filling a 2,500 gallon water storage tank which provides water via gravity to the residence. The water tank is subject to sediment loading and leaks which have caused rutting along the main access road to the ranch. Purisima Creek is fenced to limit livestock access at the creek crossing. Livestock may only access Purisima Creek while in the holding pen on the north side of Purisima Creek. Two to four horses are currently kept in the holding pasture. The horses will be moved into a new, designated horse

pasture once fencing and water are developed. The horse pasture may be occupied by working ranch horses only and not used for companion or retired horses.

Biotic Resources

This section provides descriptions of the biotic habitats occurring on Bluebrush Canyon, lists the special-status species potentially associated with these habitats, and identifies key resource management concerns, including sensitive biotic resources, on the property. Field data were collected during reconnaissance-level surveys conducted by District staff during Spring and Summer 2009, a one-day herpetological assessment by Biosearch Associates in June 2009, and a stream survey conducted by Eric Remington in 2007. A brief review of published data on known distribution of special-status species in the vicinity, including the status of steelhead trout in Lobitos Creek was also conducted. No focused surveys for special-status species were conducted.

Note: Exhibit 3 shows individual habitat type areas and acreages.

California Annual Grassland/Coastal Scrub Transition

Approximately 61 acres of grassland was mapped on Bluebrush Canyon. Grasslands dominated by wild oat (*Avena fatua*), ripgut brome (*Bromus diandrus*), and soft chess (*B. hordeaceus*) occur on ridges and gentle to moderate slopes throughout the property. These grasslands are typical of grazed soils in the coastal zone, which benefit from high moisture deposition from fog. Clay-loam soils can be highly productive with this relatively high moisture content and support dense growth of pasture grasses, hindering the establishment of native annual forbs. Native perennial grasses can persist in undisturbed (untilled) areas or on steep, thin, less productive soils. Bluebrush Canyon grasslands are primarily underlain by relatively productive, loam or clay-loam soils of the Gazos and Lobitos series, were likely tilled in the past, and have supported grazing operations for some time. Significant stands of native grasses were not observed.

Grassland species composition on Bluebrush Canyon is particularly impacted: velvet grass (*Holcus lanatus*) is present along the ridgeline, and even less productive soils are heavily dominated by introduced species. Areas where cattle congregate, such as around seasonal ponds and near creek crossings, are heavily invaded by thistles, including milk thistle (*Silybum marianum*), bull thistle (*Cirsium vulgare*), and bristly ox-tongue (*Picris echioides*).

A significant remnant of native grassland, dominated by California oatgrass (*Danthonia californica*), is located in the upper pasture area of the Bluebrush Canyon property, adjacent to Lobitos Ridge in the vicinity of a large gully. Associated herbaceous species

include pale flax (*Linum bienne*) and English plantain (*Plantago lanceolata*), with western rush (*Juncus occidentalis*), and Kellogg's yampah (*Perideridia kelloggii*) in more mesic areas.

Grassland/Open Coyote Brush Stands

Approximately 103 acres of open coyote brush stands were mapped on the property which is also suited well for livestock grazing. Succession in coastal grasslands, if uninterrupted by natural or artificial disturbance, results in transition to coastal scrub. These transition areas contain a mix of coyote brush (*Baccharis pilularis*) and grassland plant species, and, because they are open yet relatively inaccessible to cattle, can be quite weedy. Velvet grass in particular can dominate the herb layer of open coyote brush scrublands, and both French broom (*Genista monspessulana*) and pampas grass (*Cortaderia selloana*) were observed within this habitat on the properties. Halting this transition should be a priority on the Purisima to Sea properties both from a grazing and a botanical standpoint. However, wildlife, in particular grassland birds, thrive in the transition zone of grassland to scrubland due to the abundance of perch sites, cover, and forage. Approximately 61 acres of this habitat type was mapped on Bluebrush Canyon.

Coastal Scrub (Mesic Coyote Brush Stands)

Mesic Coyote Brush Stands form the most abundant of the shrub-dominated habitats on the Purisima-to-Sea properties. Approximately 87 acres of this habitat, which is more commonly known as coastal scrub, occur on Bluebrush Canyon. Coastal scrub is differentiated from coyote brush transition areas and coastal-sage chaparral in that it occurs primarily on north-facing slopes and shady canyons and is co-dominated by shade-tolerant species such as California blackberry (*Rubus ursinus*), ocean spray (*Holodiscus discolor*), California honeysuckle (*Lonicera hispidula* var. *vacillans*), and black twinberry (*L. involucrata* var. *ledbourii*).

Mesic Deciduous Shrubland

Mesic Deciduous Shrublands comprise impenetrable thickets of American dogwood (*Cornus sericea*), oso berry (*Oemleria cerasiformis*), ocean spray, and poison oak (*Toxicodendron diversilobum*), among other species, which intergrade with arroyo willow and red alder along creeks, in steep canyons, and north-facing slopes. There is little open ground in this habitat type, as herbs such as mugwort (*Artemisia douglasiana*), cow parsnip (*Heracleum lanatum*), California figwort (*Scrophularia californica*), and hoary nettle (*Urtica dioica* ssp. *holocericea*) thickly colonize the understory. Where cattle congregate for shade and water, this habitat can be exceedingly weedy, with poison hemlock (*Conium maculatum*), and various thistles dominant. Approximately 3.5 acres of this habitat type occur on Bluebrush Canyon, along the upper reaches of tributaries to Purisima and Lobitos Creeks.

Riparian Forest and Scrub

Arroyo willow scrub and red alder riparian forest comprise key sensitive habitat areas on the Purisima-to-Sea properties. On Bluebrush Canyon, arroyo willow scrub occurs on the upper tributaries to Purisima Creek and on three tributaries to Lobitos Creek; approximately 19 acres of this habitat type are mapped on the property. Arroyo willow (*Salix lasiolepis*) is frequently the sole dominant here, although red elderberry (*Sambucus racemosa* var. *racemosa*) is a common component of the dense overstory. Riparian habitat is well-developed along Lobitos Creek and is classified as red alder riparian forest; *Alnus rubra* is the dominant here, with arroyo willow and big leaf maple (*Acer macrophyllum*) also present. Ocean spray, snowberry (*Symphoricarpos albus*), gooseberry (*Ribes* spp.), thimbleberry (*Rubus parviflora*), and salmon berry (*R. spectabilis*) are common understory shrubs.

Redwood Forest

Approximately 16 acres of Redwood Forest occur in the extreme eastern portion of Bluebrush Canyon. Within the study area this community is present on upland slopes that drain into Lobitos Creek. In addition to coast redwood (*Sequoia sempervirens*), tanoak (*Lithocarpus densiflorus*) and Douglas fir (*Pseudotsuga menziesii* var. *menziesii*) are also present as members of the overstory. Understory species characteristic of this community include California huckleberry (*Vaccinium ovatum*), evergreen violet (*Viola sempervirens*), baneberry (*Actea rubra*), forget-me-not (*Myosotis latifolia*), spotted coralroot (*Corallorhiza maculata*), helleborine (*Epipactis helleborine**), false Solomon's seal (*Smilacina stellata*), and star flower (*Trientalis latifolia*).

A unique **Xeric Scarp** plant community intergrades with redwood forest as elevation increases in the northeastern portion of Bluebrush Canyon. Soils are thin and sandy in this area, and hard, weathered shale bedrock is occasionally exposed. Bluebrush, madrone (*Arbutus menziesii*) and, most notably, golden chinquapin (*Chrysolepis chrysophylla*) dominate this uncommon habitat.

Eucalyptus Forest

Approximately 3 acres of this habitat type occur on Bluebrush Canyon, a remnant of a prior land-use when bluegum (*Eucalyptus globosus*,) and other types of Eucalyptus were commonly planted as windbreaks or for milling. Native plants are typically excluded from Eucalyptus forest due to heavy litter loads and allelopathic effects of the oils contained in them. However, Eucalyptus on the coast does provide habitat for nesting raptors in the absence of other tall trees, and may support overwintering monarch butterflies.

Perennial Creeks

Purisima and Lobitos Creeks form the northern and southern boundaries of the Bluebrush Canyon property and are a dominate feature of the landscape. Purisima Creek consists of about 7.9 stream miles and drains a watershed of about nine square miles. It flows west,

entering the Pacific Ocean south of Eel Rock. Lobitos Creek consists of about five stream miles and has a watershed of about four square miles. It flows southwest, entering the Pacific Ocean at Martins Beach. Both creeks support extensive riparian vegetation and provide high-quality wildlife habitat, including non-breeding habitat for the California red-legged frog.

Ponds

Two ponds occur on Bluebrush Canyon, both of which are seasonal. Pond characteristics and enhancement recommendations are described in detail below. Pond locations are mapped in Exhibit 2 along with ranch water infrastructure.

Table 1. Characteristics of ponds on the Bluebrush Canyon Property

Pond ID	Location	Size (ft)	Maximum Depth (ft)	Hydrology	Preliminary Management Recommendations
4a	Bluebrush Canyon (Willow Spring Pond)	30 x 30	1.5	Dry by August typically (2009). Held water year around (2010).	Maintain as seasonal pond; enhance for CRLF breeding habitat
5	Bluebrush Canyon (Dry Pond)	30 x 30	4	Dry by June	Maintain as seasonal pond; enhance for CRLF breeding habitat

Special Status Species

Special Status Plants

Focused surveys for special-status plants were not conducted. Special-status plants potentially associated with the grassland community throughout the Bluebrush Canyon property include Coast yellow leptosiphon (*Leptosiphon croceus*; CNPS List 1B.1), and Gairdner’s yampah (*Perideridia gairdneri*; CNPS List 4.2). However, the lack of intact coastal prairie on the two properties likely precludes the occurrence of these species. Mesic deciduous shrubland could support the special-status plant western leatherwood (*Dirca occidentalis*).

Special-status plant species potentially occurring within Coastal Scrub on the property include California androsace (*Androsace elongate* ssp. *acuta*; CNPS 4.2), coast rock cress (*Arabis blepaphophylla*; CNPS 4.3), Kellog’s horkelia (*Horkelia cuneata* ssp. *sericea*; CNPS 1B.1), San Mateo tree lupine (*Lupinus eximius*; CNPS 3.2), Choris’s popcorn-flower (*Plagiobothrys chorisianus* var. *chorisianus*; CNPS 1B.2), and coastal triquetrella (*Triquetrella californica*; CNPS List 1B.2).

Special Status Wildlife

California red-legged frog (*Rana draytonii*), a federal and state listed threatened species, was observed in a tributary to Lobitos Creek on the Lobitos Ridge property (Eric Remington, pers. comm. February 2009), a neighboring District owned property. Also on Lobitos Ridge, a permanent pond in a tributary to Purisima Creek currently provides suitable breeding habitat (Biosearch Associates 2009), and the extensive riparian forest and mesic habitats adjacent to it provide high-quality upland habitat for this species. Frogs may also traverse grasslands and other open areas, particularly during their spring dispersal period.

Neither of the ephemeral ponds on the Bluebrush property were observed to hold water long enough into the dry season to provide suitable breeding conditions for CRLF in 2009 (Biosearch Associates 2009). Individual frogs could utilize seasonal ponds for foraging or sheltering habitat during the winter. Their potential as breeding habitat should be improved by increasing the duration of ponding. Ponds must hold water at least through August to ensure successful metamorphosis. Pond 4a (“Willow Spring Pond”) appeared to hold water all year in 2010. Further surveys would be needed to determine the hydrology of this pond and its potential for providing CRLF breeding habitat. Ponding duration can be increased by lining the basin with bentonite clay, which reduces water absorption into the soil; or by enlarging or dredging the basin to increase water holding capacity.

San Francisco garter snake (SFGS) (*Thamnophis sirtalis tetraenia*), a federal and state endangered and state fully-protected species, potentially occurs on the Bluebrush Canyon property. According to Biosearch Associates (2009), neither of the ephemeral ponds on the Bluebrush Canyon property was observed to hold water long enough into the dry season to provide suitable breeding conditions for SFGS. The adjacent grasslands and open scrub provide suitable habitat for basking and cover, and nearby ponds (off the subject properties) provide the metapopulation matrix thought to be required for this species. Additional surveys and analysis is necessary to determine the status of SFGS on this property. Due to the difficulty of definitively determining presence or absence of the specie and the presence of suitable habitat, regulatory agencies require that SFGS be considered potentially present on the property. Therefore precautionary actions are prescribed in this plan to address the potential for take.

Steelhead trout (*Oncorhynchus mykiss*)

Various life-stages of rainbow trout, the non-migratory form of *O. mykiss*, have been observed in both Purisima and Lobitos Creeks. Purisima Creek is inaccessible to migratory fish due to a 30 foot waterfall at the Pacific Ocean. Nevertheless, Becker and Reining (2008) report that Purisima Creek has offered “fine fishing,” since the early 1900’s; stocked steelhead and rainbow trout were observed by the California Department of Fish and Game (CDFG) in 1934. Purisima Creek apparently now supports a self-

sustaining population of resident rainbow trout, despite sediment problems in the downstream reach.

According to a recent status report, CDFG considers the Highway 1 and Verde Road crossings of Lobitos Creek to be total passage barriers (Becker and Reining 2008) to anadromy. CDFG records indicate that rainbow trout have been stream-reproducing in Lobitos Creek since the 1920's; *O. mykiss* was reportedly stocked in the creek during that time period. A 1975 survey report states, "Lobitos Creek presently supports a minimal rainbow trout/steelhead resource. Steelhead usage appears to be restricted to the lowermost 0.2-mile reach because of fish passage problems." However, recent surveys (2006) by CDFG revealed multiple *O. mykiss* year classes upstream from the Highway 1 crossing; it is likely that Steelhead may intermittently gain access to Lobitos Creek. Regardless of the migratory status of the trout in Lobitos Creek, this stream provides high-quality spawning and rearing habitat for *O. mykiss*.

Grazing Management Plan

Objective 1: Maintain uninterrupted grazing following the principles of conservation grazing.

The property may be grazed on a seasonal (defined below) or year-round basis, depending on operational needs, resource management considerations, and livestock water availability, among other factors. Specific details on grazing timing and duration will be determined in consultation with the District Rangeland Ecologist. Guidelines regarding stocking rates and rotation are provided below.

Prescriptions:

- Graze cattle at approximately 165 total Animal Unit Months (AUM) on Bluebrush Canyon, preferably distributed as 30-35 AUM from May through November for an average production year. Grazing may begin earlier or end later depending upon the feed conditions for the season and the tenant's grazing needs. Cow/calf pairs are suited to the property (i.e. ~33 pairs for 5 months). Grazing during the winter months, December through March, is acceptable but not recommended due to the risk of damage to roads and trails. Additional seasonal road maintenance may be required if cattle are grazed year around on Bluebrush Canyon.
- Available livestock water and available forage will be monitored by District representative and will determine the length of the grazing season. Performance standards for residual dry matter measurements are included below per average slope:

0 to 30% slopes: an average minimum of two inches to three inches of residual dry matter – approximately an average of 600-1,000 pounds per acre per NRCS and UCCE definition.

Greater than 30% slopes: an average minimum of three to four inches of residual dry matter – approximately an average of 1,000-1,200 pounds per acre per NRCS and UCCE definition

- Tenant may graze properties throughout the summer and fall months to achieve the recommended RDM levels provided sufficient, off-stream livestock water is available. Alternative water development options will be explored, improving the existing spring and storage system, adding water troughs, and maintaining the existing stock ponds.
- Midpeninsula Regional Open Space District reserves the right to terminate the lease agreement giving 60 days notice to the tenant if the tenant fails to adhere to the predetermined RDM standards or if the property is left with an average of greater than 2,000 pounds of RDM at the end of a grazing season. Additionally, the tenant may be removed from the property if grasslands are grazed below the prescribed RDM levels without consent of the District Rangeland Ecologist. Fluctuations in forage production occur annually and the tenant will work with the District representative to achieve the prescribed RDM levels each year.

Objective 2: Control invasive plant species and agricultural weeds.

Prescriptions:

- Thistle and other invasive plant species are present in varying locations and densities from season to season depending on precipitation and temperature. Approved treatment methods include prescribed grazing, mowing, hand removal, burning, and herbicide application. Herbicide application may be performed by the grazing tenant, District staff, or a contractor provided they are in compliance with all herbicide application regulations, follow the District Pest Control Recommendation, possess an Applicator's License, and report herbicide application to the District in addition to the county. In addition, tenant must get prior approval from the District before applying herbicide.
- Surveys during the 2010 season detected poison hemlock, bull thistle, milk thistle, pampas grass, and Italian thistle as target species. Locations of 2010 infestations are designated on Exhibit 3. The tenant will work cooperatively with the District Rangeland Ecologist seasonally to locate areas of concern and determine the appropriate method(s) for treatment.

- Dense patches of non-native velvet grass (*Holcus lanatus*) are distributed throughout the grasslands, particularly in gentle slopes with deeper soils. Research into effective velvet grass treatment measures is needed, followed by treatment of the infestations.
- Coyote brush is prevalent in dense, well established patches throughout the property. While the well established, dense coyote brush stands provide valuable edge habitat for birds, encroachment of coyote brush into grasslands limits the available forage for livestock, reduces grassland habitat areas, and creates an increased wildfire fuel load. Areas of brush encroachment may be treated with herbicide by the grazing tenant, District staff, or contractor then broken up using a tractor and drag bar the following season once they have dried. Additional brush treatments, including mowing and goat grazing may be considered. Critical areas of brush encroachment recommended for treatment are designated on the map in Exhibit 4.

Objective 3: Protect riparian and aquatic habitat.

Prescriptions:

- Avoid operating or use of mechanized equipment (excluding passenger vehicles) within 200 meters of stock ponds when aquatic habitat (i.e. standing water) is present. If machinery must be used within 200 meters of a pond, the vehicle use must be monitored by a second person to alert the operator of the presence of San Francisco garter snake and California red-legged frog.
- Continue to control cattle access to Lobitos Creek. The Lobitos Creek riparian corridor is confined from livestock access as a result of topography, and a natural brush and vegetation barrier. Fencing may be required in the event that the brush barrier becomes breached by fire, trampling or other occurrences.
- Continue to control livestock and horse access to Purisima Creek. A livestock holding field is located on the south edge of Purisima Creek while a smaller holding pen and corral lie on the north side of Purisima Creek (Exhibit 5). A gate on the south side of Purisima Creek exists to control livestock access to the creek. However, the current tenant keeps horses in both holding fields and leaves the gate open allowing them continual access to Purisima Creek. The horses should be removed from the premises and the gate should remain closed when the crossing is not being utilized to move cattle from one side of Purisima Creek to the other. This creek crossing is essential to the livestock operation and must

- remain, provided limited utilization by livestock and vehicle traffic. Options to improve the creek crossing in Purisima Creek for cattle movement and limited vehicle access will be considered.
- If the grazing tenant requests to keep horses on the property, not more than two horses will be allowed to remain on the property permanently. A designated horse pasture along Purisima Creek Road has been identified in Exhibit 5. Utilization of this currently fallow field for a horse pasture would require installation of a new fence along Purisima Creek to eliminate access by livestock in addition to a water trough. The fence should be built a minimum of 10 feet from the top of the stream bank to create a vegetative buffer between livestock and the stream channel.
 - As necessary, develop wildlife-friendly off-course water troughs and control cattle traffic using gates/fencing to avoid adverse impacts to ponds and streams. Current fencing is adequate but continued monitoring of aquatic features should occur to ensure sustained habitat health. Existing water trough locations and infrastructure are designated in the map in Exhibit 2. Installation and placement of additional water troughs will be dependent upon available water on the property. Potential trough locations include the holding pasture on the south side of Purisima Creek and near the Willow Spring Pond in the Lobitos Creek watershed.

Objective 4: Develop or improve ranch infrastructure for livestock use and wildlife habitat.

Prescriptions:

- All ground-disturbing activities, including road maintenance projects, fencing installation, and other infrastructure improvements, should take place during the dry season (April 15-October 15).
- District is allowed to use and maintain the existing small ponds (Pond #4a and #5) but not develop any additional stock watering ponds in the Purisima Creek watershed. Pond #5 will be maintained and improvements made to enhance habitat value and increase water holding capacity for livestock and wildlife drinking water once a biological assessment is completed and proper permits are obtained. Pond #4a is a very small, shallow pond that is fed by a natural spring. This pond currently requires no maintenance. The overflow water from this pond may be diverted into a water trough to provide livestock drinking water.

- ° Ponds containing threatened or endangered species or potential habitat for these species may be partially fenced to reduce the threat of trampling and to preserve an area of undisturbed vegetation to protect frog egg masses while still allowing livestock access for drinking water. Ponds will be assessed by a biologist and partial fencing of the ponds will be based on the vegetative diversity, habitat value, and species presence or non-presence in each pond.
- ° Routine maintenance and habitat improvement projects at existing ponds shall be implemented by the tenant as needed, in exchange for rent credit. The District representative shall be informed in advance of all pond repair and maintenance projects. All major earth work projects (defined as those projects requiring use of large mechanized equipment such as a dozer or excavator, or those in which greater than 150 cubic yards of material is cut or filled) may require local, state, and federal permits. Minor earth work projects should be performed according to the Best Management Practices described in Appendix A.
- ° Assess corral area currently located on the north bank of Purisima Creek approximately 100 yards west of the residential structure. The corral is small and inadequate for the operation. A new, larger corral may be constructed in the holding field south of Purisima Creek. This corral facility could potentially serve Lobitos Ridge and Elkus Ranch Uplands as well. An alley way should be constructed from the new corral, across the existing creek crossing and into the existing Bluebrush Canyon corral facility. The existing corral facility would be utilized to load and unload livestock for the property. This would allow trucks and trailers easy access to load and unload livestock without having to cross the creek. The creek crossing should receive limited use, only when cattle are being moved from one side of Purisima Creek to the other or for emergency/limited vehicle access.
- ° Work with tenant and/or contractor to repair perimeter fencing as needed. Existing perimeter fence is adequate for the current tenant. The fence along Purisima Creek Road in the north holding pen is currently sufficient but should be replaced as soon as possible to improve ranch aesthetics and reduce the risk of cattle escaping onto Purisima Creek Road. A large gully is present on the west border of Bluebrush Canyon along the Lobitos Ridge fenceline. The fence is suspended over the gully but steep terrain restricts cattle movement between properties. If the gully changes or restoration work occurs, this fence will need to be replaced or repaired.
- ° Assess need for improvements to existing ranch roads including routine maintenance, culvert installation, brushing and grading. Determine whether all existing roads are needed, and if not, develop a decommissioning strategy. The

- District may perform this work or may opt for the tenant to perform minor grading and maintenance work, including brushing, in exchange for rent credit.
- The District shall install minor public access improvements such as self-closing gates and signage as may be desirable. Further infrastructure modifications needed for compatibility with public access should be addressed in the future Comprehensive Plan process.
 - District staff will complete brush clearing and necessary grading to keep open the access road (easement) on the northeast corner of the property. The current access traverses a neighbor's bridge and yard. Landscape vegetation from the neighbor's yard occasionally grows into the access lane and limits vehicle access. The District will contribute to the maintenance responsibilities on the easement, including bridge maintenance as needed, with the neighbor who owns the property. Maintenance cost sharing by the District will be based on a percentage of use by District staff, contractors and tenants as compared to the property owner's use.

Additional Prescriptions

- Conduct all predator control according to District, local and state regulations. Problem animals interfering with livestock operations shall be handled through the District's Operations Department in cooperation with County Animal Control or the California Department of Fish and Game. Tenant will report all dead livestock to District staff immediately upon discovery. District staff will then investigate and select an appropriate course of action.

Grazing Operation Details

This plan takes effect upon the District's execution of a signed lease with a tenant and approval by the MROSD Board of Directors. The rangeland management will be conducted according to the Preliminary Use and Management Plan, of which this Rangeland Management Plan is a part. Lessees will operate under the Rangeland Management Plan and Grazing Lease, attached. Grazing practices shall conform to the Grazing Lease, University of California Cooperative Extension guidelines for Moderate forage utilization (residual dry matter at 800-1,000 lbs/acre), District Resource Management policies, and the animal units specified herein.

These policies and practices not only guide the vegetation management by livestock, but also ensure the protection of the biological resources of the Bluebrush Canyon property, including preservation of potential aquatic and upland habitats for California red-legged frog and San Francisco garter snake.

APPENDIX A

BEST MANAGEMENT PRACTICES

All Road/Infrastructure Maintenance and Repair Projects shall incorporate best management practices for erosion control from the District's Standards and Specification Guidelines. All such projects shall be planned and implemented by, or in cooperation with, the District. If implemented by the tenant (for rental credit), the District Representative shall ensure that the proposed project incorporates the appropriate BMPs for erosion control.

Pre-construction Surveys

Prior to any road or infrastructure improvement project, the project site will be surveyed by District biologists to determine if special-status species, or their habitat, is present. Construction in and around aquatic habitat is subject to additional restrictions, as described below.

Maintenance/Improvement of Water Control Structures:

- 1) Periodic vegetation removal to maintain berm/dam integrity
 - Removal of woody vegetation should be done by hand crews using hand saws or chain saws.
 - All vegetation removal should occur during the months of August through October, or when seasonal ponds are dry.

- 2) Minor earth work to repair small erosion problems or leaks (Build-up of earthen berms to prevent future erosion or over-topping and to repair minor breaches or erosion in an otherwise sound berm and/or spillway structure).
 - All earth work should be carried out using hand tools or a small tractor.
 - All earth work should occur during the months of August through October, or when seasonal ponds are dry.
 - Imported or soil obtained on site may be used. Soils shall be carefully selected to minimize visual or ecological impacts.
 - All equipment should be staged in previously-disturbed areas and kept out of the pond basins to the maximum extent possible.
 - Avoid driving or use of mechanized equipment within 200 meters of stock ponds when aquatic habitat (i.e. standing water) is present. If vehicles must be used within 200 meters of a pond, the vehicle use must be monitored by a second person to alert the operator of the presence of San Francisco garter snake and California red-legged frog.

- For minor earth work projects where permanent aquatic habitat is present within 200 meters (600 ft), a District biologist should be present for all work activities. The biologist will stop work if sensitive wildlife is present. A Service-approved biologist will remove the animal to a safe location, if required.

3) Major earth work to substantially repair or rebuild breached or heavily deteriorated dams or spillways (See pond excavation and recontouring, below).

Pond Excavation and Re-contouring

Ponds that have become filled with sediment or have otherwise limited water-holding capacity should be excavated to restore ponding depth and duration. This action both increase livestock water availability and improves habitat for CRLF. This and other major earth work (such as major berm repair) would be conducted using an excavator or dozer.

- **All federal, state, and local permits must be obtained prior to implementation of major repair, excavation or re-contouring projects. A grading plan and permit will be required. Contact the District representative to begin the planning process.**
- If possible, the grading plan should provide for an as-built ponding depth of at least six feet.
- If possible, the grading plan should provide for the recontouring of shallow 'bench' habitat (maximum ponding depth <24 inches) around the pond margins.
- All earth work should occur during the months of August through October, or when seasonal ponds are dry.
- Worker environmental awareness training should occur prior to project implementation.
- For those projects where permanent aquatic habitat is present within 200 meters (600 ft), a District biologist should be present for all work activities. The biologist will stop work if sensitive wildlife are present. A Service-approved biologist will remove the animal to a safe location, if required.
- Excavated material should be hauled off-site or deposited locally in an area with minimal visual or ecological impacts.
- All equipment should be kept out of the sensitive areas (except when required by project design).



Pond Physical Inspections

Pond physical condition inspections should occur every 1-3 years, preferably when the ponds are inundated to determine priority management projects and should include:

- Berms, spillways, drain pipes, ponding depth, and condition of the adjacent uplands
- Inspections for breaches, leaks, deteriorating berms, overgrowth of woody vegetation, impacts from excessive cattle trampling
- Maintenance activities should be recorded in logbook or database.

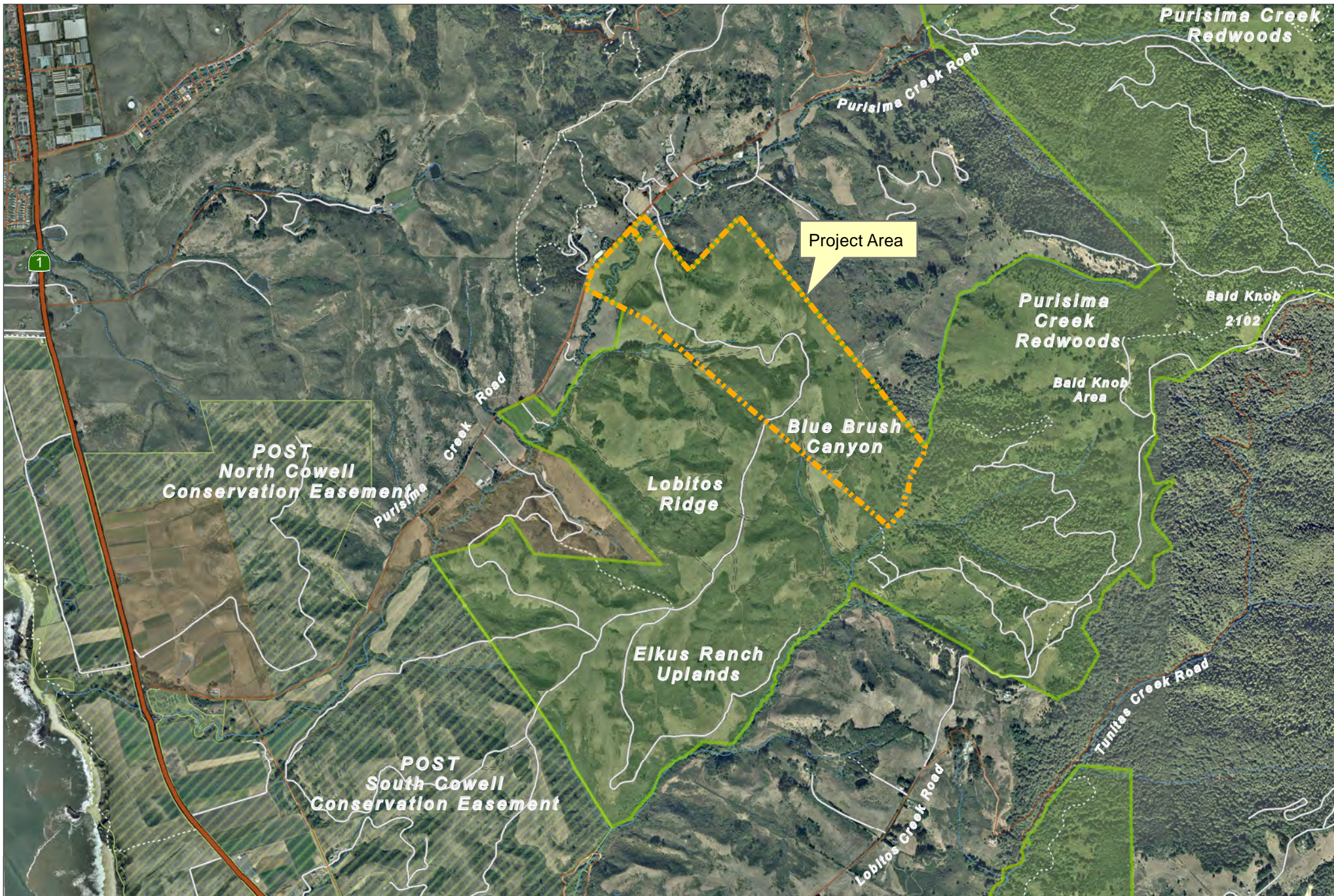






Exhibit 1

-  MROSD Preserves
-  Conservation or Agricultural Easement
-  Other Protected Open Space or Park Lands
-  Other Public Agency or Private Institution

Midpeninsula Regional Open Space District

February 2011



0 0.125 0.25 0.5 Miles



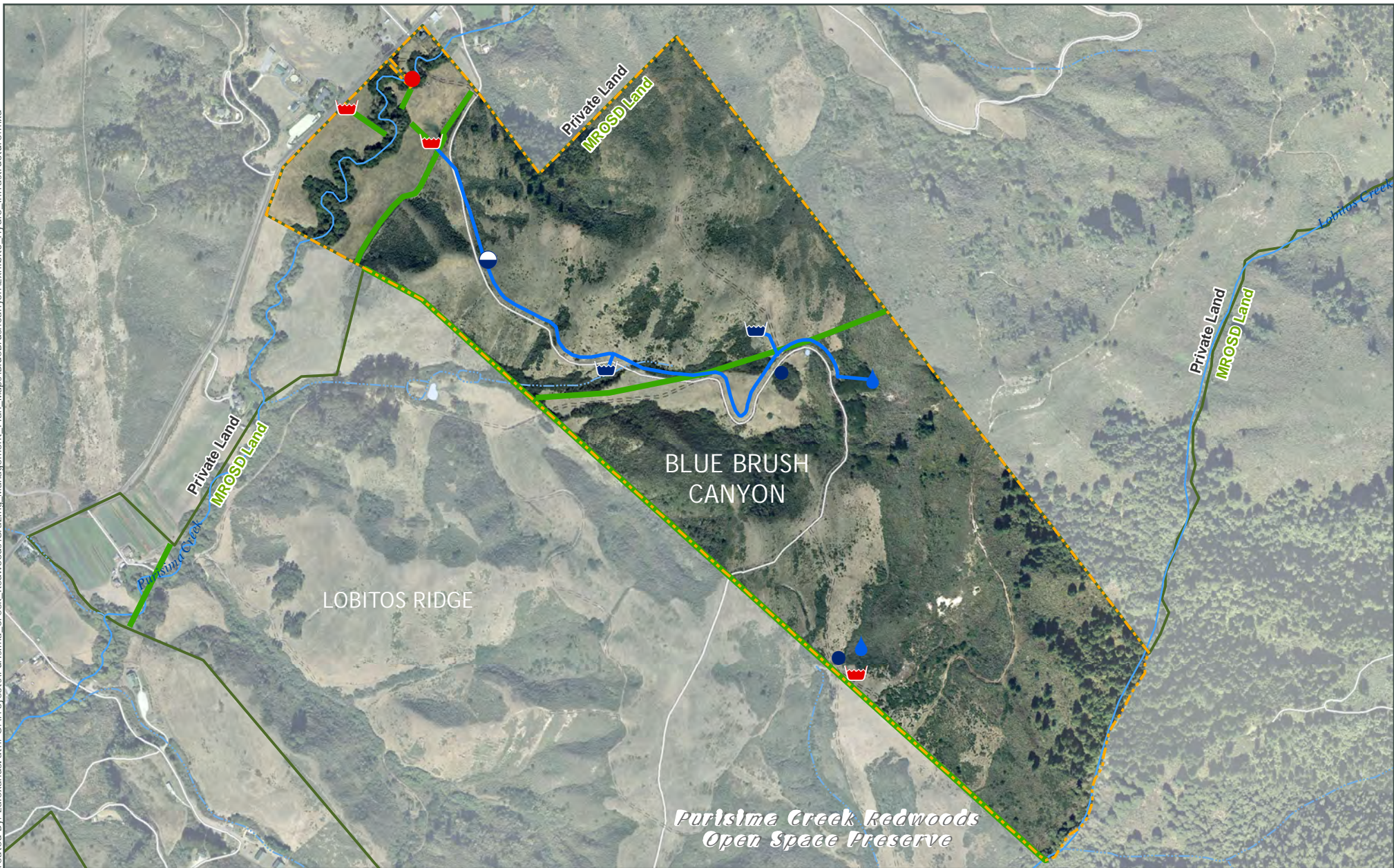











Exhibit 2

-  Water Trough
-  Water Trough proposed
-  Spring
-  Pond
-  Tank
-  Existing Corral
-  Water Line
-  Cross Fencing
-  Blue Brush Canyon Property

Midpeninsula Regional
Open Space District
(MROSD)












March, 2011



While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.

Path: G:\Projects\Purissima_Creek_Redwoods\Grazing_Management_Plan_Maps\BlueBrushCanyon\Exhibit3_HabitatTypes.mxd

-  Native Grassland
-  Heavy Thistle
-  Pond
-  Spring

Acres	Habitat Type
19.1	 Riparian Forest
3.5	 Mesic Deciduous Shrubland
61.1	 Grassland / Coastal Scrub Transition
87.3	 Coastal Scrub (Coyote Brush Mesic Stands)
102.8	 Coyote Brush Open Stands
15.7	 Redwood / Evergreen Forest
2.6	 Poison Oak Series
2.7	 Eucalyptus Series
8	 Land Use / Unvegetated

3423.9 feet (0.65 mile) of Perennial Stream Frontage

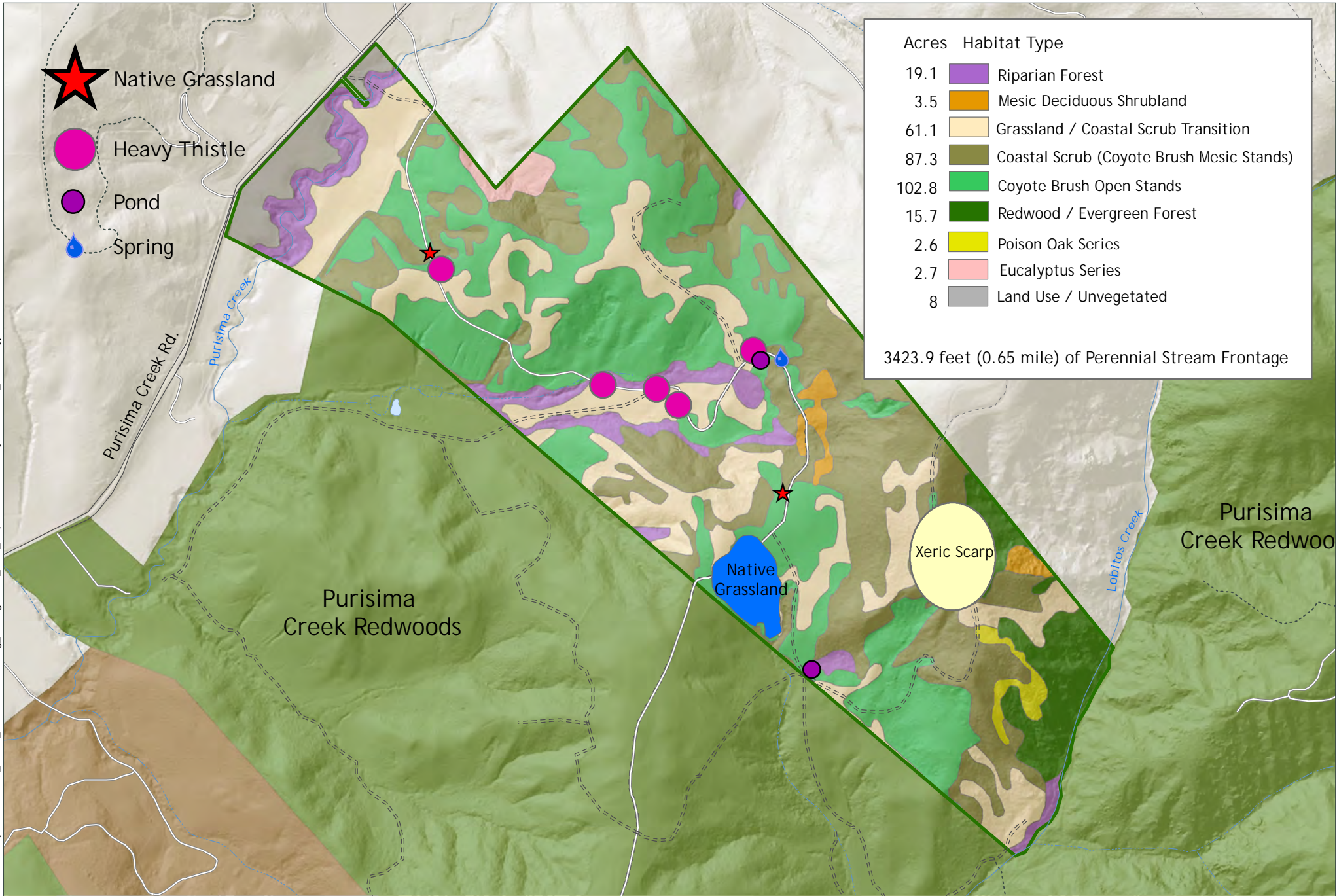


Exhibit 3

-  MROSD
-  Blue Brush Canyon
-  Other Public Agency

Midpeninsula Regional Open Space District



March 2011



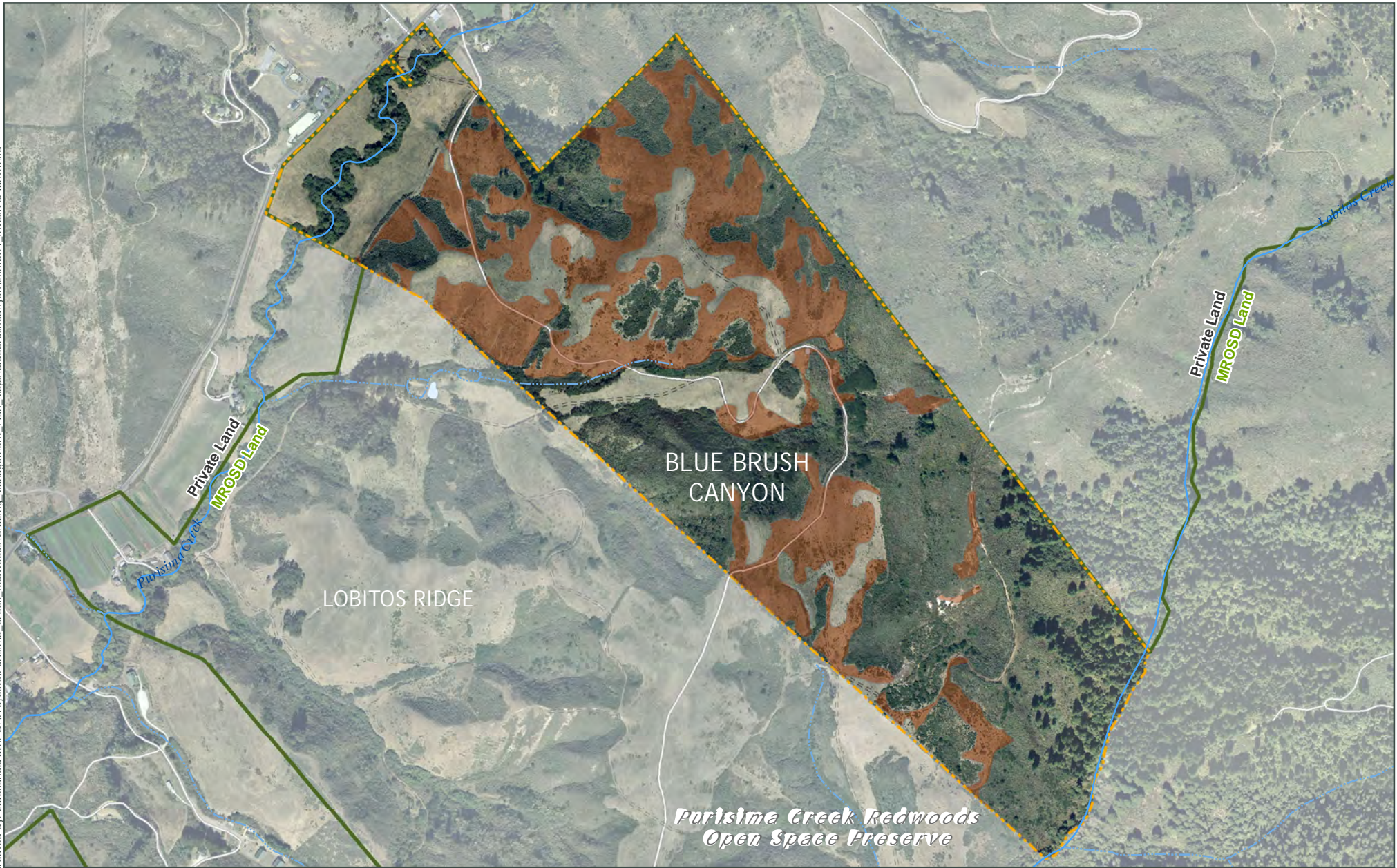


Exhibit 4

-  Blue Brush Canyon Property
-  Coyote Brush Open Stands (Coyote Brush / California Annual Grasslands)

Midpeninsula Regional
Open Space District
(MROSD)



March, 2011



While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.



Exhibit 5

- Cross Fencing
- Proposed Fencing
- Fence Needing Replacement
- 👑 Proposed Water Trough
- Livestock Loading/Unloading Corral
- Creek Livestock Watering
- Proposed Corral
- Tank
- Water Line
- Gate

Midpeninsula Regional
Open Space District
(MROSD)



March, 2011



While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.

ATTACHMENT 4

GRAZING LEASE BLUEBRUSH CANYON GRAZING UNIT PURISIMA CREEK REDWOODS OPEN SPACE PRESERVE

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SUMMARY OF GRAZING LEASE TERMS

This is a summary (“Summary”) of the principal terms and conditions of the Grazing Lease. Each item below shall be deemed to incorporate all of the terms and conditions set forth in the Grazing Lease pertaining to such item. In the event of any conflict between the information in this Summary and any more specific provision of the Grazing Lease, the more specific Grazing Lease provision shall control.

Landlord:	Midpeninsula Regional Open Space District
Tenant:	Tom Pacheco
Term:	Five (5) year Initial Term commencing September 1, 2012 (“Commencement Date”)
Grazing Season:	Seasonal (Annual adjustments thereafter pursuant to Section 6 of the Grazing Lease).
First Year Grazing Capacity:	165 AUMs (Annual adjustments thereafter pursuant to Section 6 of the Grazing Lease).
Use:	Cattle grazing and authorized adjunct activities
First Year Rent:	\$2,805.00 (Annual adjustments thereafter pursuant to Section 4 of the Grazing Lease).
Rent Payment Date:	Bi-annual payments on January 2 nd and July 31 st

District Contact Information:
Primary Contact: Real Property Specialist
Tel: (650) 691-1200
Alternate: Skyline Area Superintendent
Tel: (650) 949-1848

Tenant Contact Information:
Primary Contact: Tom Pacheco
Tel: (650) 747-0682
Alternate Contact: Doug Edwards (650) 245-6808
Alternate Contact: Walter Pacheco (650) 726-2558

Notice Addresses of District:
Midpeninsula Regional Open Space District
Attn: Real Property Specialist
330 Distel Circle
Los Altos, CA 94022

Notice Address of Tenant:
Tom Pacheco
P.O. Box 3192
Half Moon Bay, CA 94019

With a copy to:
MROSD – Skyline Field Office
Attn: Area Superintendent
21150 Skyline Boulevard
La Honda, CA 94020

GRAZING LEASE

THIS GRAZING LEASE (“LEASE”) IS MADE BY AND BETWEEN THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT (“DISTRICT”) AND THE UNDERSIGNED GRAZING TENANT (“TENANT”) UPON THE FOLLOWING TERMS AND CONDITIONS:

1. RANGELAND MANAGEMENT PLAN

District has prepared a grazing management plan for the Premises (“Rangeland Management Plan”), incorporated herein by this reference as Exhibit A, and has provided Tenant with a copy of said Rangeland Management Plan. Tenant hereby acknowledges receipt thereof. Tenant shall manage and use the Premises throughout the Term in a good and proper manner, according to approved methods of range management and grazing practice as more specifically set forth in the Rangeland Management Plan, and as may be established and modified from time to time by District. The Rangeland Management Plan serves this Lease as a management tool for developing and implementing range activities in accordance with and complementary to the District’s overall land management, resource administration, public use, and other open space policies, guidelines and goals. The Rangeland Management Plan may be amended by District from time to time, with Tenant’s input, and any such amendment by District shall be effective upon thirty (30) days written notice to Tenant thereof.

2. PREMISES

- (a) **Premises.** District leases to Tenant, and Tenant leases from District, upon the terms and conditions herein, those certain tracts of land specifically defined and delineated in the Rangeland Management Plan (the “Premises”).
- (b) **Reserved Rights.** Tenant's use of the Premises is subject to all existing easements, servitudes, leases and rights of way for ditches, levees, roads, public utilities, pipelines and any other purposes, whether of record or not, and including the right of District to authorize its directors, officers, employees, agents, and volunteers to use the Premises for District purposes. District reserves the right to use the Premises for all public open space purposes, including but not limited to natural resource restoration and management, natural resource monitoring, road grading, mowing, plowing, seeding, fertilizing, prescribed burning and performing any other appropriate or customary seasonal work. District further specifically reserves the right to make use of all roads and trails on the Premises for patrol, maintenance and such other uses as District may reasonably desire to make of such roads or trails. District also reserves the right to make the Premises open to the general public for low intensity open space recreation, subject to reasonable restrictions as determined by District, and including the right to construct trails, public trailhead facilities, and other facilities for such public use purposes.
- (c) **As Is Condition of Premises.** District makes no warranties or representations to Tenant concerning the suitability of the Premises for grazing purposes. Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation of the Premises and the suitability of the Premises for Tenant’s intended use. Tenant is fully aware of the needs of its grazing operations and has determined, based solely on its own inspection, that the Premises are suitable for its operations and intended use. Tenant acknowledges, agrees to, and hereby accepts, the Premises in their present condition, “AS IS,

WITH ALL FAULTS”, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, rules and regulations governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that District, including without limitation its directors, officers, employees and agents, has not made, and District hereby disclaims making, any representations or warranties, express or implied, concerning (i) any title or survey matters affecting the Premises; (ii) the physical, geological or environmental condition of the Premises including without limitation, and notwithstanding any provisions of the Rangeland Management Plan, the availability, suitability, sufficiency, or existence of any sources of water, livestock watering system, or water rights of any kind; (iii) the present or future capacity or suitability of the Premises for livestock grazing; (iv) the feasibility, cost or legality of constructing any improvements on the Premises if required for Tenant’s use as permitted under this Lease; (v) the condition of any fences, roads, gates or range improvements; or (vi) any other matter whatsoever relating to the Premises or its use, including, without limitation, any implied warranties of fitness for a particular purpose.

- (d) **Withdrawal of Premises.** Pursuant to Public Resources Code §5563, District hereby reserves the right, at any time, to reduce the size of the Premises leased hereunder, in whole or by any portion thereof, should the District Board of Directors (“Board”) by ordinance determine to use such lands for park, open space or other District purpose inconsistent with Tenant’s use, in which case the Lease shall terminate its use as to those lands so identified. District will notify Tenant of the tentative scheduling of any agenda item for Board consideration to act under Section 5563, as to the Premises, no less than ninety (90) days in advance of the meeting proposed for consideration of such an item. Should less than the entire Premises be removed from the Lease pursuant to this Section, the animal unit months (“AUM”), as hereinafter defined, and as permitted hereunder, and the corresponding rental amount, shall be reduced proportionate to the reduction in the area, based on acreage, subject to the Lease. In the alternative, Tenant may elect to terminate the Lease in its entirety and shall have no further rights or obligation hereunder except as to those matters specifically identified as surviving such termination. In the event of such early termination, Tenant’s sole claim against District shall be to a pro-rata refund of any grazing rent actually paid in advance, if any such rent has been paid for the next lease year.

3. **TERM**

- (a) **Term.** The Premises are leased for an initial five (5) (“Initial Term”) beginning September 1, 2012 (“Commencement Date”) and expiring on the last day of the Grazing Season on the final year of the Initial Term, unless extended as provided for herein. Provided Tenant is in compliance with the terms, covenants, and provisions of this Lease (including the Rangeland Management Plan), District may elect to extend the Lease for one additional five (5) year period (“Subsequent Term”), for a maximum total Term of no more than ten (10) years, unless the Lease is terminated by District or Tenant as otherwise provided for herein. The Subsequent Term shall expire on the last day of the Grazing Season on the final year of the Subsequent Term. Collectively, the Initial Term and Subsequent Term are referred to herein as the “Lease Term”.

- (b) **Grazing Capacity and Grazing Season.** The definition of the “Grazing Capacity” and the “Grazing Season” for all purposes of this Lease is that set forth in Section 6 of this Lease.. Tenant will graze the Premises only during the Grazing Season and in compliance at all times with the authorized Grazing Capacity. Tenant may go on to the Premises during other times of the year (the “Off-Season”) to conduct activities reasonably related to permitted grazing, including infrastructure maintenance and repair and related to such new leasehold improvements as may be authorized in writing by District.
- (c) **Termination of Lease at End of Term.** District or Tenant may terminate this Lease at the end of the Initial Term. This right of termination is in addition to any and all rights of termination by District or Tenant as set out herein.
- (d) **Possession.** Tenant agrees that in the event of the inability of District to deliver possession of the Premises at the Commencement Date, District shall not be liable for any damage caused thereby nor shall this Lease be void or voidable, but Tenant shall not be liable for Rent (as described hereunder) until such time as District offers to deliver possession of the Premises to Tenant. The Term of the Lease shall not be extended by any such delay.

4. RENT

- (a) **Lease Year Rent.** Each year during the Term, Tenant shall pay to District annual rent (“Rent”) as payment for grazing on the Premises. Rent for the first year of the Initial Term is the amount set forth in the Summary (\$2,805.00). Rent shall be adjusted on the Commencement Date of each lease year thereafter (“Annual Adjustment of Rent”) as set forth below. Rent shall be payable in two lump sum payments, and shall be paid on or before the dates set forth in the Summary (“Rent Payment Date”) at the address shown for District in the Summary. Rent shall be paid in advance without demand, deduction, offset or counterclaim whatsoever except as may otherwise be specifically permitted herein. Rent shall be paid in full when due and payable regardless of whether or not any livestock are grazed upon the Premises, or whether or not the Premises are grazed at the Grazing Capacity authorized for any lease year.
- (b) **Annual Adjustment of Rent.** Rent shall be adjusted upward or downward for each lease year depending upon the Grazing Capacity, Grazing Season, and per AUM rental rate as set out in Exhibit B for the Premises, as determined by District prior to the beginning of the Grazing Season, and on whether the average selling price of beef cattle is higher or lower than the corresponding average selling price for the preceding lease year (“Rent Adjustment”). Tenant shall be notified by the District on or before July 15th of each current lease year of the new per AUM rental rate for the next lease year. Rent Adjustments will be calculated pursuant to the formula set forth in the Calculation of Annual Grazing Rent, attached hereto and incorporated herein as Exhibit B of this Lease.
- (c) **Rent Credit for Performance of Work.** Tenant may request permission from District to substitute performance of work (“Work”) on the Premises, and only such matters for which Tenant is not otherwise obligated or responsible, in lieu of all or a portion of cash rental payments by the following procedure and subject to the following conditions:
 - 1) Prior to commencing any such Work, Tenant shall submit a written proposal to District for approval of specific Work and shall provide an estimate of the value of such Work (Exhibit C).
 - 2) District shall review such Tenant proposal and value estimate, and may elect, in its sole

discretion, to authorize the performance of such Work, or may counter the offer of Tenant, either as to the scope of Work or valuation thereof. If acceptable to Tenant, District may authorize the performance of such Work in lieu of all or a portion of Rent in the agreed upon amount. Any such authorization shall be in writing and signed by a duly authorized District representative or shall be of no force and effect.

- 3) In the event District approves specific Work to be performed by Tenant in lieu of all or a portion of Rent, all such Work shall be performed in a timely and professional manner, to the reasonable satisfaction of District.
 - 4) Tenant shall notify District upon completion of the authorized Work and shall arrange for inspection of such Work by District. If District, after inspection, accepts the Work as fully and correctly performed, it shall authorize, in writing, that such Work be substituted for all or a portion of Tenant's Rent obligations in the agreed upon amount. If District determines that the Work has not been fully or correctly performed, it shall notify Tenant of the deficiencies and Tenant shall have a reasonable period of time to correct the identified deficiencies. Tenant shall thereafter notify District and request further inspection.
 - 5) Tenant may thereafter apply the credit authorized herein to Rent accruing under this Lease.
 - 6) In no event shall credit for Work performed in lieu of Rent exceed the amount of Rent due for the remainder of the then current Term and any excess claimed may not be carried over or otherwise applied to rental obligations arising thereafter. Should District terminate this Lease for any reason permitted hereunder, District shall, prior to the full application of any such credit to Rent due, reimburse Tenant for Work that was approved by District and correctly performed by Tenant, provided that District's termination of this Lease is not due to a material default or breach of Tenant that results in a determination by a court of competent jurisdiction that any such credit accrues to the benefit of the District.
 - 7) Nothing contained herein shall be construed to make Tenant an employee or agent of District and Tenant shall be and remain an independent contractor.
 - 8) The type of work that may be considered for rental credit shall include but not be limited to:
 - (i) Road brushing, minor grading, and maintenance
 - (ii) Invasive plant treatment
 - (iii) Repairing perimeter fencing and constructing new fencing.
 - (iv) Stock water improvements
- (d) **Late Charge.** Any Rent received by District five (5) or more days past the Payment Date on which such amount was due, shall be subject to a penalty of 10% of the amount due to District, and Tenant shall pay such additional sum concurrently with the late payment.
- (e) **Livestock Lien.** Tenant hereby acknowledges that all Rent not paid on a Payment Date set herein shall become a lien on any and all livestock located on the Premises as authorized by California Civil Code §3080, *et seq.*, and District shall have the right to take possession and retain all such livestock, without resort to additional legal proceeding, until all unpaid amounts are satisfied in full.

5. TAXES

Tenant agrees to be responsible for, and to pay promptly when due, all possessory interest taxes and any other such taxes that are assessed on the basis of this Lease or the grazing operations permitted hereunder. Tenant shall pay any such possessory tax prior to delinquency thereof, and shall not be entitled to offset the amount of such tax against Rent payable under this Lease. Taxes assessed on any personal property of Tenant shall be solely the obligation of Tenant.

6. ANNUAL GRAZING CAPACITY AND GRAZING SEASON DETERMINATION

- (a) **Definition of Grazing Capacity.** Grazing capacity, for all purposes herein, is the level of livestock use allowed on the Premises consistent with forage production, resource conservation, and open space preservation objectives (the "Grazing Capacity"). The unit of measure of Grazing Capacity shall be the animal unit month ("AUM"), defined herein as the amount of forage, equivalent to 1,000 pounds of dry, herbaceous plant material, necessary to sustain a mature cow for a period of one month. District shall regulate the kind and number of livestock and the amount of time the Premises are grazed by same, to assure conformity to Grazing Capacity estimates.
- (b) **Procedure for Establishing Annual Grazing Capacity and Grazing Season.** The Grazing Capacity and Grazing Season for the Premises for the first lease year is that set forth in the Summary. The procedure for establishing the Grazing Capacity and Grazing Season thereafter shall be:
- 1) District shall conduct an annual range assessment of the Premises to identify areas District considers suitable for grazing and to estimate the available forage production for the forthcoming lease year. Tenant will be provided an opportunity to participate in this annual range assessment.
 - 2) Residual Dry Matter (RDM) targets described in Section 6(g) herein shall be subtracted from the estimated total amount of available forage within the Premises to determine how much forage is available for livestock to consume in an average year, a wet year, and a dry year. The District's determination of Grazing Capacity and corresponding Grazing Season for the Premises shall be based upon the estimated forage production in an average rainfall year and may be subject to change by District.
 - 3) Prior to November 15th of each year, District shall notify Tenant in writing of the authorized Grazing Capacity and Grazing Season for the Premises for the forthcoming lease year. The notice shall set forth any required changes to Tenant's range management methods or grazing practices in accordance with the Rangeland Management Plan, and shall also list any natural resource management or other range or open space management activities appropriate for the Premises during the forthcoming lease year from which Tenant may propose to do Work, as defined in Section 4(c).
 - 4) Subject to the provisions of Section 6(c) through 6(g) below, the authorized Grazing Capacity for the Premises shall remain the same throughout the lease year.
- (c) **District as Sole Judge of Grazing Capacity and Grazing Season.** At all times District shall be the sole judge as to the Grazing Capacity and Grazing Season of the Premises and any pasture thereof. In determining the Grazing Capacity and Grazing Season of the Premises or any pasture thereof, District may take into account, by way of example only and without limitation thereby, such factors as erosion control, re-forestation, native and invasive vegetation, water quality, fisheries, wildlife, recreation or any other conditions that may

affect the use, operation, and conservation of the District's lands for open space purposes.

- (d) **Emergency Reduction of Grazing Capacity.** At any time and from time to time, District may reduce the authorized Grazing Capacity or Grazing Season or impose a full or partial grazing moratorium in the District's discretion when such action is necessary or appropriate due to an emergency that poses a threat to the physical or environmental condition of the Premises. Written notice of any such reduction will be given by District to Tenant, who shall have ten (10) days in which to implement the reduction. In implementing such reduction, Tenant may either (i) reduce animal numbers, or (ii) feed weed-free hay of good quality at the equivalent of three (3) AUMs per ton fed. In the event Tenant desires to use option (ii), Tenant shall first obtain District's written approval. In giving such approval, District may require Tenant to concentrate all or part of the livestock into selected areas for feeding and control. In the event of such reduction, the Rent shall be adjusted pursuant to Section 4(b) hereof.
- (e) **Exceeding Grazing Capacity Without Authorization.** Tenant shall limit the number of livestock to be grazed upon the Premises and the period of use so that the authorized number of AUMs is not exceeded. Should the Premises, or any portion thereof, unintentionally be grazed in excess of the authorized number of AUMs, Tenant shall immediately remove all or such number of livestock as are necessary to comply with the Grazing Capacity authorized by District. In addition to all other rights which District may have or exercise under this Lease, in the event that Tenant grazes the Premises in excess of the authorized Grazing Capacity, the charge per AUM shall be three (3) times the annual Rent provided for in this Lease for each AUM or portion thereof grazed in excess of said authorized number, for any length of time, such amount being hereby agreed upon as the liquidated minimum damages to District from such excess usage and District shall be entitled to prove and be awarded any greater damage amount, or other relief sought, by a court of competent jurisdiction. Tenant shall pay such amount to District promptly upon demand.
- (f) **Minimum Residual Dry Matter (RDM) Requirements.** Residual dry matter ("RDM"), as used herein, is a measure of the amount of dry vegetation left on the ground, typically measured at the end of summer or in the fall, prior to rainfall. The height in inches of standing vegetation remaining on the ground is a general indicator of RDM levels; however the pounds per acre measurement shall be used for the purposes of monitoring and enforcing minimum RDM requirements. The District has set the following minimum RDM requirements for the Premises depending upon average slope:
- 1) On 0% to 30% slopes, the average minimum RDM shall be 800 – 1,000 pounds per acre, or approximately 2 to 3 inches of standing vegetation.
 - 2) On slopes greater than 30%, the average minimum RDM shall be 1,200 pounds per acre, or approximately 3 to 4 inches of standing vegetation.

A layer of RDM shall be maintained by Tenant throughout the Grazing Season to minimize soil erosion and enhance both the quality and quantity of forage produced. Tenant and District acknowledge that localized over-utilization will occur adjacent to watering facilities, corrals, and salting areas. As such, these areas will not be used to determine the RDM levels of a pasture. If the RDM levels drop below the amounts specified above, District shall notify Tenant, and Tenant shall immediately remove all livestock from the affected pasture(s) until

such time as District determines that such pasture(s) have recovered sufficiently for restocking.

7. ANNUAL STOCKING AND WORK PROGRAM

Tenant and District Rangeland Ecologist shall prepare an annual stocking and work plan (“Stocking and Work Program”) prior to the beginning of each Grazing Season. No later than **December 1st** of each year, Tenant shall deliver to District Rangeland Ecologist a proposed Stocking and Work Program, in a form substantially similar to the example thereof contained in the Rangeland Management Plan that shall include information on the number and type of all livestock proposed to be grazed upon the Premises during the forthcoming Grazing Season. The Stocking and Work Program shall set forth the number of AUMs to be stocked on each pasture, based on current forage conditions and the Grazing Capacity and the forthcoming Grazing Season established by District, and shall specify all proposed management activities related to herd health, pest control, infrastructure maintenance, and/or the development of range resources that may be warranted for the conditions and circumstances on the Premises. The range management work proposed by Tenant shall be in full conformance with the Rangeland Management Plan. Within fifteen (15) working days of receipt of the Stocking and Work Program, District Rangeland Ecologist shall notify Tenant in writing whether it is acceptable. If unacceptable, District shall state in its notice all changes to be made to the Stocking and Work Program. Tenant shall incorporate all changes into the Stocking and Work Program and resubmit it to District for approval.

8. USE OF PREMISES

- (a) **Tenant’s Permitted Use.** Tenant may use the Premises for the uses specified in the Rangeland Management Plan, and for no other purpose or use without the prior written consent of District, the exercise of which shall be in its sole discretion. Livestock grazed on the Premises must be either owned by the Tenant or grazed under the direct supervision of Tenant.
- (b) **Land Management and Forage Utilization.** Tenant shall distribute or rotate livestock throughout the Premises as specified in the Rangeland Management Plan and Tenant’s annual Stocking and Work Program approved by District. Tenant shall maintain optimum distribution of livestock over the Premises by distributing or rotating livestock among the pastures to obtain uniform range utilization minimize overgrazed areas and reduce the overall fire hazard. Tenant shall maintain in good condition and repair all cross-fences and gates that define any pasture, and shall distribute salt blocks uniformly throughout the Premises. Tenant shall maintain any developed livestock watering system in good condition and repair. Tenant shall conduct grazing activities, and use the Premises in accordance with, sound rangeland management practices, including, but not limited to, those standards and practices set forth or referenced in the Rangeland Management Plan, and shall otherwise conduct livestock grazing operations in a safe, responsible, professional and environmentally protective manner.
- (c) **Grazing Within Premises.** Tenant shall, at all times, prevent livestock from trespassing onto lands owned or managed by District on which Tenant is not authorized to graze, into areas within the Premises excluded from the authorized grazing areas, or upon any adjacent third-party lands, whether private or public. Notwithstanding the foregoing, nothing in this subsection (c) shall be construed to require Tenant to install additional fencing on the Premises beyond that required elsewhere in this Lease or by the Rangeland Management

Plan.

- (d) **Supplemental Feeding.** Subject to verbal authorization from the District's Rangeland Ecologist and Area Superintendent or other authorized District representative, Tenant may provide supplemental feed to maintain the health and vitality of permitted livestock. Tenant may not conduct supplemental feeding on the Premises to prolong grazing use in areas where the forage levels specified in the approved annual Stocking and Work Program have been reached or exceeded. Any supplemental feed shall be certified to be free of non-native, invasive plant materials, commonly known as "weed free" feed or forage.
- (e) **Health of Livestock.** Tenant covenants and warrants that all livestock on the Premises shall be in general good health and physical condition and that they have been inoculated with all appropriate vaccinations according to good husbandry practice. Tenant will cull the grazing herd of all diseased or otherwise unhealthy livestock in a prompt and responsible manner.
- (f) **Disposal of Livestock Carcasses.** Tenant shall remove from the Premises, or bury on the Premises in a manner and location satisfactory to District, any and all livestock that may die on the Premises. Tenant shall immediately notify District upon discovering any dead livestock on or near the Premises. Tenant's notification shall state the proposed method and location for disposing of the dead livestock. The proposed method and location shall be subject to approval by District and may include permission to discharge firearms on the Premises in furtherance of the disposal.
- (g) **Motorized Vehicles and Heavy Equipment.** Tenant acknowledges that use of roads and vehicle accessible trails and areas of the Premises, both during and immediately following wet weather carries the potential for serious degradation of road and ground surfaces, including but not limited to, rutting and erosion. Tenant shall refrain, to the maximum extent feasible consistent with reasonable grazing practices, from using motorized vehicles on the Premises during wet conditions. All motorized vehicle use by Tenant during wet conditions is restricted to the use of balloon-tired, all-terrain vehicles. All motorized vehicles and equipment used by Tenant on the Premises must be outfitted with appropriate spark arrestors and mufflers. No heavy equipment, including, but not limited to bulldozers, backhoes, excavators, or trenchers is allowed to cross or operate on the Premises without District's prior written consent. District may, in its sole discretion, close any or all roads, or promulgate and enforce use restrictions on road use for resource management, erosion control, law enforcement purposes, or other purposes necessary or appropriate for the sound management of the Premises, by providing Tenant with prior written notice thereof.
- (h) **Weed and Pest Control.** Except as set forth in Section 8(d) above, District will have the right, but not the obligation, at its sole cost and expense, and in its sole discretion as to the manner, time or extent of such efforts, for the control of noxious weeds and animal pests on the Premises. Tenant shall fully cooperate with District in any programs designed to control or eradicate weed and pest populations, including relocation of livestock if necessary. District shall provide Tenant with at least 48 hours notice, verbal or written, prior to the commencement of such control programs. Tenant shall not introduce any noxious vegetation onto or about the Premises. In no event shall District be liable to Tenant for the presence or introduction of noxious vegetation or animal pests on the Premises.
- (i) **Hazardous Substances.** Tenant is absolutely prohibited from transporting, mixing, generating, applying, storing, or disposing of herbicides, pesticides, rodenticides or any hazardous substances, except for equipment and vehicle fuel and fueling operations typical

for use in grazing operations, upon the Premises without the prior express written consent of District. Fuel will be kept in properly sealed containers, suitable for the substance, and all fuel transfer operations will be conducted with sufficient care and diligence to prevent contamination of or on the Premises.

- (j) **Compliance with Law.** Tenant will comply with all applicable laws, permits, statutes, ordinances, rules, governmental orders, regulations, and requirements pertaining to the occupancy and use of the Premises, including without limitation, District Land Use Regulations and any amendments thereto. Tenant shall not use, nor permit others to use, the Premises for any unlawful or prohibited purpose or purposes except as may otherwise be specifically authorized hereunder.

9. ENTRY AND INSPECTION BY DISTRICT

Tenant agrees that District and its directors, officers, employees, agents and authorized volunteers may enter the Premises at any time to inspect the Premises, or to make any changes, alterations or repairs which District in its sole discretion considers appropriate for the protection, improvement or preservation of the Premises, and to post any notice provided for by law or otherwise to protect the rights of District. Nothing herein contained shall be construed to obligate District to make any changes, alterations or repairs to the Premises.

10. MAINTENANCE OF IMPROVEMENTS

- (a) **Routine Maintenance.** Except as otherwise specifically set forth herein, Tenant shall, in return for approved rental credits, in a timely manner, maintain and repair all improvements related to grazing use, whether existing at commencement of the Lease or newly constructed, including roads, fences, gates, livestock guards, barns, buildings, structures, corrals, wells, pumps and pressure systems, spring boxes, pipelines, ponds, and water troughs, without any alterations or additions except as approved in writing by District. Tenant may maintain improvements and appurtenances that need replacement at a minimal operational level pending their replacement or reconstruction with prior written approval of District. Tenant shall not be responsible for maintenance of the Premises during the Off-season(s).
- (b) **Emergency Road Repairs.** Tenant may perform limited emergency repairs to any road that is impassable for uses authorized hereunder. Tenant must make a reasonable, good faith effort to notify District prior to commencing emergency work undertaken pursuant to this section. "Emergency" for purposes of this section shall mean imminent danger to the health or safety of humans, the natural resource values of the Premises, water bodies or structures, or to livestock permitted on the Premises hereunder. All emergency work undertaken pursuant to this section shall be performed, to the maximum extent feasible, in a manner consistent with District road repair standards. No material may be permitted to enter waterways. Tenant shall be responsible for remediation of any emergency road repair work, as such may be ordered by District or by lawful regulatory authority, including proper permitting, associated fees and charges and for any fines levied. Tenant shall not be entitled to reimbursement or rent credit for any such emergency repairs.

11. ALTERATIONS

Tenant agrees to obtain and fully comply with all applicable permits, authorizations, laws, ordinances, and regulations, and to obtain the prior written consent of District before making any alterations of, changes in, or additions to the Premises. All alterations, additions and

improvements made in, to, or on the Premises, except unattached, movable fixtures, are the property of the District and will remain upon, and be surrendered with, the Premises upon termination of this Lease.

12. DISTRICT RIGHT TO TERMINATION FOR BREACH OR DEFAULT

- (a) **District Right to Terminate for Default.** District shall have the right to terminate this Lease at any time upon default of this Lease by Tenant. In the event of such earlier termination by District, Tenant shall be allowed thirty (30) days following the giving by District of written notice of termination to Tenant in which to vacate the Premises. In the event of such early termination, Tenant's sole claim against District shall be to a pro-rata refund of grazing rent actually paid in advance.
- (b) **Default.** The occurrence of any of the following shall constitute a material default under and breach of this Lease by Tenant:
- 1) Any failure by Tenant to pay the Rent or any other monetary sums required to be paid hereunder (where such failure continues for three (3) business days after written notice to quit or pay rent by District to Tenant).
 - 2) The abandonment of the Premises by Tenant.
 - 3) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by District to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.
 - 4) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or, the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days. Tenant agrees that in the event of the occurrence of any of the above-specified circumstances, then this Lease, or any interest in or to the Premises, shall not become an asset in any of such proceedings.
- (c) **Remedies.** In the event of any material default or breach by Tenant, District may, at any time thereafter, and without thereby limiting District in the exercise of any right or remedy, at law or in equity, that District may have by reason of such default or breach:
- 1) Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether or not Tenant has abandoned the Premises. In the event District elects not to terminate the Lease, District shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as District deems reasonable and necessary without being deemed to have elected to terminate the Lease, including removal of all persons and property from

the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises, notwithstanding failure by District to elect to terminate the Lease initially. District at any time during the Term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

- 2) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to District. In such event District shall be entitled to recover from Tenant all damages incurred by District by reason of Tenant's default, including without limitation thereto, the following: (a) the worth at the time of award of any unpaid Rent which has been earned at the time of such termination; plus (b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (c) any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform any obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; plus (d) at District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. Upon any such re-entry District shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which District, in its sole discretion, deems reasonable and necessary. As used in (a) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum from the date of default. As used in (b), the "worth at the time of award" is computed by discounting such amount at the discount rate of the U.S. Federal Reserve Bank at the time of award plus one percent (1%). The term "Rent," as used in this Section, shall be deemed to be and to mean the Rent to be paid pursuant to Section 4 hereof and all other monetary sums required to be paid by Tenant pursuant to the terms of this Lease.

- (d) **Cumulative Rights.** All rights, options and remedies of District contained in this Lease, including but not limited to the rights set out in Section 2(d) herein, shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and District shall have the right to pursue any one or all of such remedies and any other remedy or relief which may be provided for by law or in equity, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by District of any Rent or other payments due hereunder or any omission by District to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of District to or of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent or approval to or of any subsequent similar acts by Tenant.

13. **TENANT'S RIGHT TO TERMINATE**

- (a) If, after reviewing the average selling price of beef cattle for the month of June as set out in Exhibit B, Tenant determines that the Rent for the subsequent lease year will not enable Tenant to conduct an economically viable grazing operation, Tenant shall have the right to terminate this Lease, effective at the Commencement Date of the next lease year, by providing written notice to District at the address shown on the Summary on or before August 15th of any lease year. In the event of such earlier termination by Tenant, Tenant

shall be allowed ninety (90) days following the receipt by District of written notice of termination by Tenant in which to vacate the Premises in conformity with this Lease. In the event of such early termination, Tenant's sole claim against District shall be to a pro-rata refund of any grazing rent actually paid in advance, if any such rent has been paid for the next lease year.

14. SURRENDER OF PREMISES

Tenant agrees that upon termination of this Lease to promptly surrender the Premises and all appurtenances to District in the same condition as when received, reasonable use, wear and tear, damage by fire, acts of God or nature are an exception, and to remove all of Tenant's livestock and personal property from the Premises.

15. ASSIGNMENT AND SUBLETTING

Pursuant to the provisions of Civil Code §1995.230, this Lease is personal to Tenant and may not be assigned, sublet or otherwise transferred by Tenant, in whole or in part, in any manner whatsoever without first obtaining the express written consent of District which may approve or disapprove such assignment, sublease or other transfer in its sole discretion based on its review and assessment of the proposed transferee's experience with grazing, especially on public lands, general business experience and financial stability on a level comparable to that of Tenant, and proposed transferee's ability to competently and timely perform all aspects of the Rangeland Management Plan.

16. INDEMNIFICATION

Tenant agrees to indemnify, protect, defend, and hold District harmless from and against any and all claims, losses, damages, demands, liabilities, suits, penalties, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims and/or judgments arising out of or arising in connection with any injury or damage to any person or property including, without limitation, District and its directors, officers, employees, agents volunteers, and guests from any cause or causes whatsoever while in, upon or in any way connected with this Lease, the Premises, or its appurtenances during the Term of the Lease.

17. INSURANCE

Tenant agrees to obtain, and keep in force during the term of the Lease, all at Tenant's own cost and expense, a policy or policies of Commercial General Liability Insurance and Business Auto Coverage insurance, each in an amount of not less than \$1,000,000.00 aggregate and per occurrence or accident for all covered losses. Such policy or policies shall name District as an additional insured, and evidence of such endorsement, by a duly executed Certificate of Insurance (ACORD 25-S, or a successor or comparable form, subject to prior approval by District) shall be provided District within ten (10) days of execution hereof and shall be updated thereafter as necessary. Each of the policies must contain a provision that such policy will not be cancelled or materially changed without thirty (30) days prior written notice to District. Tenant shall also comply with all applicable statutory worker compensation requirements. Upon request by District, Tenant shall direct his insurer or insurance agent to furnish District with a copy of any policy required by this Lease, certified to be a true and complete copy of the original.

18. ABANDONMENT

Tenant shall be deemed to have abandoned the Premises if Tenant fails to pay any rental amount due

District at the times or in the manner provided, fails to observe and perform any of the other covenants or conditions of this Lease, where such failure to observe or perform continues for a period of fifteen (15) days after written notice by District to Tenant, or ceases active grazing use of the Premises for a continuous period of sixty (60) days during a Grazing Season. In the event Tenant is deemed to have abandoned the Premises, any prepaid Rent shall belong entirely to District and shall not be refunded, in whole or in part, to Tenant.

19. WAIVER OF RELOCATION BENEFITS

Tenant specifically waives any and all rights to relocation benefits or assistance that might otherwise be available to Tenant upon termination of this Lease (for any reason or under any circumstances) including, but not limited to, those authorized under California Government Code §7260 *et seq.* or otherwise.

20. UTILITIES

District shall have no responsibility or liability of any kind with respect to any utilities that may be on or about the Premises. Tenant shall have the sole responsibility to locate such utilities and to protect them from damage. Tenant shall make all arrangements directly with utility companies for delivery, and shall timely pay for any and all utilities and services furnished to or used by Tenant, including without limitation, gas, electric, water and telephone service for all deposits, connection, installation and usage charges.

21. NO RIGHT TO REPAIR AND DEDUCT

No residential tenancy is created by or permitted hereunder, and Tenant expressly waives the benefit of any existing, or subsequently enacted or set out, law, judicial or administrative decision, that might otherwise permit Tenant to make repairs or replacements at District's expense, or to terminate this Lease because of District's failure to keep the Premises, improvements, or any part thereof, in good order, condition and repair, or to abate or reduce any of Tenant's obligations hereunder on account of the Premises or improvements or any part thereof being in need of repair or replacement except as is specifically authorized pursuant to Section 4 (c) hereof. Without limiting the foregoing, Tenant expressly waives the provisions of California Civil Code §1932 or any similar laws with respect to the right of Tenant to terminate this Lease.

22. GENERAL PROVISIONS

- (a) **Amendments; Entire Agreement.** Neither this Lease nor any term or provision hereof may be changed, waived, amended, discharged or terminated except by a written instrument signed by the Parties hereto or as otherwise permitted hereunder. This Lease, including the Exhibits hereto, contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease or the Rangeland Management Plan and any changes therefrom) may be introduced in any judicial, administrative or other legal proceedings involving this Lease. Tenant hereby acknowledges that neither District, nor District's directors, officers, employees or agents, have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

- (b) **Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall no be affected thereby, and each other provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- (c) **Time.** Time is of the essence to every term and condition hereof to which time is a material factor.
- (d) **Governing Law and Venue.** This Lease shall be construed pursuant to California law and proper venue for all purposes shall be in the County of Santa Clara.
- (e) **Attorneys' Fees; Costs of Suit.** If legal action shall be brought by either of the parties, the party prevailing in said action shall be entitled to recover from the party not prevailing the costs of the suit and reasonable attorney's fees. For purposes of this Lease, reasonable fees of attorneys employed by District shall be based on the fees regularly charged by private attorneys with an equivalent number of years of experience in the subject matter area of the law and actively practicing within the jurisdiction of District.
- (f) **Holding Over.** Tenant specifically waives the provisions of Code of Civil Procedure §1161(2). Any holding over after expiration of the Term with the express written consent of District shall be construed to automatically extend the Term of this Lease only on a month-to-month basis. All other terms, conditions and covenants of the Lease shall remain in effect during the hold over period so far as applicable.
- (g) **Notices.** Wherever this Lease provides for notices between the parties, or wherever the law requires or gives the right of serving a notice, the same shall be in writing and either served personally or sent by registered or certified mail, postage prepaid and addressed to the appropriate party as shown in the Summary. District and Tenant may at any time, in the manner provided herein, change the place or person designated for receiving notice.

IN WITNESS WHEREOF the parties hereto subscribe their names.

DISTRICT:

TENANT:

Stephen E. Abbors, General Manager

Tom Pacheco

Date: _____

Date: _____

Attest: _____
Michelle Radcliffe
District Clerk

Approved as to form:

Sheryl Schaffner, General Counsel

**EXHIBIT A
TO
GRAZING LEASE**

**Rangeland Management Plan
(under separate cover)**

**EXHIBIT B
TO
GRAZING LEASE**

CALCULATION OF ANNUAL GRAZING RENT

The Lease Summary specifies the Rent to be paid by Tenant during the first lease year. For each lease year thereafter, annual Rent shall be adjusted upward or downward based upon two factors:

- 1) The Grazing Capacity in AUMs authorized by District for the upcoming lease year.
- 2) An increase or decrease in the per AUM rental rate based upon whether the average selling price of beef cattle is higher or lower than the average selling price for the preceding year. The per AUM rental rate shall be adjusted upward or downward by 50% of the percentage change in beef cattle prices.

For the purpose of calculating the per AUM rental rate, the average selling price of beef cattle shall be taken as the average selling price of Medium Frame No.1 Muscling Steers and Heifers, 500-800 lbs., as reported by the Cattle Marketing Information Service, Inc. (Cattle-Fax) for the month of June prior to the start of the new lease year. In the event that the average sales price of beef cattle is not obtainable in any year from Cattle-Fax as now constituted, then the average sales price to be used in determining the rental rate shall be obtained from some other authentic source to be selected by District as providing a comparable price for this purpose.

EXAMPLE:

Assume the Grazing Capacity authorized by the District for the first lease year is as follows:

Bluebrush Canyon - 33 AUMs per month for 5 months (May - November) = 165 AUMS

Total Grazing Capacity = 165 AUMS

Per AUM Rent = \$17.00

Rent for first lease year = 165 AUM X \$17.00 = \$2,805

The total authorized AUMs for each upcoming lease year shall be established by the District on the basis of the Grazing Capacity of the Premises as determined by District, and stocking levels shall be computed by calculating the relative forage requirements of each of the kind or kinds of livestock intended to be grazed on the Premises in any one grazing year, as expressed by the following conversion factors:

<u>Type of Livestock</u>	<u>Animal Unit Months (AUMs)</u>
Adult Cow with Calf up to 6 months old	1.00
Heifer or Steer, 2 years & older (1,000 lbs. or more)	1.00
Yearling to 2-year-old (750 to 1,000 lbs.)	0.75
Weaned Calf to Short Yearling (up to 750 lbs.)	0.50
Bull	1.00
Horse	1.25
Sheep	0.20
Goats	0.20

Tenant shall use the Premises only for grazing the type of livestock permitted by District under the terms of the Lease.

**EXHIBIT C
TO
GRAZING LEASE**

Rental Credit Proposal

Date:	Lessee:
Grazing Season:	
Grazing Property (ex. Big Dipper):	
Project Description:	
Proposed Cost: (Labor & Equipment (including hourly rates)and Materials)	
Proposed Date of Work:	