

Exhibit D

Bank Management and Operation Plans

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Exhibit D-1

Interim Management Security Analysis and Schedule

INTERIM MANAGEMENT SECURITY

Concurrent with the Transfer of the first Credit, the Bank Sponsor shall furnish to USACE Interim Management Security in the amount specified below. The amount of the Interim Management Security shall be equal to the estimated cost to implement the Interim Management during the first three years of the Interim Management Period. The Interim Management Security shall be in the form of an irrevocable standby letter of credit. The Bank Sponsor shall ensure that the full amount of the Interim Management Security shall remain in effect until the end of the Interim Management Period. The costs in the Table below were taken from the estimated annual costs in the PAR for those activities required to be completed in Years 1-3 of the Interim Management Period.

Task	Average Annual Cost ¹	Cost Years 1-3	Explanation of Cost
MONITORING			
Quarterly Site Inspections (includes photo documentation & invasive species monitoring)	\$ 3,120.00	\$ 9,360.00	Quarterly site inspections
Habitat Monitoring (including hydrology, & vegetation)	\$ 880.00	\$ 5,280.00	Monitoring will be more intensive in Years 1-3 than in long-term. Hours increased from 16 to 32 per year for 3 years for veg & hydro monitoring costs during years 1-3.
Year 3 PJD & CRAM	N/A	\$ 3,000.00	Yr 3 PJD & CRAM
FIELD EQUIPMENT			
Quad Runners, 4WD	\$ 615.00	\$ -	No new quad runners will be purchased in Years 1-3
Vehicle Insurance	\$ 165.00	\$ 495.00	Insurance to be paid
Vehicle Maintenance/Fuel	\$ 1,000.00	\$ 3,000.00	Vehicle Maintenance
Vehicle Pickup	\$ 5,400.00	\$ -	No new vehicles will be purchased in Years 1-3
GENERAL MAINTENANCE			
Dump Fees	\$ 80.00	\$ 240.00	Dump Fees
HABITAT MAINTENANCE			
Adaptive Management	\$ 3,000.00	\$ 3,000.00	Adaptive Management is not anticipated in all years but may occur in one of the three
Herbicide	\$ 165.00	\$ 990.00	Invasive Plant control is anticipated to be greater before riparian vegetation is established
Exotic Plant Control	\$ 310.00	\$ 1,240.00	

Task	Average Annual Cost ¹	Cost Years 1-3	Explanation of Cost
Sediment/Erosion Control	\$ 2,200.00	\$ -	Sediment control is not anticipated to be necessary in Years 1 – 3
Irrigation Maintenance	N/A	\$ 9,000.00	
OPERATIONS			
Insurance	\$ 143.84	\$ 431.52	Insurance
PUBLIC SERVICES			
Signs	\$ 246.00	\$ 246.00	Initial installation of signage (no further replacement anticipated in Years 1-3)
REPORTING			
Aerial Photo Interpretation (habitat mapping)	\$ 220.00	\$ 440.00	An aerial photo will be taken and analyzed in Years 1& 3
Aerial Photo	\$ 1,300.00	\$ 2,600.00	
Annual Report	\$ 1,200.00	\$ 3,600.00	Hours will contribute toward monitoring report
Monitoring Report	\$ 2,800.00	\$ 8,400.00	Monitoring Report will be submitted in Years 1-3.
SITE CONSTRUCTION/MAINTENANCE			
Contingency Fencing	\$ 10,447.14		Fencing not anticipated being necessary.
Gate	\$ 500.00		Gates not anticipated being necessary.
Total Interim Management Security	--	\$ 51,322.52	

Note: 1. Amount based on average annual cost calculated in PAR (Exhibit D-2)

Exhibit D-2

Endowment Fund Analysis and Schedule

ENDOWMENT DEPOSITS AND REQUIRED AMOUNTS

The Endowment Deposit is the deposit or series of deposits made by the Bank Sponsor to fund the Endowment Fund. The Endowment Amount is the amount that is required to be provided by the Bank Sponsor to fund the Endowment Fund. The Endowment Amount will be funded through the sale of Credits. Generally, the Endowment Deposit per Credit is \$8,531.00 until 100% of the Endowment Amount has been fully deposited into the Endowment Fund. The Bank Sponsor may, however, choose to make Endowment Deposits in advance of Credit sales and, if does so, would not be obligated to fund a per Credit deposit for the amount funded in advance.

ENDOWMENT FUNDING REQUIREMENTS PRIOR TO CREDIT RELEASES ^a					
Credit Release	Percent Credit Released	Number of Credits Released		Minimum Percent Endowment Amount Required to be Deposited	Minimum Required Endowment Amount Required to be Deposited prior to Credit Release
		Waters of the U.S. and Buffers	Waters of the State		
1	15%	8.04	7.55	0%	\$0.00
2	25%	13.45	12.59	15%	\$47,344.65
3	15%	8.04	7.55	40%	\$126,252.40
4	15%	8.04	7.55	70%	\$220,941.7
5	15%	8.04	7.55	100%	\$315,631.00
6	<u>15%</u>	<u>7.99</u>	<u>7.56</u>	100%	\$315,631.00
Total	100%	53.60	50.35		
<p>Note:</p> <p>^a Per Section VI. Financial Assurances in the BEI, each year an Endowment Fund that is not fully funded, the Endowment Amount must be adjusted for inflation. The Bank Sponsor must make this adjustment using annual Consumer Price Index (CPI) data that is published every February by the California Department of Industrial Relations, Division of Labor Statistics and Research. When completing the calculation, the Bank Sponsor shall use the CPI value for all urban consumers. The Bank Sponsor will report the adjustment, utilizing the prior year's annual versus quarterly CPI, to the IRT by March 1st each year, until the Endowment Fund is fully funded. The Bank Sponsor must apply the adjustment to the amount of the original Endowment Amount. If the annual CPI is less than or equal to zero, then no adjustment is made for that year.</p>					

Section 15 - Ongoing Tasks and Costs

Property Title: San Luis Rey

PAR ID: SLR

09/03/2013

Task List	Specific Description	Unit	Number of Units	Cost / Unit	Annual Cost	Years Divide	Cont %	Total Cost
BIOTIC SURVEYS								
Inspections	Quarterly Site Inspections	L. Hours	24.00	75.00	1,800.00	1.0	10.0	1,980.00
Inspections	Quarterly Site Inspections	L. Hours	24.00	55.00	1,320.00	1.0	10.0	1,452.00
Sub-Total								3,432.00
FIELD EQUIPMENT								
Quad Runners, 4WD	Magnum, High Quality	Item	0.10	6,150.00	615.00	8.0	10.0	84.56
Vehicle	Insurance	Year	0.15	1,100.00	165.00	1.0	10.0	181.50
Vehicle	Maintenance/Fuel	Year	1.00	1,000.00	1,000.00	1.0	10.0	1,100.00
Vehicle	Pickup	Item	0.15	36,000.00	5,400.00	8.0	10.0	742.50
Sub-Total								2,108.56
GENERAL MAINTENANCE								
Dump Fees	Dump Fee	Item	2.00	40.00	80.00	1.0	10.0	88.00
Sub-Total								88.00
HABITAT MAINTENANCE								
Adaptive Management	Consider And Implement	L. Hours	40.00	75.00	3,000.00	5.0	10.0	660.00
Exotic Animal Control	As needed	L. Hours	40.00	55.00	2,200.00	5.0	10.0	484.00
Exotic Plant Control	Herbicide 41%	Item	1.00	165.00	165.00	1.0	10.0	181.50
Exotic Plant Control	Noxious Weeds And	L. Hours	2.00	55.00	110.00	1.0	10.0	121.00
Exotic Plant Control	Noxious Weeds And	L. Hours	8.00	25.00	200.00	1.0	10.0	220.00
Sediment Control	Erosion/Sediment Control	L. Hours	40.00	55.00	2,200.00	10.0	10.0	242.00
Sub-Total								1,908.50
OPERATIONS								
Insurance	Liability/fee	Acre	58.00	2.48	143.84	1.0	10.0	158.22
Sub-Total								158.22
PUBLIC SERVICES								
Sign	Boundary 8" X 13.5"	Item	24.00	5.25	126.00	5.0	10.0	27.72
Sign	T-posts	Item	24.00	5.00	120.00	5.0	10.0	26.40
Sub-Total								54.12
REPORTING								
Aerial Photo	Interpretation	L. Hours	4.00	55.00	220.00	10.0	10.0	24.20
Aerial Photo, 2 sets	Infrared 9"x 9"	Flight	1.00	1,300.00	1,300.00	10.0	10.0	143.00
Annual Reports	Prepare Reports	L. Hours	16.00	75.00	1,200.00	1.0	10.0	1,320.00
Monitor Wetlands	Veg & hydro	L. Hours	16.00	55.00	880.00	10.0	10.0	96.80
Monitoring Reports	Prepare Reports	L. Hours	40.00	55.00	2,200.00	10.0	10.0	242.00
Monitoring Reports	Prepare Reports	L. Hours	8.00	75.00	600.00	10.0	10.0	66.00
Sub-Total								1,892.00
SITE CONSTRUCTION/MAINT.								
Fence - Contingency	4-strand Barbed Wire, if	Lin. Ft.	2,878.00	3.63	10,447.14	30.0	10.0	383.06
Gate, Classic	Powder River, classic	Item	2.00	250.00	500.00	30.0	10.0	18.33

Section 15 - Ongoing Tasks and Costs

Property Title: San Luis Rey

PAR ID: SLR

09/03/2013

Task List	Specific Description	Unit	Number of Units	Cost / Unit	Annual Cost	Years Divide	Cont %	Total Cost
	Sub-Total							401.39
Subtotal								10,042.80
Administration								1,004.28
Total								11,047.08

Section 16 - Financial Summary

Property Title: San Luis Rey

Date: 09/03/2013

1st Budget Year: 2013

State: CA

PAR Code: SLR

Item Descriptions	Total
Initial & Capital Financial Requirements	
Revenues	\$0
Management Costs	\$0
Contingency Expense	\$0
Initial & Capital Management Total Costs	\$0
Administrative Costs of Total Management Costs	\$0
Initial & Capital Gross Costs	\$0
Initial & Capital Net Costs	\$0
Annual Ongoing Financial Requirements	
Revenues	\$0
Ongoing Costs	\$9,130
Contingency Expense	\$913
Ongoing Management Total Costs	\$10,043
Administrative Costs of Total Management Costs	\$1,004
Ongoing Gross Costs	\$11,047
Ongoing Net Costs	\$11,047
Endowment Requirements for Ongoing Stewardship	
Endowment to Produce Income of \$11,047	\$315,631
Endowment per acre \$5,845	
Stewardship costs are based on 3.50% of Endowment Earnings per Year	
Ongoing management funding per year is \$11,047	
Resulting in a per acre per year cost of \$205	
Total Funding Required	\$315,631

Exhibit D-3
Endowment Agreement

Endowment Management Agreement
By and Between
Wildlands SLR Holdings I, LLC
and
Wildlife Heritage Foundation

This Endowment Management Agreement (“**Agreement**”) is entered into by and between the Wildlands SLR Holdings I, LLC, a Delaware limited liability company (“**Wildlands**”), and the Wildlife Heritage Foundation, a California non-profit corporation (“**Foundation**” or “**Endowment Holder**”) (together, the “**Parties**,” and individually a “**Party**”), for the creation and management of a San Luis Rey Mitigation Bank Endowment Fund (“**Endowment Fund**”) as of the “Effective Date” as hereinafter defined.

WHEREAS, this Agreement is necessitated by the terms and conditions required in the San Luis Rey Mitigation Bank Enabling Instrument (the “**BEI**”), by and between Wildlands (as Bank Sponsor and Property Owner), Los Angeles District of the United States Army Corps of Engineers (“**USACE**”), and California Department of Fish and Wildlife (“**CDFW**”).

WHEREAS, to satisfy requirements of the BEI, Wildlands will grant, concurrent with or subsequent to the execution of this Agreement, to Foundation a perpetual conservation easement (“**Conservation Easement**”) over certain real property consisting of approximately 53.84 acres in the County of San Diego, State of California, which is legally described on **Exhibit “A”** and depicted on **Exhibit “B”** attached hereto and incorporated by this reference (the “**Bank Property**”), and which is found on portions of Assessor Parcel Numbers 122-130-33, 122-130-35, 122-130-37, 122-130-39, and 122-130-41 to establish a mitigation bank to offset unavoidable impacts of aquatic resources/associated buffers.

WHEREAS, Wildlands, as Property Owner, is responsible for managing for conservation purposes the Bank Property in accordance with the Long-term Management Plan created under the BEI and Conservation Easement.

WHEREAS, the Long-term Management Plan identifies specific land management, maintenance and monitoring activities that are required to be performed on the Bank Property to improve, conserve, and/or protect habitat values of the Bank Property (together, the “**Land Management Activities**”). The Long-term Management Plan is **Exhibit “C”** attached hereto and incorporated by this reference.

WHEREAS, the property analysis record or equivalent analysis for the Bank Property created by or on behalf of Wildlands and approved by USACE and CDFW (the “**Endowment Assessment**”) calculated the amount of money (the “**Endowment Fund**”) necessary to provide a source of perpetual funding for the Land Management Activities.

The Endowment Assessment is attached as **Exhibit “D”** and incorporated herein by reference.

WHEREAS, in accordance with the BEI and this Agreement, Wildlands will deposit (or cause to be deposited) the Endowment Amount with the Foundation, to be managed and administered in accordance with this Agreement.

WHEREAS, the Parties intend that Wildlands will perform the Land Management Activities on the Bank Property in accordance with the BEI, Conservation Easement, Long-term Management Plan, and the Endowment Assessment, using funds provided by Foundation from the Endowment Fund in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises made herein, and for other and further consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I. PURPOSES

1. The purposes of this Agreement are to establish a non-wasting endowment account (“**Endowment Fund**”) for the Bank Property with an “**Account Holder**,” as hereinafter defined, of the Parties’ mutual agreement into which funds equivalent to the Endowment Amount shall be deposited (“**Endowment Deposit**”) and to set forth the Parties’ respective responsibilities with respect to the Endowment Amount to be held in the Endowment Fund.
2. To the extent the funds are subject to the Uniform Prudent Management of Institutional Funds Act (Cal. Probate Code, section 18501, *et seq.*) (“**UPMIFA**”), this Agreement is the record under which the funds are transferred to, and held by, Endowment Holder, and as such shall be considered the “gift instrument” for purposes of UPMIFA. This Agreement shall be deemed in all respects to set forth the Parties’ intent as to the uses, benefits, purposes, and duration of the Endowment Fund.
3. As described more fully herein, the Endowment Holder is responsible to ensure that monies deposited in the Endowment Fund are held as a charitable trust and are invested and managed in accordance with this Agreement to achieve the objectives set forth in this Agreement. The Endowment Fund will be managed as a long-term investment intended to exist indefinitely and permanently restricted to paying the costs of the Land Management Activities, which are required by the BEI and the Conservation Easement, and will be invested accordingly in a diversified investment portfolio in accordance with the endowment investment attached to this Agreement as **Exhibit “E”** and incorporated herein by reference, which the Parties may amend from time-to-time following the modification procedures in Article X.2 of this Agreement.
4. The use of the Endowment Fund will be limited by the amount of money available in the Endowment Fund at any given time, and by the stated purposes as

described in this Agreement. Endowment Fund interest earnings beyond those necessary to provide for growth of the Endowment Fund commensurate with inflation may be made available to Wildlands by the Foundation to fund annual Land Management Activities on the Bank Property. In the event Endowment Holder becomes aware of a conflict between the direction provided by this Agreement or any of the Exhibits attached hereto, Endowment Holder shall notify and confer with Wildlands, USACE, and CDFW to resolve the issue to the mutual satisfaction of the Parties.

ARTICLE II. DEFINITIONS

1. “Account Holder” or “Account Holders” shall mean respectively one or more financial institution(s) that is a member of the Federal Deposit Insurance Corporation (“**FDIC**”) or Securities Investor Protection Corporation (“**SIPC**”) or any successor organization to the FDIC or SIPC.
2. “Agreement” shall mean this Endowment Management Agreement entered into between Wildlands and Foundation, which includes the mitigation agreement within the meaning of California Government Code 65965(f)(1), establishing the terms and conditions pursuant to which the Endowment Holder will accept custody of and manage the Endowment Amount in the Endowment Fund.
3. “Bank Establishment Date” is the date when the San Luis Rey Mitigation Bank is considered established in accordance with the BEI and transfer of credits may begin.
4. “CDFW” shall mean the California Department of Fish and Wildlife.
5. “Effective Date” shall mean the date of the signature of the second Party to sign this Agreement.
6. “Endowment Amount” shall mean the original corpus amount of money identified in the Endowment Assessment by Wildlands as the amount of money that would be necessary to carry out Land Management Activities, and that is required to be provided by Wildlands to the Endowment Holder to fund the Endowment Fund.
7. “Endowment Assessment” shall mean the analysis of the costs of perpetual long-term land management and maintenance, monitoring, or other activities on the Bank Property, and associated calculation of the Endowment Amount, required by the BEI. The Endowment Assessment may be calculated pursuant to property analysis software or otherwise.
8. “Endowment Deposit” is the deposit or series of deposits required to be made by Wildlands to the Endowment Holder to fund the Endowment Fund. Endowment Deposits received by the Endowment Holder shall be deposited into the Endowment Fund.
9. “Endowment Fund” is a sum of money in a long-term stewardship account, held in trust in a fund designated by the Endowment Holder. The Endowment Fund is to be

maintained and managed in perpetuity in strict accordance with Government Code sections 65965-69568, Probate Code sections 18501-18510, and this Agreement to generate earnings and appreciation in value for use in funding Land Management Activities. The Endowment Fund shall comprise the Endowment Amount and all interest, dividends, gains, other earnings, additions and appreciation thereon, as well as any additions thereto.

10. “Land Management Activities” shall mean those activities which Wildlands, as Grantor under the Conservation Easement and property owner in the BEI, has agreed to undertake and which are described in the Long-term Management Plan and in the Endowment Assessment.

11. “Party” and “Parties” shall mean respectively Wildlands and Foundation individually, and Wildlands and Foundation together.

12. “Reporting Period” shall mean from January 1 of each calendar year to December 31 of each calendar year, unless this Agreement is terminated, in which case the final Reporting Period shall be thirty (30) days prior to the date of termination of this Agreement.

13. “USACE” shall mean the U.S. Army Corps of Engineers.

ARTICLE III. ENDOWMENT FUND ESTABLISHMENT, INVESTMENT, AND ADMINISTRATION

1. Foundation agrees to establish an Endowment Fund with an Account Holder, of the Parties’ mutual agreement, in accordance with this Agreement into which the Endowment Amount shall be deposited.

2. Wildlands shall pay to Endowment Holder the Endowment Amount to fund the Endowment Fund in accordance with the schedule stipulated in the BEI. Until the Endowment Amount is fully funded, the Endowment Amount shall be adjusted by Wildlands annually, on March 1 of each year following the Bank Establishment Date (each such date is referred to as an “**Adjustment Date**”), by a percentage equal to the percentage increase, if any, in the California Consumer Price Index, All Items (1982-1984 = 100), for All Urban Consumers for California (the “**CPI**”), published by the California Department of Industrial Relations, Division of Labor Statistics and Research.

3. Foundation has certified to Wildlands, USACE, and CDFW that it meets all of the requirements of California Government Code section 65968(e). The certification is attached hereto as **Exhibit “F.”**

4. The Foundation shall, as soon as practicable after the Foundation’s receipt of funds for deposit into the Endowment Fund, invest the monies in the Endowment Fund consistent with this Agreement, including but not limited to this Article III and Article I.3

of this Agreement and applicable State and Federal laws. Day-to-day investment decisions will be made by Foundation based upon the advice from a professional investment advisor or financial institution with which Foundation has established or will establish an investment advisory relationship. Foundation may rely on the advice of any such adviser, and may delegate day-to-day investment decision-making authority, consistent with applicable State and Federal law, to such adviser with respect to management of the Endowment Fund.

5. For investment purposes only, Foundation may pool any or all of the assets of the Endowment Fund with other funds held or managed by Foundation that are subject to the same investment purposes and restrictions. The intent of such actions is to allow Foundation to pool funds subject to the same investment purposes and restrictions for collective management, such that all participating funds may benefit from efficiencies of scale. Any funds from the Endowment Fund commingled in this manner shall at all times remain subject to applicable State law, consistent with UPMIFA or any applicable successor to such law.

6. Notwithstanding Probate Code sections 18501-18510, it is the intention of the Parties that the Endowment Amount should not decrease in value through expenditure or investment strategy recognizing however, that Foundation is not responsible for investment fluctuations. In this regard, the Endowment Amount is intended to increase in value to keep up with inflation. To the extent sufficient funds exist, a portion of the interest and earnings on the Endowment Amount balance shall be reinvested by Endowment Holder into the Endowment Fund to provide for growth of the Endowment Fund commensurate with inflation using the annual CPI data that is published every February by the California Department of Industrial Relations, Division of Labor Statistics and Research, for all urban consumers. Any Endowment Fund revenues (including earnings and interest) remaining after the Endowment Fund is adjusted for inflation that exceed the anticipated annual long term management expenses of the Bank Property are to be retained in the Endowment Fund by the Endowment Holder and may be made available by the Foundation to Wildlands to fund unexpected expenses and adaptive management needs discussed in the Long-term Management Plan.

7. The Endowment Fund shall not be subject to a fee for the Foundation's establishment, administration, operation, reporting, and accounting of the Endowment Fund.

ARTICLE IV. RECORDS, REPORTING PROCEDURES AND AUDIT

1. Endowment Holder shall submit to Wildlands an annual funding report ("**Annual Funding Report**") for each calendar year this Agreement is in effect. Each Annual Funding Report shall be submitted by Endowment Holder between January 1 and January 31, or at least thirty (30) days prior to the effective date of termination of this Agreement as provided by Article VIII.2.

2. Consistent with California Government Code Section 65966(e), the Annual Funding Report shall describe in reasonable detail and shall include at a minimum the following information:

(a) The balance of the Endowment Fund at the beginning of the Reporting Period;

(b) All Endowment Deposits;

(c) The amount of the Endowment Fund balance reinvested by Endowment Holder into the Endowment Fund to provide for growth of the Endowment Fund commensurate with inflation (CPI calculation shall be provided);

(d) The net amounts of investment earnings, gains, and losses during the Reporting Period including both realized and unrealized amounts;

(e) The administrative expenses charged to the Endowment Fund from third-party sources during the Reporting Period;

(f) The amounts distributed to Wildlands for Land Management Activities during the Reporting Period;

(g) The balance of the Endowment Fund at the end of the Reporting Period;

(h) The specific asset allocation percentages including, but not limited to, cash, fixed income, equities, and alternative investments; and

(i) The most recent financial statements for the Endowment Holder audited by an independent auditor who is, at a minimum, a certified public accountant.

3. Endowment Holder agrees that in preparing the Annual Funding Report and in maintaining its own records relevant to the Endowment Fund, that it shall use accounting standards promulgated by the Governmental Accounting Standards Board or any other successor entity.

4. Copies of the Annual Funding Report shall also be submitted to the CDFW and USACE when completed.

5. Endowment Holder agrees that Wildlands shall have the right to review and to copy any records and supporting documentation pertaining to the Endowment Fund. Endowment Holder agrees to maintain such records for possible audit by Wildlands for a minimum of three (3) years following the relevant calendar year, unless a longer period of records retention is stipulated. Endowment Holder agrees to allow the Wildlands or its designated representative access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

ARTICLE V. LIMITATIONS ON ENDOWMENT HOLDER'S LIABILITY

Foundation shall not be liable to Wildlands or other persons for losses arising from investments pursuant to this Agreement. Foundation shall maintain reasonable and customary supervision and employment policies for its employees, but shall be liable for the acts of its employees only to the extent of a breach of the Foundation's obligations under this Agreement by such employees when they are acting within the course and scope of their employment.

ARTICLE VI. FIDUCIARY OBLIGATIONS OF ENDOWMENT HOLDER

1. Endowment Holder shall make no disbursement or obligation of funds in the Endowment Fund except in strict accordance with the provisions of this Agreement.
2. Endowment Holder shall have a duty of loyalty to Wildlands with respect to the Endowment Fund, and shall not use or borrow against funds in the Endowment Fund for its own benefit.
3. In carrying out its obligations under this Agreement, Endowment Holder shall apply the following principles of fiduciary without exception:
 - (a) There shall be no commingling of the Endowment Fund with other funds. Funds may be pooled for investment management purposes only in accordance with Article III.5;
 - (b) Endowment Holder shall have a duty of loyalty and shall not use funds in the Endowment Fund for its own personal benefit;
 - (c) Endowment Holder shall act as a prudent investor of the funds in the Endowment Fund and use sound investment practices for long-term investment, subject to the Uniform Prudent Investor Act (California Probate Code, §§16045-16054 and §§18501-18510);
 - (d) Endowment Holder shall not delegate the responsibility for managing the funds to a third party, but may delegate authority to invest the funds with Grantee's oversight; and
 - (e) Endowment Holder shall act with prudence when delegating authority and in the selection of agents.

ARTICLE VII. DISBURSEMENTS

1. Foundation hereby agrees to disburse funds from the Endowment Fund to Wildlands for its performance of the Land Management Activities on the Bank Property, subject the terms and conditions of this Agreement.

2. Wildlands agrees to perform Land Management Activities as set forth in the Long-term Management Plan and the Endowment Assessment with funds disbursed to it under this Agreement.

3. The Foundation shall not make any disbursement of funds from the Endowment Fund unless and until it receives the USACE's and CDFW's written confirmation that performance standards have been attained and the Endowment Amount has been fully funded for a period of at least three years. The Foundation's receipt of USACE's and CDFW's written confirmation in this respect is an express condition precedent to the Foundation's initial disbursement of funds from the Endowment Fund.

4. No distribution shall be made from the Endowment Fund to Wildlands if such distribution will, in the judgment of the Foundation, endanger the Foundation's status under section 501(c)(3) of the Internal Revenue Code.

5. Payments from the Endowment Fund to Wildlands will be made no later than October 1 of every year in accordance with the following guidelines:

(a) The Parties agree that the default distribution will be \$6,183.84 (as shown in **Exhibit "G"**) plus inflation costs each year, an amount less than the annual costs calculated in the Endowment Assessment, such that a maximum amount will remain for investment in the Endowment Fund, allowing for larger annual costs periodically in years when large capital improvements are required. In years when Wildlands requires a larger distribution, Wildlands can request such an amount. The amount to be disbursed shall generally be as requested, except where the requested amount would jeopardize the Endowment Amount or the Foundation's 501(c)(3) status;

(b) The Foundation shall issue a check to Wildlands in the agreed upon amount;
and

(c) Consistent with Article III.6, in the case of unexpected expenses and adaptive management needs discussed in the Long-term Management Plan, Wildlands may submit a request for additional disbursement at any time during the year, which amount shall generally be as requested, except where the requested amount would jeopardize the Endowment Amount or the Foundation's 501(c)(3) status.

ARTICLE VIII. TERM, TERMINATION, AND TRANSFER OF AGREEMENT

1. This Agreement shall be effective from the Effective Date until termination occurs pursuant to Article VIII.2. Notwithstanding the date that notice of termination is provided and the passage of the notice period, termination is not effective unless and until the Endowment Holder has distributed in an orderly fashion the custody, control or other power necessary for the investment, management, and administration of all the funds in the Endowment Fund (other than funds in an amount equal to any fees due and owing to

the Foundation or its financial institutions) to a qualified third-party entity designated by Wildlands and approved by the USACE and CDFW.

2. This Agreement may be terminated under the following circumstances:

(a) Upon mutual written agreement of the Foundation, Wildlands, USACE, and CDFW.

(b) If either the Foundation or Wildlands fails to observe the terms and conditions of this Agreement, the other Party may terminate this Agreement upon thirty (30) days written notice of termination. Any notice for termination of this Agreement for default shall specify the nature of the default. The defaulting party may utilize the thirty (30) days following the receipt of such notice to cure the specified default. Timely cure of a specified default will avoid termination for that default. In the event of termination due to default, the defaulting party will pay related, reasonable attorneys' fees per Article X.6.

i. If Wildlands determines that the Endowment Fund as managed by the Foundation has failed to achieve a sufficient rate of return while preserving the Endowment Amount over a five-year period.

ii. Wildlands shall send a written notice of such a determination, and within 60 days, the Foundation and Wildlands shall discuss adjusting the asset allocation of the Endowment Fund in order to achieve a better rate of return consistent with this Agreement. The Foundation and Wildlands shall work in partnership during this discussion, and the Foundation shall consider in good faith any suggestions by Wildlands for asset reallocation. The Foundation shall have two years following this discussion to improve the rate of return of the Endowment Fund.

iii. If after two years the rate of return of the Endowment Fund has not improved to achieve a sufficient rate of return while preserving the Endowment Amount, Wildlands, with the approval of the USACE and CDFW, may terminate this Agreement.

(c) If the Foundation ceases to be a qualified charitable organization or, if the Foundation proposes to dissolve, or if the Foundation goes into bankruptcy. Bankruptcy shall include (i) the filing of a voluntary petition under any federal or state law for the relief of debtors; (ii) the continued pendency of an involuntary proceeding under any such law on the 60th day after its filing, or the entry of an order for relief under any such involuntary proceeding, whichever occurs first; (iii) the making of a general assignment for the benefit of the Foundation's creditors; (iv) the seizure by a sheriff, receiver, or trustee of a substantial portion of the Foundation's assets.

3. Prior to the effective date of termination of this Agreement, the Foundation shall transfer all funds remaining in the Endowment Fund, other than fees due and owing to the Foundation or its financial institutions, to an entity designated by Wildlands and approved by USACE and CDFW to serve as a successor.

4. Within ninety (90) days following delivery of the funds in the Endowment Fund to any successor, Endowment Holder shall provide to Wildlands with a copy to the USACE and CDFW, a final accounting showing the deposits (including interest accrued thereon) and disbursements of all sums pursuant to this Agreement during the Reporting Period, together with such other documents that the USACE or CDFW may reasonably request. Upon delivery of the monies in the Endowment Fund to successor endowment holder and final accounting specified above, Endowment Holder's obligations under this Agreement shall cease and terminate.

ARTICLE IX. CONTACT INFORMATION/COMMUNICATIONS

1. All approvals, notices, reports and other communications required or permitted under this Agreement shall be in writing and delivered by first-class mail, overnight mail, receipt-confirmed facsimile, or electronic .pdf format (with a copy of the electronic .pdf communication also delivered by another means provided in this Article. Each Party agrees to notify the other promptly after any change in named representative, address, telephone, or other contact information.

2. The individuals named below shall be the representatives of Wildlands and the Foundation, respectively, for purposes of this Agreement:

If to Wildlands:

Cindy Tambini
Director of Planning
3855 Atherton Road
Rocklin, CA 95765
Phone: (916) 435-3555
Facsimile: (916) 435-3556
E-mail: ctambini@wildlandsinc.com
pshea@wildlifeheritage.org

If to Foundation:

Patrick Shea
Executive Director
563 Second Street, Suite 120
Lincoln, CA 95648
Phone: (916) 434-2759
Facsimile: (916) 434-2764
E-mail:

With a copy in all instances to:

United States Army Corps of Engineers, Los Angeles District
Regulatory Division
915 Wilshire Blvd.
Los Angeles, CA 90017
Attn: Chief, South Coast Branch

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

ARTICLE X. MISCELLANEOUS PROVISIONS

1. Neither Party may assign this Agreement, in whole or in part, to any individual or other legal entity without the prior written approval of the other Party and the prior written consent of USACE and CDFW; provided however, that Wildlands shall have the right to transfer its interest in the Bank Property in accordance with the BEI and Conservation Easement, and in connection therewith Wildlands shall assign its rights and obligations under this Agreement to Wildland's successor without obtaining the consent of Foundation so long as such transfer is made in accordance with the BEI and Conservation Easement.
2. This Agreement may be amended only in writing agreed to and signed by both Parties and with the written concurrence of the USACE and CDFW.
3. If any provision of this Agreement is held to be unlawful or invalid by any court of law with duly established jurisdiction over this Agreement, the Parties intend that the remainder of this Agreement shall remain in full force and effect notwithstanding the severance of the unlawful or invalid provision(s).
4. This Agreement may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.
5. The Parties will cooperate in good faith to achieve the objectives of this Agreement and to avoid disputes. The Parties will use good faith efforts to resolve disputes at the lowest organizational level and, if a dispute cannot be so resolved, the Parties will then elevate the dispute to the appropriate officials within their respective organizations.
6. In any action to enforce the terms of this Agreement, the Prevailing Party shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees and costs. "Prevailing Party" shall include without limitation a party who dismisses an action in exchange for sums allegedly due; the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; or the party determined to be the prevailing party by a court of law.
7. Each of the Parties is acting in its independent capacity in entering into and carrying out this Agreement and not as an agent, employee, or representative of the other Party.
8. This Agreement confers rights and remedies upon the USACE and CDFW, as third party beneficiaries, insofar as this Agreement is intended to carry out the requirements and obligations set forth in the BEI and Conservation Easement. No person, other than the Parties or said named third party beneficiaries, has any rights or

remedies under this Agreement. The Parties may not amend or terminate this Agreement without the prior written consent of the USACE and CDFW.

9. Each party to this Agreement warrants to the other that its respective signatory has fully right and authority to enter into and consummate this Agreement and the transactions contemplated hereby.

10. All Exhibits referred to in this Agreement are attached and incorporated herein by reference.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized representatives, intending to be bound legally.

WILDLANDS SLR HOLDINGS I, LLC

By: _____ Date: _____
[Name]
[Position]

WILDLIFE HERITAGE FOUNDATION

By: _____ Date: _____
Patrick Shea
Executive Director

EXHIBITS

EXHIBIT A
Legal Description

**EXHIBIT A
LEGAL DESCRIPTION
OF
BANK PROPERTY**

A PORTION PARCEL "B" OF THAT CERTAIN LOT LINE ADJUSTMENT AND CERTIFICATE OF COMPLIANCE NO. PLA 11-00004 IN THE CITY OF OCEANSIDE, RECORDED ON NOVEMBER 23, 2011, AS DOCUMENT NO. [2011-0628785](#), IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

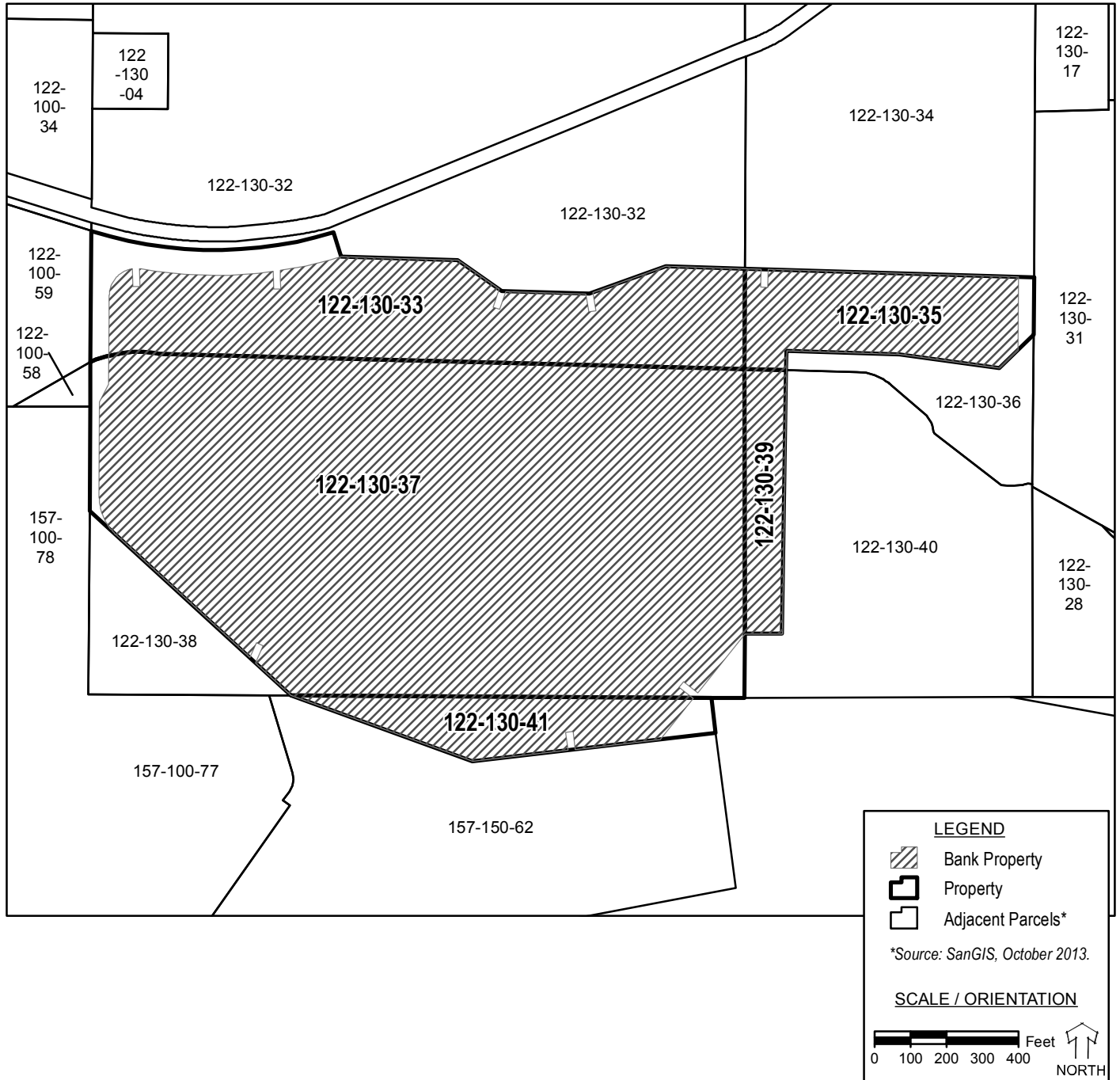
BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL "B"; THENCE, ALONG THE SOUTH LINE OF SAID PARCEL "B", SOUTH 47°27'16" EAST 100.22 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT BEING A POINT OF CUSP WITH A 150 FOOT RADIUS CURVE CONCAVE THE NORTHEAST, THE RADIAL TO SAID POINT BEARS SOUTH 42°32'44" WEST; THENCE, LEAVING SAID SOUTH LINE, NORTHWEST ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47°48'23" A DISTANCE OF 125.16 FEET; THENCE NORTH 00°21'07" EAST 258.73 FEET; NORTH 26°55'01" EAST 55.90 FEET; NORTH 00°21'07" EAST 247.48 FEET TO THE BEGINNING OF A 75 FOOT RADIUS CURVE CONCAVE TO THE SOUTHEAST; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 81°05'54" A DISTANCE OF 106.16 FEET; THENCE, NON-TANGENT TO SAID CURVE, SOUTH 01°50'55" EAST 49.52 FEET; THENCE NORTH 88°09'05" EAST 20.00 FEET; THENCE NORTH 01°50'55" WEST 49.30 FEET TO A POINT ON A NON-TANGENT 1,212 FOOT RADIUS CURVE CONCAVE TO THE NORTH, THE RADIAL TO SAID POINT BEARS SOUTH 10°01'14" WEST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°39'10" A DISTANCE OF 373.41 FEET; THENCE, NON-TANGENT TO SAID CURVE, SOUTH 01°11'59" EAST 49.18 FEET; THENCE NORTH 88°48'01" EAST 20.00 FEET; THENCE NORTH 01°11'59" WEST 51.60 FEET TO A POINT ON A NON-TANGENT 1,212 FOOT RADIUS CURVE CONCAVE TO THE NORTH, THE RADIAL TO SAID POINT BEARS SOUTH 08°35'05" EAST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°12'32" A DISTANCE OF 173.65 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID NORTH LINE, SOUTH 88°17'35" EAST 325.00 FEET; THENCE, CONTINUING ALONG SAID NORTH LINE, SOUTH 54°41'47" EAST 139.55 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 18°30'19" WEST 52.23 FEET; THENCE SOUTH 71°29'41" EAST 20.00 FEET; THENCE NORTH 18°30'19" EAST 52.23 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID NORTH LINE, SOUTH 88°17'35" EAST 223.30 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 09°04'50" EAST 50.90 FEET; THENCE NORTH 80°55'10" EAST 20.00 FEET; THENCE NORTH 09°04'50" WEST 50.90 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID NORTH LINE, NORTH 70°07'54" EAST 215.53 FEET; THENCE, CONTINUING ALONG SAID NORTH LINE, SOUTH 88°17'37" EAST 264.80 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 01°42'23" WEST 50.00 FEET; THENCE SOUTH 88°17'37" EAST 20.00 FEET; THENCE NORTH 01°42'23" EAST 50.00 FEET TO A POINT ON THE NORTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID NORTH LINE, SOUTH 88°17'37" EAST 695.19 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 00°16'42" WEST 204.80 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID SOUTH LINE, SOUTH 45°45'08" WEST 70.60 FEET; THENCE, CONTINUING ALONG SAID SOUTH LINE, NORTH 82°07'16" WEST 279.94 FEET; THENCE NORTH 88°10'23" WEST 314.85

FEET; THENCE SOUTH 00°56'46" WEST 787.51 FEET; THENCE NORTH 89°43'18" WEST 103.27 FEET; THENCE, LEAVING SAID SOUTH LINE, SOUTH 38°44'52" WEST 210.94 FEET; THENCE NORTH 51°15'08" WEST 50.00 FEET; THENCE SOUTH 38°44'52" WEST 20.00 FEET; THENCE SOUTH 51°15'08" EAST 50.00 FEET; THENCE SOUTH 38°44'52" WEST 145.52 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID SOUTH LINE, SOUTH 83°18'23" WEST 23 8.86 FEET; THENCE, LEAVING SAID SOUTH LINE, NORTH 06°41'37" WEST 50.00 FEET; THENCE SOUTH 83°18'23" WEST 20.00 FEET; THENCE SOUTH 06°41'37" WEST 50.00 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID SOUTH LINE, SOUTH 83°18'23" WEST 266.20 FEET; THENCE, CONTINUING ALONG SAID SOUTH LINE, NORTH 70°04'57" WEST 537.33; THENCE, CONTINUING ALONG SAID SOUTH LINE, NORTH 47°27'16" WEST 135.22 FEET; THENCE, LEAVING SAID SOUTH LINE, NORTH 24°36'12" EAST 52.56 FEET; THENCE NORTH 65°23'48" WEST 20.00 FEET; THENCE SOUTH 24°36'12" WEST 46.08 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL "B"; THENCE, ALONG SAID SOUTH LINE, NORTH 47°27'16" WEST 502.80 FEET TO THE TRUE POINT OF BEGINNING.

(portions of APNs 122-130-33, 35, 37, 39, 41)

END OF LEGAL DESCRIPTION

EXHIBIT B
Map of Bank Property



WILDLANDS

San Luis Rey Mitigation Bank

Exhibit "D"



EXHIBIT C
Long-Term Management Plan
(Please see Exhibit D-5 to the BEI)


EXHIBIT D
Endowment Assessment

Section 15 - Ongoing Tasks and Costs

Property Title: San Luis Rey

PAR ID: SLR

09/03/2013

Task List	Specific Description	Unit	Number of Units	Cost / Unit	Annual Cost	Years Divide	Cont %	Total Cost
BIOTIC SURVEYS								
Inspections	Quarterly Site Inspections	L. Hours	24.00	75.00	1,800.00	1.0	10.0	1,980.00
Inspections	Quarterly Site Inspections	L. Hours	24.00	55.00	1,320.00	1.0	10.0	1,452.00
Sub-Total								3,432.00
FIELD EQUIPMENT								
Quad Runners, 4WD	Magnum, High Quality	Item	0.10	6,150.00	615.00	8.0	10.0	84.56
Vehicle	Insurance	Year	0.15	1,100.00	165.00	1.0	10.0	181.50
Vehicle	Maintenance/Fuel	Year	1.00	1,000.00	1,000.00	1.0	10.0	1,100.00
Vehicle	Pickup	Item	0.15	36,000.00	5,400.00	8.0	10.0	742.50
Sub-Total								2,108.56
GENERAL MAINTENANCE								
Dump Fees	Dump Fee	Item	2.00	40.00	80.00	1.0	10.0	88.00
Sub-Total								88.00
HABITAT MAINTENANCE								
Adaptive Management	Consider And Implement	L. Hours	40.00	75.00	3,000.00	5.0	10.0	660.00
Exotic Animal Control	As needed	L. Hours	40.00	55.00	2,200.00	5.0	10.0	484.00
Exotic Plant Control	Herbicide 41%	Item	1.00	165.00	165.00	1.0	10.0	181.50
Exotic Plant Control	Noxious Weeds And	L. Hours	2.00	55.00	110.00	1.0	10.0	121.00
Exotic Plant Control	Noxious Weeds And	L. Hours	8.00	25.00	200.00	1.0	10.0	220.00
Sediment Control	Erosion/Sediment Control	L. Hours	40.00	55.00	2,200.00	10.0	10.0	242.00
Sub-Total								1,908.50
OPERATIONS								
Insurance	 Liability/fee	Acre	58.00	2.48	143.84	1.0	10.0	158.22
Sub-Total								158.22
PUBLIC SERVICES								
Sign	Boundary 8" X 13.5"	Item	24.00	5.25	126.00	5.0	10.0	27.72
Sign	T-posts	Item	24.00	5.00	120.00	5.0	10.0	26.40
Sub-Total								54.12
REPORTING								
Aerial Photo	Interpretation	L. Hours	4.00	55.00	220.00	10.0	10.0	24.20
Aerial Photo, 2 sets	Infrared 9"x 9"	Flight	1.00	1,300.00	1,300.00	10.0	10.0	143.00
Annual Reports	Prepare Reports	L. Hours	16.00	75.00	1,200.00	1.0	10.0	1,320.00
Monitor Wetlands	Veg & hydro	L. Hours	16.00	55.00	880.00	10.0	10.0	96.80
Monitoring Reports	Prepare Reports	L. Hours	40.00	55.00	2,200.00	10.0	10.0	242.00
Monitoring Reports	Prepare Reports	L. Hours	8.00	75.00	600.00	10.0	10.0	66.00
Sub-Total								1,892.00
SITE CONSTRUCTION/MAINT.								
Fence - Contingency	4-strand Barbed Wire, if	Lin. Ft.	2,878.00	3.63	10,447.14	30.0	10.0	383.06
Gate, Classic	Powder River, classic	Item	2.00	250.00	500.00	30.0	10.0	18.33

Section 15 - Ongoing Tasks and Costs

Property Title: San Luis Rey

PAR ID: SLR

09/03/2013

Task List	Specific Description	Unit	Number of Units	Cost / Unit	Annual Cost	Years Divide	Cont %	Total Cost
	Sub-Total							401.39
	Subtotal							10,042.80
	Administration							1,004.28
	Total							11,047.08

Section 16 - Financial Summary

Property Title: San Luis Rey

Date: 09/03/2013

1st Budget Year: 2013

State: CA

PAR Code: SLR

Item Descriptions	Total
Initial & Capital Financial Requirements	
Revenues	\$0
Management Costs	\$0
Contingency Expense	\$0
Initial & Capital Management Total Costs	\$0
Administrative Costs of Total Management Costs	\$0
Initial & Capital Gross Costs	\$0
Initial & Capital Net Costs	\$0
Annual Ongoing Financial Requirements	
Revenues	\$0
Ongoing Costs	\$9,130
Contingency Expense	\$913
Ongoing Management Total Costs	\$10,043
Administrative Costs of Total Management Costs	\$1,004
Ongoing Gross Costs	\$11,047
Ongoing Net Costs	\$11,047
Endowment Requirements for Ongoing Stewardship	
Endowment to Produce Income of \$11,047	\$315,631
Endowment per acre \$5,845	
Stewardship costs are based on 3.50% of Endowment Earnings per Year	
Ongoing management funding per year is \$11,047	
Resulting in a per acre per year cost of \$205	
Total Funding Required	\$315,631

EXHIBIT E
Endowment Investment



**Wildlife Heritage Foundation
Investment Policy Statement
Adopted March 16, 2006, by a Quorum of the Board of Directors**

**Revised and Adopted by the
Full Board of Directors on August 3, 2009**

**Amended and Adopted by the Full Board
of Directors on March 11, 2010**

**Amended and Adopted by the Full Board
of Directors on September 26, 2011**

I. MISSION STATEMENT

To protect, enhance, and restore vital wildlife habitat on lands conserved for the benefit of future generations.

II. STATEMENT OF PURPOSE

The Finance Committee of the Wildlife Heritage Foundation (WHF), a California nonprofit 501(c) (3) corporation, hereby establishes the following statement of investment policy and guidelines for the management of its endowment funds. The purpose of this statement is to create a general framework within which the assets of the endowment funds can be invested with respect to efficient portfolio management.

This document is intended to identify the investment objectives, constraints, and policies for the management of the endowments funds. It is intended that these objectives and guidelines provide meaningful guidance and expectations in the

management and performance of the funds and not be overly restrictive, given the changing economic, business, and investment market conditions.

This policy will also provide a basis against which the performance of the endowment funds and the service providers can be monitored and measured on an ongoing, regular basis.

III. PORTFOLIO GOALS, REPORTS, OBJECTIVES, AND CONSTRAINTS

Goals

- To fulfill WHF's duties as conservation steward of protected properties and enable the WHF to perform tasks as required in the operations and management plans for each property—to monitor conservation areas, ensure that lands are protected and that there are no violations of restricted activities, create the necessary reports to the regulatory agencies, and provide educational information about the protected property to homeowners and community associations. WHF will be reimbursed for expenses associated with these tasks from the investment funds.
- Each investment within each endowment account will be tracked and reports provided to WHF on a regular basis (e.g., monthly) by the Certified Financial Planner and/or Financial Advisor. Reports will include investment activity, such as dividends gained, fees paid, and change in value, through the report period. Accounts will be liquid so that funds spent in the performance of WHF's duties can be recouped from the accounts.
- It is WHF's intent that the investments' performance is such that the principle endowment amount is preserved and not reduced; however, if the investments do not perform as expected, it may be necessary, and only if there is no other recourse, that WHF's costs are reimbursed from the endowment principle.
- Any funds taken from the endowment investments will be spent in the performance of WHF's duties as steward of the protected properties. Allowable costs to be covered by investment earnings are only those associated with stewardship responsibilities for protected properties. These include, for example, travel to and from the property, labor costs for inspections and monitoring, consultant fees associated with monitoring and maintenance, staff labor costs for report production, etc. No funds will be allocated for WHF's day-to-day operating costs above the specified annual administrative fee unless those costs are associated with performance of duties at the protected property.

Investment Objectives

Following are the objectives for the total funds over a market cycle or three (3) years, whichever is shorter.

- To minimize risk and attain the growth necessary to maintain the purchasing power of the funds.
- To achieve a rate of return, after fees that exceed a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 index, and an appropriate bond market index (benchmark) that replicates the asset allocation of the overall plan on a quarterly basis.
- To achieve a rate of return, after fees that exceeds the inflation rate, as measured by the Consumer Price Index (CPI), by 3 percentage points per year and is consistent with the level of risk assumed by the funds.
- To have a maximum tolerable loss of no more than 15% over a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 index, and an appropriate bond market index (benchmark) that replicates the asset allocation of the overall plan during any 4 consecutive quarters. If losses were to exceed this threshold, the investment committee shall reevaluate the underlying investments managers and the asset allocation of the portfolio.

Investment Constraints

The following investment constraints are provided as WHF's guidelines:

- There will be no margin purchases or other use of borrowed funds.
- There are to be no puts, calls, straddles, or hedging.
- No short sales are to be made.
- There are to be no purchases of commodities.
- The fixed-income portion of the funds may be invested in corporate bonds and notes, mortgage securities, non-US dollar assets and direct or indirect obligations of the United States government and shall be limited to publicly issued items, and have an average credit quality of investment grade or better by Moody's or S&P with no more than 10% in non-investment grade bonds.

- No single industry group, as defined by S&P, shall constitute more than 25% of the fixed-income portion of the funds and no single company shall constitute more than 10% of the fixed-income portion of the funds except direct or indirect obligations of the United States government in which investment is unrestricted.
- All investments will be in highly liquid, marketable securities.
- Cash equivalent investments (less than 1 year fixed-income securities) will have a quality restriction of no less than A1/P1 or an equivalent rating. Any “money market” mutual fund should have equivalent quality ratings.

IV. ALLOCATION OF ASSETS

There should be sufficient diversification with no single equity exceeding 5% of the market value of the stock portion of the fund. The following represents a conservative target asset allocation and the acceptable ranges by asset class:

<u>Asset Class Ranges</u>	<u>Target Allocations</u>
Equities: 10%–70%	40%
Fixed Income: 30%–90%	55%
Cash Equivalents: Minimal	0%–5%

V. ALLOCATION OF RESPONSIBILITIES

The Finance Committee is responsible for directing and monitoring the investment management of the assets. The Finance Committee shall be made up of a minimum of three (3) members of the current Board of Directors. Any changes enacted will be documented in the form of an amendment to this Investment Policy. Responsibilities of staff and the Certified Financial Planner and/or Financial Advisor(s) are also listed below.

- The Finance Committee is authorized to employ one or more investment managers or other professionals to attain the objectives of the funds.
- Decisions for selecting an investment (fund) manager or managers will be based on criteria such as past performance, investment approach, company stability, fee structure, and accessibility to the investment representative.
- Investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in a

like capacity and familiar with these matters would use in the conduct of a plan of like character and with like aims.

- Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under current circumstances, it is clearly prudent not to do so.
- The Finance Committee acknowledges that although the investment manager(s) expects to meet these objectives, there is no guarantee they can be achieved.
- The Certified Financial Planner and/or Financial Advisor at each investment firm will be responsible for investing funds according to this Investment Policy and will provide reports to WHF staff on a regular basis. The Certified Financial Planner and/or Financial Advisor will also notify staff of changes in any fund portfolio and will discuss and confirm new investments as they are received.
- The Certified Financial Planner and/or Financial Advisor(s) will provide information to the Finance Committee regarding provisions for portfolio rebalancing so that funds continue to be allocated according to this Investment Policy. The Finance Committee and Certified Financial Planner and/or Financial Advisor will discuss reallocation of funds as needed for rebalancing the portfolio. The Finance Committee shall then direct the Certified Financial Planner and/or Financial Advisor to rebalance the portfolio appropriately.
- Foundation staff is responsible for reviewing all reports received from the Certified Financial Planner and/or Financial Advisor(s) and recording, using the appropriate accounting procedures, investment fund changes on a regular basis.
- Foundation staff is responsible for reporting investment fund balances, including gains and losses, on a regular basis to the Finance Committee. The reports will include annual gains/losses and average overall gains/losses so that the Finance Committee can assess trends over several years.

VI. CERTIFIED FINANCIAL PLANNER AND/OR FINANCIAL ADVISOR REVIEW AND EVALUATION

- Staff will review the Certified Financial Planner and/or Financial Advisor's performance on a regular basis, but at least quarterly, and provide the Finance Committee with recommendations. The Certified Financial Planner and/or Financial Advisor's performance review will be based on the same criteria as those for selecting an investment firm, such as investment

approach and past performance, but also on the Certified Financial Planner and/or Financial Advisor's accessibility and communication with WHF.

- The Certified Financial Planner and/or Financial Advisor's performance will also be reviewed with respect to an acceptable level of return or loss on investments. For WHF, the rate of return is dependent on the capitalization rate quoted in the Property Analysis Record for each protected property. For example, the capitalization rate through 2008 was 4.5%. A reasonable market fluctuation is expected and no Certified Financial Planner and/or Financial Advisor changes would be expected for gains slightly below the expected capitalization rate or losses that result in a loss in excess of 15% of a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 index, and an appropriate bond market index (bench mark) that replicates the asset allocation unless such losses continue over an extended (i.e., more than one year) period of time.
- Monitoring of the investments and the Certified Financial Planner and/or Financial Advisor(s) will be provided by a Certified Financial Planner and/or Financial Advisor on a quarterly basis.
- The Certified Financial Planner and/or Financial Advisor will be available for a portfolio review, typically on an annual basis or more often if desired.
- The Certified Financial Planner and/or Financial Advisor will send investment reports to the Executive Director and the Finance Committee on a quarterly basis.
- These guidelines will be reviewed at least quarterly to ensure that they remain valid and relevant.
- The Finance Committee, with designated board approval, reserves the right to retain or replace a Certified Financial Planner and/or Financial Advisor for any reason.

EXHIBIT F
Foundation Certification



EXECUTIVE DIRECTOR
Patrick Shea, Ph.D.
563 Second St., Ste. 120
Lincoln, CA 95648
916/434-2759

June 3, 2014

TO: Wildlands SLR Holdings I, LLC
% Mark Heintz
3855 Atherton Road
Rocklin, CA 95765

Page 1 of 8
Exhibits A-E

FROM: Patrick Shea, Executive Director
Wildlife Heritage Foundation

Eligibility to Hold Mitigation Endowments Under SB 1094

I. Introduction

INTRODUCTION:

Wildlands SLR Holdings I, LLC (Bank Sponsor and Property Owner) is seeking to entitle the San Luis Rey Wetland Mitigation Bank (Bank or Project) in the City of Oceanside. In particular, Bank Sponsor is seeking to provide compensatory mitigation for the loss of wetland habitats within a specified Service Area. Upon approval of the Bank by the U.S. Army Corps of Engineers and the California Department of Fish and Wildlife, Property Owner shall grant a conservation easement over the Bank and establish an endowment fund to fund the long-term management of the Bank.

Wildlife Heritage Foundation (WHF) is the entity that has been designated to be the grantee of the Conservation easement, holder of the endowment fund, and ensure the perpetual protection of the mitigation property under the applicable mitigation measures. This memorandum is intended to provide assurances that WHF is qualified to hold the mitigation endowment associated with the mitigation property under applicable law, and, in particular, under newly enacted Senate Bill ("SB") 1094.

Short Question: Is the Wildlife Heritage Foundation qualified to acquire, hold, and manage mitigation endowments under SB 1094?

Short Answer: Yes. The Wildlife Heritage Foundation meets the requirements of SB 1094 and is therefore qualified to acquire, hold, and manage mitigation endowments in California.

Our Mission:

To protect, enhance, and restore vital wildlife habitat on lands conserved for the benefit of future generations.
The Wildlife Heritage Foundation is a nonprofit organization meeting Section 501(c)(3) of the Internal Revenue Code.



II. Analysis

SB 1094, which was enacted in early 2012 and signed by the Governor on September 28, 2012, with an immediate effective date, amended certain provisions of the California Government Code related to how state and local agencies and private organizations must hold and manage lands and associated endowment funds provided by project proponents to mitigate the impacts of their projects on wildlife habitat and other natural resources. In particular, SB 1094 expands the types of entities that may hold endowment funds and modifies the requirements that an entity holding endowments funds must meet. In order to qualify to hold mitigation endowments under SB 1094, therefore, WHF must demonstrate that it meets the requirements of the new law.

1. Statutory Framework

a. Who may hold mitigation endowments under SB 1094?

Generally, the amended California Government Code provides that any agency that requires a project proponent to convey property to mitigate for the loss of habitat or other natural resources may also require the conveyance of an endowment to provide for the long-term stewardship of the mitigation property and, further, that such endowment may be held by the same entity that holds the property (See Exhibit A for WHF's authority to hold conservation easements.).

First, Section 65967 states that if a state or local agency requires a project proponent to transfer property to mitigate any adverse impact upon natural resources caused by permitting the development of a project or facility, the agency may authorize a nonprofit organization to hold title to and manage that property. Section 65966(b) then provides that any local or state agency that requires property to be protected pursuant to Section 65967 may identify how the funding needs of the long-term stewardship of the property will be met, and Section 65968 goes on to state that if an endowment is conveyed pursuant to Section 65966 for property conveyed pursuant to Section 65967, the endowment may be held by the same nonprofit organization that holds the property. Finally, Section 65968(b) requires that endowments must be held by one of a list of potential entities, including, "[t]he nonprofit organization that either holds the property, or holds an interest in the property, for conservation purposes."

For purposes of SB 1094, "nonprofit organization" is defined as any nonprofit organization that meets all of the following requirements:

(1) Is exempt from taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code.

(2) Is qualified to do business in California.

(3) Is a “qualified organization” as defined in Section 170(h)(3) of the

Internal Revenue Code.

(4) Is registered with the Registry of Charitable Trusts maintained by the Attorney General pursuant to Section 1258

(5) Has as its principal purpose and activity the direct protection or stewardship of land, water, or natural resources, including, but not limited to, agricultural lands, wildlife habitat, wetlands, endangered species habitat, open-space areas, and outdoor recreational areas. [Section 65965(h).] To qualify under Internal Revenue Code (“IRC”) section 501(c)(3), an organization must satisfy the following criteria:

Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

In addition, IRC section 170(h)(3) enumerates the types of nonprofit organizations that are qualified to accept and hold federally tax-deductible conservation easements. Under that provision, an eligible organization is one that:

(A) is described in clause (v) or (vi) of subsection (b)(1)(A), or

(B) is described in section 501(c)(3) and—

(i) meets the requirements of section 509(a)(2), or

(ii) meets the requirements of section 509(a)(3) and is controlled by an organization described in subparagraph (A) or in clause (i) of this subparagraph.

In order to qualify to do business in California, an entity must have submitted the proper forms and related fees with the State of California depending on its entity type, and its status as an active business entity

must be approved by the State and must remain in effect at the time the mitigation property and associated endowment are transferred. Similarly, an organization must be currently registered with the Registry of Charitable Trusts maintained by the Attorney General pursuant to Section 12584. Finally the entity must have as its principal purpose and activity the direct protection or stewardship of land, water, or natural resources, including, but not limited to, agricultural lands, wildlife habitat, wetlands, endangered species habitat, open-space areas and outdoor recreational areas.

b. How must mitigation endowments be managed under SB 1094?

Once it is established that a particular entity is qualified to hold the mitigation endowment, SB 1094 provides certain requirements for the management of such mitigation funds. First, under SB 1094, the definition of “endowment” provides a general set of guidelines for the management of a mitigation endowment:

“Endowment” means the funds that are conveyed solely for the long-term stewardship of a mitigation property. Endowment funds are held as charitable trusts that are permanently restricted to paying the costs of long-term management and stewardship of the mitigation property for which the funds were set aside. Endowments shall be governed by the underlying laws, regulations, and specific governmental approvals under those laws and regulations pursuant to which the endowments were exacted, consistent with subdivision (b) of Section 65966 and with the Uniform Prudent Management of Institutional Funds Act (Part 7 [commencing with Section 18501] of Division 9 of the Probate Code). Endowments do not include funds conveyed for meeting short-term performance objectives of a project. [Section 65965(a).]

Section 65966(b) provides that if an endowment is conveyed or secured at the time the property is protected, all of the following shall apply:

- (1) The endowment shall be held, managed, invested, and disbursed solely for, and permanently restricted to, the long-term stewardship of the specific property for which the funds were set aside.
- (2) The endowment shall be calculated to include a principal amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity.

(3) The endowment shall be held, managed, invested, disbursed, and governed as described in subdivision (a) of Section 65965 consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 [commencing with Section 18501] of Division 9 of the Probate Code). [Note that Section 65965(a) is the definition of “endowment” recited above.

Section 65966(c) then provides that if a nonprofit corporation holds the endowment, the nonprofit shall utilize generally accepted accounting practices that are promulgated by the Financial Accounting Standards Board or any successor entity. Section 65968(d) reiterates that any entity that holds an endowment shall hold, manage, invest, and disburse the funds in furtherance of the long-term stewardship of the property in accordance with subdivision (a) of Section 65965 (again, the guidelines provided in the definition of “endowment” above).

c. Certification and designation of an endowment holder under SB 1094

A holder of a mitigation endowment must certify to the project proponent and the local or state agency that required the endowment that it meets certain requirements. Namely, pursuant to Section 65968(e), the holder of an endowment must certify that it meets all of the following requirements:

- (1) The holder has the capacity to effectively manage the mitigation funds.
- (2) The holder has the capacity to achieve reasonable rates of return on the investment of those funds similar to those of other prudent investors for endowment funds and shall manage and invest the endowment in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).
- (3) The holder utilizes generally accepted accounting practices as promulgated by either of the following:
 - (A) The Financial Accounting Standards Board or any successor entity for nonprofit organizations.
 - (B) The Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in Article 2 (commencing with Section 53630) of

Chapter 4 of Part 1 of Division 2 of Title 5.

(4) The holder will be able to ensure that funds are accounted for, and tied to, a specific property.

(5) If the holder is a nonprofit organization . . . , it has an investment policy that is consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).

Finally, Section 65968(f) concludes that if a nonprofit organization meets the requirements of SB 1094 it is qualified to be a holder of the endowment for the purpose of obtaining any permit, clearance, or mitigation approval from a state or local agency, and subsection (h) confirms that nothing in this section shall prohibit a state or local agency from determining that a nonprofit organization meets the requirements of this section and is qualified to hold the endowment.

III. Discussion

1. Wildlife Heritage Foundation qualifies as a “nonprofit organization” under SB1094.

Wildlife Heritage Foundation is a California nonprofit public benefit corporation in good standing, qualified to do business in California, and organized and operated for charitable purposes. Its Articles of Incorporation, which were filed on April 6, 2005, and which are attached to this memorandum as Exhibit B, provide that its specific organizational purposes include, but are not limited to:

the protection from further encroachment by unplanned residential development of regionally sensitive transition zones of two different habitat types (mountain and high desert) of protected wildlife species of regional interest for the benefit of the public, including, for such purposes, lessening the burdens of government by acquiring easements for right of way and title to what is now private property for public hiking, horseback riding, and educational and natural science studies.

Wildlife Heritage Foundation received its federal tax-exemption determination on April 26, 2006, and is therefore federally tax-exempt under IRC section 501(c)(3). Moreover, as stated in the determination letter, it is an organization that meets the requirements of IRC section 509(a)(2). (Please see IRS Determination Letter, attached hereto as Exhibit C.) Therefore, not only does Wildlife Heritage Foundation qualify as federally tax-exempt under IRC section 501(c)(3), it also is a “qualified organization” as defined in IRC section 170(h)(3)(B) (i.e., as it is described in IRC section 501(c)(3) and meets the requirements of IRC section 509(a)(2)).

Wildlife Heritage Foundation is currently registered with the Registry of Charitable Trusts maintained by the Attorney General pursuant to Section 12584. (Please see Wildlife Heritage Foundation registration data taken from the California Attorney General's website, attached hereto as Exhibit D.) And, as stated above, Wildlife Heritage Foundation has as its principal purpose and activity the direct protection or stewardship of land, water, or natural resources, including, but not limited to, agricultural lands, wildlife habitat, wetlands, endangered species habitat, open-space areas, and outdoor recreational areas.

Therefore, Wildlife Heritage Foundation is a "nonprofit organization" under Section 65965(h).

2. Wildlife Heritage Foundation commits to manage its mitigation endowments pursuant to SB 1094

As stated above, SB 1094 provides specific guidelines and requirements for the management of mitigation endowments, which Wildlife Heritage Foundation commits to upholding. Wildlife Heritage Foundation's professional investment consultants are well versed in these requirements and will guide Wildlife Heritage Foundation in its proper and lawful investment and management of these funds. (Please see Wildlife Heritage Foundation's investment policy at Exhibit E for an example of how it currently manages its endowment funds.)

3. Wildlife Heritage Foundation certifies that it meets the requirements of Section 65968(e).

Wildlife Heritage Foundation hereby certifies that:

- (1) It has the capacity to effectively manage the mitigation funds.
- (2) It has the capacity to achieve reasonable rates of return on the investment of those funds similar to those of other prudent investors for endowment funds and shall manage and invest the endowment in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).
- (3) It utilizes generally accepted accounting practices as promulgated by either of the following:
 - (A) The Financial Accounting Standards Board or any successor entity for nonprofit organizations.

(B) The Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5.

(4) It will be able to ensure that funds are accounted for, and tied to, a specific property.

(5) It has an investment policy that is consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code). (Please see Exhibit E for Wildlife Heritage Foundation's investment policy, which is consistent with the Uniform Prudent Management of Institutional Funds Act.

IV. Conclusion

Wildlife Heritage Foundation is a "nonprofit organization" as defined under SB 1094, who is committed to managing its mitigation endowments pursuant to the various legislative requirements of SB 1094 and who hereby certifies that it meets the requirements of Section 65968(e). Therefore, it is qualified to acquire, hold, and manage mitigation endowments under SB 1094. The undersigned hereby represents and warrants that the undersigned is duly authorized to sign this document as a representative of Wildlife Heritage Foundation..



Patrick Shea
Executive Director
Wildlife Heritage Foundation

Exhibit A
California Department of Fish and Game Mitigation Approval Letter



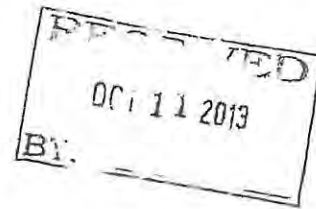
State of California – The Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Bay Delta Region
7329 Silverado Trail
Napa, CA 94558
(707) 944-5500
www.wildlife.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



September 13, 2013

Mr. Patrick Shea
Wildlife Heritage Foundation
563 Second Street, Suite 120
Lincoln, CA 95648
pshea@wildlifeheritage.org



Dear Mr. Shea:

Subject: Renewal of Approval to Hold Mitigation Lands Under Government Code
Section 65965

This letter is in response to your application to the California Department of Fish and Wildlife (Department) for "Non-Profit Organizations Requesting to Hold Mitigation Lands" dated August 2011 and additional information provided September 2011. We have reviewed your application and documentation and are pleased to inform you that your application has been accepted.

The Department has determined that your application meets Department requirements detailed in Government Code Section 65965 and that your organization is approved to hold mitigation land. Please keep this approval letter until its expiration October 15, 2014. Please contact the Department six months prior to the expiration date if you would like to renew your approval.

If you have any further questions please contact Ms. Janice Gan, Senior Environmental Scientist (Specialist), at (916) 944-0481; or Mr. Craig Weightman, Environmental Program Manager, at (707) 944-5577.

Sincerely,

Scott Wilson
Acting Regional Manager
Bay Delta Region

cc: California Department of Fish and Wildlife
Janice Gan, Bay Delta Region
Craig Weightman, Bay Delta Region
Helen Birss, Habitat Conservation Planning Branch
Cathie Vouchilas, Habitat Conservation Planning Branch
Diana Garofalo, Habitat Conservation Planning Branch
Sean McWhirter, Habitat Conservation Planning Branch

Conserving California's Wildlife Since 1870

Exhibit B
Articles of Incorporation



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

_____, 19__

Secretary of State

2208504

ARTICLES OF INCORPORATION
OF
WILDLIFE HERITAGE FOUNDATION

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JAN 11 2000

BILL JONES, Secretary of State

I

The name of this corporation is Wildlife Heritage Foundation.

II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to hold conservation easements, perform land stewardship and management, and provide educational and access opportunities, from lands developed as mitigation banks, mitigation projects, and/or environmental and natural lands projects, which include the creation, restoration, enhancement and preservation of wildlife, wildlife habitat, agricultural and resource-based lands.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Steven K. Morgan
5910 Auburn Boulevard, Suite 17
Citrus Heights, CA 95621

IV

A. This corporation is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

V

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment or provision for payment of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

Dated: January 11, 2000.

James L. Leet
James L. Leet, Incorporator



Exhibit C
IRS Determination Letter

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

file IRS [unclear] [unclear]
DEPARTMENT OF THE TREASURY

Date: JUL 26 2005

WILDLIFE HERITAGE FOUNDATION
PO BOX 818
RANCHO CORDOVA, CA 95741-0818

Employer Identification Number:
94-3352965
DLN:
17053169754065
Contact Person:
THOMAS C KOESTER ID# 31116
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated DECEMBER 2000, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

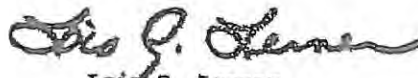
Based on the information you submitted, our letter dated MAY 13, 2005 in which you were presumed to be a private foundation is hereby superseded. You are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:30 a.m. - 5:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 23 2000

WILDLIFE HERITAGE FOUNDATION
C/O RILEY J SWIFT
5910 AUBURN BLVD STE 17
CITRUS HEIGHTS, CA 95621

Employer Identification Number:
94-3352965
DLN:
17053243047040
Contact Person:
SUSAN PALADINI ID# 95213
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(1)
Advance Ruling Period Begins:
January 11, 2000
Advance Ruling Period Ends:
December 31, 2004
Addendum Applies:
No

RECEIVED

DEC 23 2000

BY:

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make

Letter 1045 (DO/CG)

WILDLIFE HERITAGE FOUNDATION

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning January 11, 2000.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as

Letter 1045 (DO/CG)

WILDLIFE HERITAGE FOUNDATION

a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

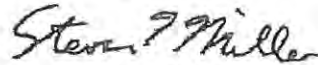
Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

Letter 1045 (DO/CG)

WILDLIFE HERITAGE FOUNDATION

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter,

Sincerely yours,



Steven T. Miller
Director, Exempt Organizations

Enclosure(s):
Form 872-C

Letter 1045 (DO/CG)

Exhibit D
California Attorney General Registration Information

[Home](#) [About the AG](#) [In the News](#) [Careers](#) [Services & Information](#)
[Programs A - Z](#) [Contact Us](#)

Below is the detailed data for the registrant you selected.
 You may CLOSE this window to return to the Search Results and choose another registrant.

Registrant Information

Full Name: WILDLIFE HERITAGE FOUNDATION FEIN: 943352965

Type: Public Benefit Corporate or Organization Number: 2208504

Registration Number:	116325	Registration Type:	Charity Registration
Record Type:	Charity	Renewal Due Date:	5/15/2014
Issue Date:	12/31/2005	Date This Status:	4/11/2014
Registration Status:	Current		
Date of Last Renewal:	11/6/2013		

Address Information

Address Line 1:	563 SECOND STREET, SUITE 120	Phone:
Address Line 2:		
Address Line 3:		
Address Line 4:	LINCOLN CA 95648	

Annual Renewal Information

Fiscal Begin:	01-JAN-01
Fiscal End:	31-DEC-01
Total Assets:	\$225,000.00
Gross Annual Revenue:	\$255,000.00
RRF Received:	16-MAY-02
Returned Date:	
990 Attached:	Y
Status:	Accepted

Fiscal Begin:	01-JAN-02
Fiscal End:	31-DEC-02
Total Assets:	\$577,861.00
Gross Annual Revenue:	\$351,317.00
RRF Received:	01-MAY-03
Returned Date:	
990 Attached:	Y
Status:	Accepted

Fiscal Begin:	01-JAN-03
Fiscal End:	31-DEC-03
Total Assets:	\$722,820.00
Gross Annual Revenue:	\$183,160.00
RRF Received:	18-MAY-04
Returned Date:	
990 Attached:	Y
Status:	Accepted

Fiscal Begin:	01-JAN-04
---------------	-----------

Gross Annual Revenue:	\$2,705,423.00
RRF Received:	02-SEP-11
Returned Date:	
990 Attached:	Y
Status:	Accepted
Fiscal Begin:	01-JAN-11
Fiscal End:	31-DEC-11
Total Assets:	\$17,318,561.00
Gross Annual Revenue:	\$2,223,294.00
RRF Received:	27-AUG-12
Returned Date:	
990 Attached:	Y
Status:	Accepted
Fiscal Begin:	01-JAN-12
Fiscal End:	31-DEC-12
Total Assets:	\$26,779,168.00
Gross Annual Revenue:	\$8,462,256.00
RRF Received:	24-OCT-13
Returned Date:	
990 Attached:	Y
Status:	Accepted
Related Documents	
<u>1037695</u>	RRF-1 2008
<u>1037696</u>	IRS Form 990 2008
<u>116325381759</u>	Incomplete RRF-1 2011
<u>00170BC9</u>	IRS Form 990 2011
<u>00170BC8</u>	RRF-1 2011
<u>93252</u>	RRF-1 2009
<u>93253</u>	IRS Form 990 2009
<u>000327E6</u>	RRF-1 2010
<u>000327E7</u>	IRS Form 990 2010
Prerequisite Information	
No Prerequisite Information	

Exhibit E
Wildlife Heritage Foundation Investment Policy



**Wildlife Heritage Foundation
Investment Policy Statement
Adopted March 16, 2006, by a Quorum of the Board of Directors**

**Revised and Adopted by the
Full Board of Directors on August 3, 2009**

**Amended and Adopted by the Full Board
of Directors on March 11, 2010**

**Amended and Adopted by the Full Board
of Directors on September 26, 2011**

I. MISSION STATEMENT

To protect, enhance, and restore vital wildlife habitat on lands conserved for the benefit of future generations.

II. STATEMENT OF PURPOSE

The Finance Committee of the Wildlife Heritage Foundation (WHF), a California nonprofit 501(c) (3) corporation, hereby establishes the following statement of investment policy and guidelines for the management of its endowment funds. The purpose of this statement is to create a general framework within which the assets of the endowment funds can be invested with respect to efficient portfolio management.

This document is intended to identify the investment objectives, constraints, and policies for the management of the endowments funds. It is intended that these objectives and guidelines provide meaningful guidance and expectations in the

management and performance of the funds and not be overly restrictive, given the changing economic, business, and investment market conditions.

This policy will also provide a basis against which the performance of the endowment funds and the service providers can be monitored and measured on an ongoing, regular basis.

III. PORTFOLIO GOALS, REPORTS, OBJECTIVES, AND CONSTRAINTS

Goals

- To fulfill WHF's duties as conservation steward of protected properties and enable the WHF to perform tasks as required in the operations and management plans for each property—to monitor conservation areas, ensure that lands are protected and that there are no violations of restricted activities, create the necessary reports to the regulatory agencies, and provide educational information about the protected property to homeowners and community associations. WHF will be reimbursed for expenses associated with these tasks from the investment funds.
- Each investment within each endowment account will be tracked and reports provided to WHF on a regular basis (e.g., monthly) by the Certified Financial Planner and/or Financial Advisor. Reports will include investment activity, such as dividends gained, fees paid, and change in value, through the report period. Accounts will be liquid so that funds spent in the performance of WHF's duties can be recouped from the accounts.
- It is WHF's intent that the investments' performance is such that the principle endowment amount is preserved and not reduced; however, if the investments do not perform as expected, it may be necessary, and only if there is no other recourse, that WHF's costs are reimbursed from the endowment principle.
- Any funds taken from the endowment investments will be spent in the performance of WHF's duties as steward of the protected properties. Allowable costs to be covered by investment earnings are only those associated with stewardship responsibilities for protected properties. These include, for example, travel to and from the property, labor costs for inspections and monitoring, consultant fees associated with monitoring and maintenance, staff labor costs for report production, etc. No funds will be allocated for WHF's day-to-day operating costs above the specified annual administrative fee unless those costs are associated with performance of duties at the protected property.

Investment Objectives

Following are the objectives for the total funds over a market cycle or three (3) years, whichever is shorter.

- To minimize risk and attain the growth necessary to maintain the purchasing power of the funds.
- To achieve a rate of return, after fees that exceed a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 Index, and an appropriate bond market index (bench mark) that replicates the asset allocation of the overall plan on a quarterly basis.
- To achieve a rate of return, after fees that exceeds the inflation rate, as measured by the Consumer Price Index (CPI), by 3 percentage points per year and is consistent with the level of risk assumed by the funds.
- To have a maximum tolerable loss of no more than 15% over a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 index, and an appropriate bond market index (bench mark) that replicates the asset allocation of the overall plan during any 4 consecutive quarters. If losses were to exceed this threshold, the investment committee shall reevaluate the underlying investments managers and the asset allocation of the portfolio.

Investment Constraints

The following investment constraints are provided as WHF's guidelines:

- There will be no margin purchases or other use of borrowed funds.
- There are to be no puts, calls, straddles, or hedging.
- No short sales are to be made.
- There are to be no purchases of commodities.
- The fixed-income portion of the funds may be invested in corporate bonds and notes, mortgage securities, non-US dollar assets and direct or indirect obligations of the United States government and shall be limited to publicly issued items, and have an average credit quality of investment grade or better by Moody's or S&P with no more than 10% in non-investment grade bonds.

- No single industry group, as defined by S&P, shall constitute more than 25% of the fixed-income portion of the funds and no single company shall constitute more than 10% of the fixed-income portion of the funds except direct or indirect obligations of the United States government in which investment is unrestricted.
- All investments will be in highly liquid, marketable securities.
- Cash equivalent investments (less than 1 year fixed-income securities) will have a quality restriction of no less than A1/P1 or an equivalent rating. Any "money market" mutual fund should have equivalent quality ratings.

IV. ALLOCATION OF ASSETS

There should be sufficient diversification with no single equity exceeding 5% of the market value of the stock portion of the fund. The following represents a conservative target asset allocation and the acceptable ranges by asset class:

<u>Asset Class Ranges</u>	<u>Target Allocations</u>
Equities: 10%-70%	40%
Fixed Income: 30%-90%	55%
Cash Equivalents: Minimal	0%-5%

V. ALLOCATION OF RESPONSIBILITIES

The Finance Committee is responsible for directing and monitoring the investment management of the assets. The Finance Committee shall be made up of a minimum of three (3) members of the current Board of Directors. Any changes enacted will be documented in the form of an amendment to this Investment Policy. Responsibilities of staff and the Certified Financial Planner and/or Financial Advisor(s) are also listed below.

- The Finance Committee is authorized to employ one or more investment managers or other professionals to attain the objectives of the funds.
- Decisions for selecting an investment (fund) manager or managers will be based on criteria such as past performance, investment approach, company stability, fee structure, and accessibility to the investment representative.
- Investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in a

like capacity and familiar with these matters would use in the conduct of a plan of like character and with like aims.

- Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under current circumstances, it is clearly prudent not to do so.
- The Finance Committee acknowledges that although the investment manager(s) expects to meet these objectives, there is no guarantee they can be achieved.
- The Certified Financial Planner and/or Financial Advisor at each investment firm will be responsible for investing funds according to this Investment Policy and will provide reports to WHF staff on a regular basis. The Certified Financial Planner and/or Financial Advisor will also notify staff of changes in any fund portfolio and will discuss and confirm new investments as they are received.
- The Certified Financial Planner and/or Financial Advisor(s) will provide information to the Finance Committee regarding provisions for portfolio rebalancing so that funds continue to be allocated according to this Investment Policy. The Finance Committee and Certified Financial Planner and/or Financial Advisor will discuss reallocation of funds as needed for rebalancing the portfolio. The Finance Committee shall then direct the Certified Financial Planner and/or Financial Advisor to rebalance the portfolio appropriately.
- Foundation staff is responsible for reviewing all reports received from the Certified Financial Planner and/or Financial Advisor(s) and recording, using the appropriate accounting procedures, investment fund changes on a regular basis.
- Foundation staff is responsible for reporting investment fund balances, including gains and losses, on a regular basis to the Finance Committee. The reports will include annual gains/losses and average overall gains/losses so that the Finance Committee can assess trends over several years.

VI. CERTIFIED FINANCIAL PLANNER AND/OR FINANCIAL ADVISOR REVIEW AND EVALUATION

- Staff will review the Certified Financial Planner and/or Financial Advisor's performance on a regular basis, but at least quarterly, and provide the Finance Committee with recommendations. The Certified Financial Planner and/or Financial Advisor's performance review will be based on the same criteria as those for selecting an investment firm, such as investment

approach and past performance, but also on the Certified Financial Planner and/or Financial Advisor's accessibility and communication with WHF.

- The Certified Financial Planner and/or Financial Advisor's performance will also be reviewed with respect to an acceptable level of return or loss on investments. For WHF, the rate of return is dependent on the capitalization rate quoted in the Property Analysis Record for each protected property. For example, the capitalization rate through 2008 was 4.5%. A reasonable market fluctuation is expected and no Certified Financial Planner and/or Financial Advisor changes would be expected for gains slightly below the expected capitalization rate or losses that result in a loss in excess of 15% of a custom balanced index that, by definition, is a weighted index comprising the Standard & Poor's (S&P) 500 index, and an appropriate bond market index (bench mark) that replicates the asset allocation unless such losses continue over an extended (i.e., more than one year) period of time.
- Monitoring of the investments and the Certified Financial Planner and/or Financial Advisor(s) will be provided by a Certified Financial Planner and/or Financial Advisor on a quarterly basis.
- The Certified Financial Planner and/or Financial Advisor will be available for a portfolio review, typically on an annual basis or more often if desired.
- The Certified Financial Planner and/or Financial Advisor will send investment reports to the Executive Director and the Finance Committee on a quarterly basis.
- These guidelines will be reviewed at least quarterly to ensure that they remain valid and relevant.
- The Finance Committee, with designated board approval, reserves the right to retain or replace a Certified Financial Planner and/or Financial Advisor for any reason.

EXHIBIT G
Default Distribution

EXHIBIT G
DEFAULT DISTRIBUTION

Task	Annual Cost	Recurrence Interval (in years)	Annual Default Distribution ¹
BIOTIC SURVEYS			
Quarterly Site Inspections	\$ 3,120.00	1	\$ 3,120.00
FIELD EQUIPMENT			
Quad Runners, 4WD	\$ 615.00	8	\$ -
Vehicle Insurance	\$ 165.00	1	\$ 165.00
Vehicle Maintenance	\$ 1,000.00	1	\$ 1,000.00
Vehicle Pickup	\$ 5,400.00	8	\$ -
GENERAL MAINTENANCE			
Dump Fees	\$ 80.00	1	\$ 80.00
HABITAT MAINTENANCE			
Adaptive Management	\$ 3,000.00	5	\$ -
Exotic Animal Control	\$ 2,200.00	5	\$ -
Herbicide	\$ 165.00	1	\$ 165.00
Exotic Plant Control	\$ 200.00	1	\$ 200.00
Sediment Control	\$ 2,200.00	10	\$ -
OPERATIONS			
Insurance	\$ 143.84	1	\$ 143.84
PUBLIC SERVICES			
Signs	\$ 246.00	5	\$ -
REPORTING			
Aerial Photo Interpretation (habitat mapping)	\$ 220.00	10	\$ -
Aerial Photo	\$ 1,300.00	10	\$ -
Annual Report	\$ 1,200.00	1	\$ 1,200.00
Monitor Wetlands	\$ 880.00	10	\$ -
Monitoring Report	\$ 2,800.00	10	\$ -
SITE CONSTRUCTION/MAINTENANCE			
Contingency Fencing	\$10,447.14	30	\$ -
Gate	\$ 500.00	30	\$ -
Total Annual Distribution			\$ 6,183.84

Note: 1. Only tasks with a recurrence interval of one year are included in the calculation of the Default Distribution amount. Consistent with Article VII.5.(a) and (c) Wildlands shall submit a request for distribution of funds for tasks having a recurrence interval of greater than one year or in years when a larger distribution is required.

Exhibit D-4

Interim Management Plan

The Interim Management Plan is intended to identify the short-term management, monitoring and reporting activities to be conducted from the time the Bank is established until the Endowment Fund has been fully funded for one year and all the Performance Standards in the Development Plan have been met.

Exhibit C-1, Development Plan, contains all of the information regarding interim management.

Exhibit D-5

Long-Term Management Plan

SAN LUIS REY MITIGATION BANK

SAN DIEGO COUNTY, CALIFORNIA

LONG-TERM MANAGEMENT PLAN

Prepared by:

Wildlands
3855 Atherton Road
Rocklin, CA 95765
Contact: Cindy Tambini
Email: ctambini@wildlandsinc.com
Tel: (916) 435-3555
Mobile: (916) 960-9738

July 2014

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LIST OF ACRONYMS

Advisory Agency	An IRT agency that does not sign the BEI
APN	Assessor Parcel Number
Bank	San Luis Rey Mitigation Bank
Bank Sponsor	Wildlands SLR Holdings I, LLC
BEI	Bank Enabling Instrument
Cal-IPC	California Invasive Plant Council
CNDDDB	California Natural Diversity Database
CNLM	Center for Natural Lands Management
CNPS	California Native Plant Society
CDFW	California Department of Fish and Wildlife
ESA	federal Endangered Species Act
ESA PWA	ESA PWA Environmental Hydrology
FEMA	Federal Emergency Management Agency
GIS	Geographic Information System
IRT	Interagency Review Team
Property Owner	Wildlands
Management Plan	Long-term Management Plan
Mitigation Bank	San Luis Rey Mitigation Bank
MSCP	San Diego County Multiple Species Conservation Program
NWP	Nationwide Permit
PAR	Property Analysis Record
PCE	primary constituent element
PJD	Preliminary Jurisdictional Determination
Signatory Agencies	USACE and CDFW
USACE	U.S. Army Corps of Engineers
USEPA	U.S. Environmental Protection Agency
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey
WHF	Wildlife Heritage Foundation
Wildlands	Wildlands SLR Holdings I, LLC

Section I Introduction

A. Purpose of Bank Establishment

The San Luis Rey Mitigation Bank (Bank) is being established to compensate for unavoidable impacts to, and to conserve and to protect Waters of the U.S., Waters of the State, and associated Buffers. The Bank is being established by the Bank Sponsor (Wildlands SLR Holdings I, LLC aka Wildlands), the U.S. Army Corps of Engineers (USACE), and the California Department of Fish and Wildlife (CDFW). The USACE and CDFW (collectively referred to as the Signatory Agencies) are coordinating Bank establishment with an Interagency Review Team (IRT) consisting of the USACE, the U.S. Environmental Protection Agency (USEPA), U.S. Fish and Wildlife Service (USFWS), the National Marine Fisheries Service (NMFS), the CDFW, and the San Diego Regional Water Quality Control Board (RWQCB).

Terms used in this Long-term Management Plan (Management Plan) have the same meaning as defined in the Bank Enabling Instrument (BEI).

B. Purpose of this Long-Term Management Plan

This Management Plan has been prepared as a guidance document to ensure the Bank is managed, monitored, and maintained in perpetuity as required by the BEI and Conservation Easement. This Management Plan establishes objectives, priorities and tasks to monitor, manage, maintain and report on the Waters of the U.S., Waters of the State, and associated Buffer areas. This Management Plan is a binding and enforceable instrument, implemented by the Conservation Easement covering the Bank Property.

It should be noted that while it is the intent of this Management Plan to comply with federal, state and local permits, if any discrepancies between this Management Plan and the permits exist, the permits override the Management Plan stipulations unless written approval is received from the agency exerting the appropriate jurisdiction.

C. Responsible Parties

C.1 Bank Sponsor

The Bank Sponsor is:

Wildlands SLR Holdings I, LLC (Wildlands)
3855 Atherton Road
Rocklin, CA 95765
Contact: Cindy Tambini or ctambini@wildlandsinc.com
Telephone: (916) 435-3555

C.2 Property Owner

The Bank Property is owned by:

Wildlands SLR Holdings I, LLC (Wildlands)
3855 Atherton Road
Rocklin, CA 95765
Contact: General Counsel
Telephone: (916) 435-3555

C.3 Conservation Easement Holder

The Conservation Easement will be held by:

Wildlife Heritage Foundation
563 2nd Street, Suite 120
Lincoln, CA 95648
Contact: Executive Director or <http://www.wildlifeheritage.org/>
Telephone: (916) 434-2759

C.4 Endowment Holder

The Endowment will be held by:

Wildlife Heritage Foundation
563 2nd Street, Suite 120
Lincoln, CA 95648
Contact: Executive Director or <http://www.wildlifeheritage.org/>
Telephone: (916) 434-2759

D. Property Owner Responsibilities

The Property Owner, and subsequent Property Owners upon transfer, shall implement this Management Plan, managing and monitoring the Bank Property in perpetuity to preserve its habitat and conservation values in accordance with the Bank's BEI, the Conservation Easement, and the Management Plan. Long-term management tasks shall be funded through the Endowment Fund. The Property Owner shall be responsible for providing an annual report to the Signatory Agencies detailing the time period covered, an itemized account of the management tasks and total amount expended. Any subsequent grading, or alteration of the site's hydrology and/or topography by the Property Owner or its representatives must be approved by the Signatory Agencies and the necessary permits, such as a Section 404 permit, must be obtained if required.

The Property Owner's responsibilities shall include, but not be limited to, completing the following:

- Upholding the land management responsibilities and obligations as outlined in the BEI, this Management Plan, and the Conservation Easement.
- Monitoring and maintaining the re-established, rehabilitated, and grassland habitats on the Bank Property.
- Controlling access to prohibit public use of the Bank Property.
- Maintaining signs on the Bank Property.
- Implementing any capital improvements.
- Implementing all habitat management activities.
- Conducting trash removal at the Bank at least semi-annually.
- Conducting non-native (exotic and invasive) plant management activities.
- Performing general inspections.
- Performing or coordinating biological surveys by a qualified biologist.
- Coordinating with individuals or groups wishing to use the Bank for educational purposes.
- All other Property Owner responsibilities not otherwise described in this Management Plan.

E. Grantee Responsibilities

The Grantee is Wildlife Heritage Foundation (WHF). As such, the terms of the Conservation Easement govern any transfer or assignment of WHF's obligations or rights as the Grantee.

The responsibilities and duties of the Grantee shall include:

- Upholding the responsibilities and obligations as outlined in the Conservation Easement and this Management Plan.

- Monitoring Bank management activities for compliance with the terms of the Conservation Easement.
- Performing, at a minimum an annual Conservation Easement compliance monitoring inspection of the Bank Property.
- Preparing reports on the results of the compliance monitoring inspections and providing copies of the reports to the Property Owner, USACE, and CDFW as required.

F. Endowment Holder and Responsibilities

The Endowment Holder is WHF. .

The duties and responsibilities of the Endowment Holder as prescribed in the Endowment Agreement (see *Exhibit D-3 in the BEI*) include:

- Investing and managing the Endowment Fund such that it is non-wasting and can provide income to fund perpetual management, maintenance, monitoring and other activities on the Bank Property consistent with this Management Plan and BEI.
- Dispersing available funds to Property Owner on an annual basis to fund management, maintenance, monitoring and other activities as required by this Management Plan or BEI.
- Preparing and submitting reports, at a minimum on an annual basis, to the Property Owner and Signatory Agencies relating to the financial status of the Endowment Fund.

G. Qualified Personnel/Monitoring Biologist

The Property Owner shall retain professional biologists, botanists or other types of specialists (the Qualified Personnel, including the Monitoring Biologist) to conduct specialized tasks. The Monitoring Biologist shall be familiar with California flora and fauna, shall have knowledge regarding seasonal and perennial wetland habitats and their ecology. Duties of the Qualified Personnel may include but are not limited to:

- Monitoring and maintaining wetland function.
- Monitoring and maintaining erosion control.
- Evaluating the presence of newly introduced non-native (exotic) plant species and recommending management, if needed.
- Conducting biological surveys, collecting data on the Bank, and preparing reports required by this Management Plan.
- Evaluating site conditions and recommending remedial action to the Property Owner.
- Assisting in reviewing or planning restoration activities, use of the Bank for education or other tasks such as grant proposals.

H. Changes in Personnel

If the onsite personnel of either the Property Owner or Grantee changes, the outgoing and incoming personnel will tour the Bank together and the outgoing personnel will advise the incoming personnel of trends, problem areas, and any administrative difficulties. The Signatory Agencies will be notified of changes to the onsite personnel of the Property Owner and Grantee, and will be offered an opportunity to meet the new personnel and tour the Bank together.

I. Management Approach

A key concept of this Management Plan is “Adaptive Management”. Adaptive management means an approach to natural resource management which incorporates changes to management practices, including corrective actions as determined to be appropriate by the Signatory Agencies, in coordination with other members of the IRT, in discussion with the Property Owner, based upon Bank annual report results and review of overall Bank performance and compliance.

Section II Property Description

A. Setting and Location

The Bank Property is located on the north side of State Route 76/Mission Avenue, south of North River Road and northeast of Mission Vista High School in the eastern portion of the City of Oceanside, California (Figure 1; all figures are located at the end of the Management Plan). The Bank Property is situated between Interstate 5 and Interstate 15 and west of the community of Bonsall.

The northern portion of the property is located in Section 36 of Township 10 South, Range 4 West on the Morro Hill 7.5-minute U.S. Geological Survey quadrangle and the southern portion of the property is located in Section 1, Township 11 South, Range 4 West of the same quadrangle map (Figure 2). The address of the Property is 5780 Mission Avenue, Oceanside, CA 92057; however, there is no known address associated with the Bank Property.

For the purpose of this Management Plan, the “Property” is defined as 56.54 acres designated as San Diego County Assessor Parcel Numbers (APNs) 122-130-33; 122-130-35; 122-130-37; 122-130-39, and 122-130-41 (Figure 3). The “Bank Property” is a subset of the Property and excludes various access, road and/or utility easements. The Bank Property is 53.84 acres. The Property and the Bank Property are described and depicted in the Conservation Easement (see *Exhibit E-4 in the BEI*).

B. Current and Historic Land Uses

The current land use is agriculture (tomato fields) on both the north and south sides of the river. The tomato fields are irrigated by a network of water wells, underground water pipes and powered pumps that are located near the center of the Bank Property. An informal farm levee system is located along the north and south banks of the river to confine the river to a narrow channel. A privately-owned culverted crossing of the river constructed in 1960s is located immediately downstream of the Bank Property and provides north-south access across the river for farming activities.

Unimproved dirt roads provide access to the Bank Property from State Route 76 and North River Road. An equipment storage yard is located outside the southwestern corner of the Bank Property. Four groundwater wells used for agricultural purposes are located on the Bank Property and will be decommissioned prior to Bank construction.

Several completed restoration projects are located along the San Luis Rey River floodplain immediately upstream and downstream of the site and another restoration project is located southeast of the site (Figure 4). The Singh restoration site immediately upstream to the east involved restoration and enhancement of 21± acres of riparian habitat and the removal of 11± acres of giant reed along with other invasive, non-native plant species and revegetation with native riparian species. The work was authorized in 2000 and met the final success criteria in 2007. A second upstream restoration area is associated with the Caltrans widening of State Route 76.

There are two downstream restoration areas that involved restoration and enhancement; Granite Construction (Corps File No. 2006-1262-SJH) and a second 19±-acre preserve established by the Vista Unified School District in 2010 to mitigate for impacts to critical habitat for least Bell's vireo and southwestern willow flycatcher.

The Bank Property is located in a predominantly agricultural and open space/conservation area; however, the site is located within the city limits and residential, institutional and commercial properties are located within a mile of the site.

Nearby land uses include:

- South: Singh Property Management Company agricultural processing plant, parking lots and State Route 76 San Luis Rey Mission Expressway
- North: North River Road and tomato fields
- East: Existing restoration site and San Luis Rey River
- West: Existing restoration site and San Luis Rey River

C. Cultural Resources

In June 2011, a Cultural Resources Survey (see *Exhibit J in the BEI*) was conducted by Affinis for the Bank Property. This work included contact with the Native American Heritage Commission, discussions with Native Americans, and a pedestrian survey of the Bank Property. The survey was conducted by a professional archaeologist and a Native American monitor from Saving Sacred Sites and the San Luis Rey Band of Luiseño Mission Indians. No archaeological or historic resources of significance were found.

D. Hydrology and Topography

The following information is summarized from the Hydraulic Report and Conceptual Restoration Plan for the Bank (see *Exhibit K-7 in the BEI*).

The Bank Property is located on the San Luis Rey River approximately 10 miles upstream of the Pacific Ocean. The watershed is 515 square miles at the site and has a mean annual rainfall of 20 inches (10 inches at the city of Oceanside). Land use within the watershed is varied – 54% of the watershed is undeveloped (public and tribal lands), 15% is residential, and 14% is agricultural. More than 10% of the watershed draining to the site is urban. The upper watershed (205 square miles) is controlled by Lake Henshaw Dam, which stores and diverts drinking water for the cities of Escondido and Vista.

The U.S. Geological Survey (USGS) has operated a flow gage on the San Luis Rey River in Oceanside (USGS 11042000) since 1916, but there were numerous gaps in the record up to 1965 that make the use of the early period questionable for flood frequency analyses. For the initial hydrologic assessment (ESA PWA 2011), a Bulletin 17B flood frequency analysis was conducted

using gage records after 1965, and the results were compared to values predicted by the USGS regional regression models for southern California (Waananen and Crippen 1977) and flood flows estimated in the most recent Flood Insurance Study for San Diego County (Federal Emergency Management Agency 2006). The results suggested that the 100-year flow ranged from 51,000 to 115,000 cubic feet per second depending on the method of analysis used.

Since the initial hydrologic assessment, ESA PWA had several discussions with the Los Angeles District of the USACE regarding site hydrology. As a result, the flow frequency analysis has been updated to include the discharge data provided in the “Updated San Luis Rey Discharge-frequency Analysis” (U.S. Army Corps of Engineers 2008). The updated peak flows were officially adopted by the USACE, and were used in conjunction with the Federal Emergency Management Agency (FEMA) 100-year flow in the hydraulic models. The USACE adjusted flow records from the Oceanside gage to account for zero peak flow years, urbanization, and flow attenuation from Lake Henshaw Dam. The USACE also supplied ESA PWA with flood hydrographs for the 2, 5, 10, and 100-year return interval discharge events.

Wildlands has monitored water surface elevations at nine groundwater wells and the river channel since December 2009. For the period of record when both groundwater and river stage were collected, it is apparent that the two are closely linked. The relationship is even closer when the river stage is adjusted for river surface slope across the site, with most groundwater wells having water surface elevations within 1-2 feet of the river stage. This is consistent with permeable sandy soil in which hydrostatic differences between the river and floodplain can quickly adjust.

Wildlands groundwater data was reviewed in context of the climate during the time of collection. Rainfall in the 2009-2010 water year (Oct. 1 – Sept. 30) was 10.8 inches at Oceanside compared with a mean of 9.8 inches from 1909 to 2010, which suggests that this water year was slightly wetter than average for the site. Rainfall during the 2010-2011 water year was even greater at 14.0 inches, and should be considered significantly wetter than the average year. Groundwater data from the more typical 2009-2010 water year was used as part of the basis of design for floodplain grading.

E. Soils

The Soil Survey of San Diego Area, California (Soil Conservation Service and Forest Service) was accessed via <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm> to determine the soils on the Property. As shown in Figure 5, there are six soil series and eight soil types found in the Property; however, the site soil is predominantly characterized by three soil units: Bonsall sandy loam, 2 to 9 percent slopes; Riverwash; and Tujunga sand, 0 to 5 percent slopes.

The Bonsall series consists of moderately well drained, shallow to moderately deep sandy loams that have a heavy clay loam subsoil. Slopes are concave and range from 2 to 15 percent. The native vegetation is mainly filaree, mustard, wild oats, and annual grasses and forbs. A few scattered oaks grow along the drainages.

In a representative profile, the surface layer is brown, slightly acid sandy loam about 10 inches thick. The subsoil is brown, yellowish-brown, and light yellowish-brown, slightly acid to moderately alkaline clay loam and sandy loam about 50 inches thick. The substratum is light-

brown, mildly alkaline sandy clay loam. At a depth of about 89 inches is deeply weathered granitic rock.

Riverwash occurs in intermittent stream channels. The material is typically sandy, gravelly, or cobbly. It is excessively drained and rapidly permeable. Many areas are barren. Scattered sycamores and coast live oaks grow along the banks. Sparse shrubs and forbs occur in patches.

The Tujunga series consists of very deep, excessively drained sands derived from granitic alluvium. These soils are on alluvial fans and flood plains and have slopes of 0 to 5 percent. The vegetation in uncultivated areas is chiefly annual grasses and forbs and a few scattered oaks.

In a representative profile the surface layer is brown, neutral sand about 14 inches thick. The next layers are pale-brown, neutral sand and coarse sand. This material extends to a depth of more than 60 inches. Tujunga soils are used mainly for range and golf courses. A few small areas are used for avocados, flowers, and truck crops.

F. Easements

The Bank has been designed to exclude all unnecessary easements in order to reduce and avoid future conflicts. Access to the Bank Property is provided from North River Road and Mission Avenue (Figure 6); however, the easements providing access to the site are located outside the Bank boundary. These reciprocal access agreements provide access to the site, wells, irrigation water, and drainage facilities. An explanation of all easements and exclusions related to the Bank is provided in Exhibit E-2 of the BEL.

Section III Habitat and Species Descriptions

A. Biological Resources Survey of Bank

The following information is summarized from the Biological Resources Report prepared for the Bank (see *Exhibit H in the BEI*).

The Biological Resources Survey was completed prior to determining the Bank boundary and covers a larger area of which the Bank is a subset. Due to the extensive land management activities associated with a large scale commercial agricultural operation, there are very limited biological issues associated with the majority of the Bank Property. Most of the Bank Property, with the exception of the channelized San Luis Rey River, has historically been utilized for growing tomatoes or wheat. It is estimated that the Bank Property has been in almost continuous agricultural use for over 40 years. The Property was recently operated by the Singh Property Management Company as a commercial agricultural operation producing vine-ripened tomatoes.

The Bank Property supports five habitat types; however, well over half the site is comprised of agricultural fields (Figure 7).

The Bank Property is characterized as active cultivated agricultural lands located both north and south of an approximately 1,800-foot reach of the San Luis Rey River. On the Bank Property, the San Luis Rey River has been channelized and is characterized as freshwater marsh habitat. The banks of the incised channel are dominated by the invasive giant reed. The freshwater marsh habitat is dominated by bulrush and cattail with areas of surface water expression.

A review of the California Natural Diversity Database indicates there are no known special status plants documented onsite (Figure 8), and no known special status animals documented onsite (Figure 9); however, least Bell's vireo, yellow-breasted chat, and southwestern willow flycatcher are documented upstream and downstream of the Bank Property (Figure 10).

The site is located outside the San Diego County Multiple Species Conservation Program (MSCP) North County Plan Area but inside the Multiple Habitat Conservation Plan (MHCP) Oceanside Subarea Plan (Figure 11).

Based on the CNDDDB search, several State and/or federally listed wildlife species have potential to occur within or adjacent to the Bank Property (see Table 1). For each species listed, a determination was made regarding the potential use of the Bank Property based on information gathered during the general biological surveys including known habitat preferences and knowledge of their relative distributions in the area.

In terms of critical habitat review, the portion of the San Luis Rey River extending through the Bank site is located within designated critical habitat for the federal- and state-listed endangered least Bell's vireo and southwestern willow flycatcher, and the federal-listed arroyo toad. Due to timing and the overall lack of suitable on site habitat, no focused surveys for special-status wildlife were conducted; however, habitat assessments for arroyo toad and least Bell's vireo and southwestern willow flycatcher were conducted as described below.

Cadre Environmental conducted a breeding and upland habitat assessment for the federally endangered arroyo toad (*Anaxyrus californicus*) on June 27, 2011, to qualitatively assess potential breeding and upland habitat (see *Exhibit H in the BEI*). The survey included an assessment of all habitats (potential movement routes) present within and adjacent to the Bank Property. No suitable arroyo toad breeding habitat is present on the Bank Property. The existing freshwater marsh habitat located along the San Luis Rey River does not represent suitable breeding conditions for the species. The extensive emergent vegetation, deep pools (>1ft) and unsuitable substrates are not characteristic of where arroyo toads breed. Suitable arroyo toad breeding habitat was documented immediately up and downstream of the Bank Property where the San Luis Rey River is not channelized.

The Bank Property also does not represent suitable arroyo toad aestivation habitat. Although suitable soils (sand/loam) are present within the upland habitats, the complete lack of vegetation and detritus often associated with aestivating arroyo toad sites (willow and mulefat scrub) is not present. However, high quality arroyo toad upland habitat was documented immediately up and downstream of the Bank Property within the San Luis Rey River floodplain area. Although the species is generally not expected to occur within these lower reaches of the San Luis Rey River, isolated populations may persist and occasional movements through the Bank Property within the existing matrix of dirt roads including burrowing (during breeding season – non aestivation behavior) could occur.

ESA conducted a habitat assessment for least Bell's vireo and southwestern willow flycatcher. No primary constituent elements (PCEs) for the least Bell's vireo or the southwestern willow flycatcher occur within the Bank Property (see *Exhibit H in the BEI*). The lack of tree and shrub elements would preclude the use of the site for nesting by either species. The existing freshwater marsh habitat located along the San Luis Rey River does not represent suitable breeding conditions for either species especially in the absence of key structural elements like trees and shrubs adjacent to the river. Potentially suitable breeding habitat was observed immediately up and downstream of the Bank Property where riparian vegetation with the necessary structural and compositional elements occurs.

No suitable habitat for coastal California gnatcatchers is located within Bank Property. However, coastal California gnatcatchers were documented immediately adjacent to the Bank Property on a slope dominated by coastal sage scrub (south of Bank) in 2003 and 2006 (USFWS GIS Database 2011a).

No suitable spawning habitat for southern California steelhead exists on the Bank Property. However, species may migrate through the Bank Property during high flows.

Table 1. Special Status Wildlife Species and Critical Habitat Potentially Occurring or Known to Occur at the San Luis Rey Mitigation Bank Property					
Common Name	Legal Status			Primary Habitat Associations	Comments
Scientific Name	Federal	State	Other		
Fish					
Tidewater goby <i>Eucyclogobius newberryi</i>	FE	CSC	None	Low-salinity waters in coastal wetlands	Considered but rejected. The Bank lacks suitable habitat.
Southern steelhead <i>Oncorhynchus mykiss</i>	FE	CSC	None	Juveniles occur in cool, freshwater streams with riffle-pool complexes; moderate-sized gravel with shallow waters. Adults migrate to the ocean after 1–5 years in freshwater.	Low potential to pass through the Bank Property when appropriate flows are present. No suitable spawning gravel within the project site. Pool shelter and pool depth unsuitable in the Bank Property. There are both documented and anecdotal observations of this species in the San Luis Rey River from 2007 and 1997.
Amphibians					
Arroyo toad <i>Anaxyrus [=Bufo] californicus</i>	FE	CSC	None	Stream channels for breeding (typically 3rd order); adjacent stream terraces and uplands for foraging and wintering	The Bank Property is identified as Critical Habitat for this species; however, a breeding and upland habitat assessment conducted in June 2011 determined that the Bank does not represent suitable arroyo toad breeding or aestivation habitat.
Western spadefoot <i>Spea [=Scaphiopus] hammondi</i>	BLM	CSC	None	Most common in grasslands, coastal sage scrub near rain pools or vernal pools; riparian habitats	Considered but rejected. The Bank lacks suitable habitat.
Reptiles					
Orangethroated whiptail <i>Aspidoscelis hyperythra</i>	None	CSC	None	Coastal sage scrub, chap arral, grassland, juniper and oak woodland	Not expected to occur. The coastal sage scrub onsite is small, isolated and very steep

Table 1. Special Status Wildlife Species and Critical Habitat Potentially Occurring or Known to Occur at the San Luis Rey Mitigation Bank Property					
Common Name Scientific Name	Legal Status			Primary Habitat Associations	Comments
	Federal	State	Other		
Coastal western whiptail <i>Aspidoscelis tigris stejnegeri</i>	None	None DFG Special Animals List	None	Coastal sage scrub, chaparral; sandy areas, gravelly arroyos, or washes	Not expected to occur. The coastal sage scrub onsite is small, isolated and very steep.
Rosy boa <i>Charina =Lichanura] trivirgata</i>	None	None	USFS BLM	Rocky chaparral, coastal sage scrub, oak woodlands, desert and semi-desert scrub	Not expected to occur. The coastal sage scrub onsite is small, isolated and very steep.
Birds					
Cooper's hawk <i>Accipiter cooperii</i> (nesting)	None	Watch List	None	Riparian and oak woodlands, montane canyons	Very low potential to occur onsite. Suitable habitat is present in the riparian corridors immediately east and west of the project.
Southern California rufous-crowned sparrow <i>Aimophila ruficeps canescens</i>	None	Watch List	None	Grass-covered hillsides, coastal sage scrub, chaparral with boulders and outcrops	Not expected to occur. The coastal sage scrub onsite is small, isolated and very steep.
Golden eagle <i>Aquila chrysaetos</i>	BCC	Watch List SP	BLM CDF	Open country, especially hilly and mountainous regions; grassland, coastal sage scrub, chaparral, oak savannas, open coniferous forest	There is no suitable nesting habitat within the project area. Agricultural fields provide low quality foraging habitat.
Coastal cactus wren <i>Campylorhynchus brunneicapillus sandiegensis</i>	BCC	CSC	USFS	Southern cactus scrub, maritime succulent scrub, cactus thickets in coastal sage scrub	Not expected to occur. There are no cactus thickets within the project area. The coastal sage scrub onsite is small, isolated and very steep.

Table 1. Special Status Wildlife Species and Critical Habitat Potentially Occurring or Known to Occur at the San Luis Rey Mitigation Bank Property					
Common Name Scientific Name	Legal Status			Primary Habitat Associations	Comments
	Federal	State	Other		
Northern harrier <i>Circus cyaneus</i> (nesting)	None	CSC	None	Open wetlands (nesting), pasture, old fields, dry uplands, grasslands, rangelands, coastal sage scrub	No suitable nesting habitat is present in the Study Area due to intensive agricultural maintenance. Site may provide very low quality foraging habitat.
Yellow warbler <i>Dendroica petechia brewsteri</i> (nesting)	None	CSC	None	Nests in lowland and foothill riparian woodlands dominated by cottonwoods, alders and willows; winters in a variety of habitats	Not likely to occur onsite due to lack of habitat. Suitable habitat is present in the riparian corridors immediately east and west of the project.
White-tailed kite <i>Elanus leucurus</i> (nesting)	None	SP	None	Open grasslands, savanna-like habitats, agriculture, wetlands, oak woodlands, riparian	Not likely to nest onsite due to lack of habitat. Low quality foraging habitat onsite. Suitable habitat is present in the riparian corridors immediately east and west of the project.
Southwestern willow flycatcher <i>Empidonax traillii eximius</i> (nesting)	FE	SE	None	Riparian woodlands along streams and rivers with mature, dense stands of willows or alders; may nest in thickets dominated by tamarisk	Not likely to occur onsite due to lack of habitat. Suitable habitat is present in the riparian corridors immediately east and west of the project.
Yellowbreasted chat <i>Icteria virens</i> (nesting)	None	CSC	None	Dense, relatively wide riparian woodlands and thickets of willows, vine tangles and dense brush.	Not likely to occur onsite due to lack of habitat. Suitable habitat is present in the riparian corridors immediately east and west of the project.
White-faced ibis <i>Plegadis chihi</i> (rookery site)	SMC	Watch List	None	Nests in marsh; winter foraging in shallow lacustrine waters, muddy ground of wet meadows, marshes, ponds, lakes, rivers, flooded fields and estuaries	Marginal habitat within the project site (freshwater marsh). However, potential for nesting is low due to the narrow, isolated nature of the habitat, and the abundance of tall statured arundo surrounding the marsh habitat.
Coastal California gnatcatcher <i>Polioptila californica californica</i>	FT	CSC	None	Coastal sage scrub, coastal sage scrub chaparral mix, coastal sage scrub-grassland ecotone, riparian in late summer	Not expected to occur. The coastal sage scrub onsite is small, isolated and very steep.

Table 1. Special Status Wildlife Species and Critical Habitat Potentially Occurring or Known to Occur at the San Luis Rey Mitigation Bank Property					
Common Name Scientific Name	Legal Status			Primary Habitat Associations	Comments
	Federal	State	Other		
Light-footed clapper rail <i>Rallus longirostris levipes</i>	FE	SE SP	None	Grassy (cordgrass pickleweed), saltwater, and brackish marshes	Not expected to occur. The Bank does not support suitable habitat for this species.
California least tern <i>Sternula [Sturna] antillarum browni</i> (nesting colony)	FE	SE SP	None	Coastal waters, estuaries, large bays and harbors, mudflats; nests on sandy beaches	Not expected to occur. The Bank does not support suitable habitat for this species.
Least Bell's vireo <i>Vireo bellii pusillus</i> (nesting)	FE BCC	SE		Nests in southern willow scrub with dense cover within 1–2 meters of the ground; habitat includes willows, cottonwoods, mulefat, wild blackberry or mesquite on desert areas	Low potential to nest in Bank due to lack of suitable habitat. The Bank is designated critical habitat for this species. There is a high potential for this species to nest in suitable habitat located immediately east and west of the Bank.
Federal Designations: FE = Federally listed Endangered FT = Federally listed Threatened BCC = USFWS Birds of Conservation Concern SMC = Fish and Wildlife Service Region 1 Species of Management Concern State Designations: CSC = California Special Concern Species SP = California Department of Fish and Game Protected and Fully Protected Species SE = State-listed Endangered ST = State-listed Threatened Other: BLM = Bureau of Land Management sensitive USFS = U.S. Forest Service sensitive CDF = California Department of Forestry and Fire sensitive					

B. Preliminary Jurisdictional Determination

A Preliminary Jurisdictional Determination (PJD) was completed on November 23, 2011 to approximate the extent of jurisdictional Waters of the U.S. (see *Exhibit I in the BEI*). The PJD was completed prior to determining the Bank boundary and covers an area of approximately 69 acres of which the Bank is a subset (Figure 12).

The PJD identifies the presence of approximately 6.314 acres of potential waters of the U.S. which consists of 5.37 acres of freshwater marsh and 0.94 acres of riparian forest. The PJD also identifies 0.247 acres of agricultural drainage ditch; however, the agricultural drainage ditch fails to meet the mandatory technical criteria and field indicators for wetlands.

C. Summary of Bank Development Plan

Bank Goals

The Bank involves restoration of the historic floodplain and provides regional compensation for unavoidable impacts to Waters of the U.S, Waters of the State, and associated Buffers.

Approval of the Bank would result in the following activities:

1. Restoring self-sustaining fluvial processes onsite.
2. Improving the existing riparian habitat and restoring a riparian floodplain thereby improving habitat values. Restoration of the floodplain could potentially provide habitat for state and federally listed species including arroyo toad, least Bell's vireo, and southwestern willow flycatcher.
3. Improving the channel design to accommodate current and future flood flows.
4. Realigning the San Luis Rey River through the site.
5. Grading of the site to remove the levees along both sides of the river and remove approximately 730,000 cubic yards of fill from the floodplain.
6. Abandoning four agricultural wells located within the floodplain that would not be needed in the future. The associated utility corridors to these wells and any other unnecessary utility corridors also would be abandoned.
7. Permanent protection of the Bank Property through recordation of a Conservation Easement.
8. Permanent management of the Bank Property as funded by a non-wasting Endowment Fund.

Rehabilitation and Re-Establishment Design

The San Luis Rey River within the Bank Property is highly degraded. The river has been channelized and portions of the floodplain have been filled to maximize farmland. Woody vegetation has been continually removed from the channel to maintain its conveyance capacity. The banks of the channel are dominated by the invasive giant reed. In contrast, both upstream and downstream from the Bank Property, the river is characterized by a wide floodplain with established trees and reduced presence of invasive species.

From a biological perspective, the Bank Property is primarily characterized as active cultivated agricultural lands. The agricultural lands are located both north and south of the 1,800 foot channelized reach of the San Luis Rey River. The channelized portion of river functions as degraded freshwater marsh habitat and is dominated by bulrush (*Scirpus* sp.) and cattail (*Typha* sp.)

The Development Plan proposes the rehabilitation¹ of the San Luis Rey River and the re-establishment² of the floodplain via the removal of fill material from the agricultural fields. Revegetation of the site will result in a broad riparian corridor and improved wildlife habitat. The rehabilitation and re-establishment designs are shown in Figure 13 and Figure 14.

River Corridor Rehabilitation Activities

The Bank design will take a river that has been channelized, straightened, confined and disconnected from its historic floodplain and restore it to a wider, shallower, sinuous and braided form that is much more connected to its floodplain. The existing channel has a trapezoidal form with an artificially low width:depth ratio. The channel will be relocated with a width:depth ratio that is appropriate to its setting and location in the watershed.

Engineered large woody debris structures or boulders may be considered for placement in the river if the hydrologic analysis indicates the structures would direct flows to off-channel locations and help prevent re-establishment of the river in its current location.

The channel will be allowed to migrate and avulse within the restored floodplain area, as is typical for sand bed braided channels in this area. This will support a wide range of aquatic and riparian processes that do not occur under existing conditions. For example, channel shifts between the main channel and the side channels will periodically deposit fresh sediment on channel bars and floodplain areas, creating patches for mulefat, willows and other riparian species to colonize. At the same time floods and localized scour will disturb and remove older patches of riparian vegetation. The combined effect of these processes will be a riparian corridor with a more diverse complex of different ages and types of vegetation, with more ecological niches.

¹ Rehabilitation means the manipulation of the physical, chemical, or biological characteristics of a site with the goal of repairing natural/historic functions to a degraded aquatic resource. Rehabilitation results in a gain in aquatic resource function, but does not result in a gain in aquatic resource area.

² Re-establishment means the manipulation of the physical, chemical, or biological characteristics of a site with the goal of returning natural/historic functions to a former aquatic resource. Re-establishment results in rebuilding a former aquatic resource and results in a gain in aquatic resource area and functions.

Rehabilitation of the river requires the removal of the non-engineered private farm levees found on the north and south sides of the river and the removal of giant reed. Giant reed is a tall perennial grass (family Poaceae) that typically forms dense stands on disturbed sites, sand dunes, riparian areas, and wetlands. It is one of the fastest growing land plants in the world. It can grow up to 4 inches per day and reach a height of up to 30 feet. It has invaded numerous counties including San Diego County. Giant reed is considered an invasive species that is threatening California's riparian ecosystems by outcompeting native species, such as willows, for water. It typically displaces native species by shading immature plants.

Rehabilitation of the river will improve various wetland functions including:

- Create initial hydrologic conditions to support re-establishment of the river corridor and expansion of the riparian habitat.
- Improve water quality through the removal of sediments in the river and decreased erosion through the establishment of a healthy herbaceous cover.
- Improve habitats including foraging, nesting and rearing for mammals, amphibians, reptiles and birds.
- Increase the quality and diversity of aquatic and riverine habitat and general habitat suitability by providing the hydrology and improving the native plant richness and wildlife habitat.
- Expand and improve the wildlife corridor connection between protected and restored sites upstream and downstream of the Bank Property through the creation of an unbroken vegetation corridor.

The rehabilitation activities will substantially increase wetland functions and provide for a greater number of services including improved water quality, decreased sedimentation and erosion, improved biological diversity and aesthetics.

River Corridor Re-establishment Activities

The restoration design will take the agricultural fields that have been established through fill in the historic floodplain and re-establish the historic floodplain through the removal of an estimated 730,000 cubic yards of material. The removal of this material will allow for the reintroduction of self-sustaining fluvial processes and will result in the re-establishment of the wetland riparian river corridor. The restoration design may include connections to existing drainages adjacent to the Bank Property.

Re-establishment of the river corridor will result in the establishment of a wide riparian corridor in the floodplain. In order to maintain a healthy riparian corridor, the depth of excavation will be to inundate or saturate near the ground surface for sufficient duration during the growing season. This will allow the vegetation to tie into the water table and assure successful establishment.

Re-establishment of the river will result in an increase of aquatic resource area and will improve various wetland functions including:

- Improve water quality through the removal of ongoing agricultural activities that annually result in the discharge of nutrients and sediments into the river.

- Slow the rising and falling stormwater movements through the floodplain, i.e., slow the peak timing and flows and increase the detention time of stormwater in the Bank Property. This will reduce flooding and increase infiltration into the groundwater.
- Improve habitats for special-status species including arroyo toad, least Bell's vireo and southwestern willow flycatcher.

Planting Plan

A completed restoration project (Singh Restoration Site), located along the San Luis Rey River floodplain immediately upstream of the Bank, was used as a design reference for the wetland riparian habitat. The Singh Restoration Site involved restoration and enhancement of 21± acres of riparian habitat and the removal of 11± acres of giant reed along with other invasive, non-native plant species and revegetation with native riparian species. The work was authorized in 2000 and met the final success criteria in 2007. The Singh Restoration Site is dominated by several species of willow, cottonwood (*Populus fremontii*), and by mule fat (*baccharis salicifolia*). The rehabilitated/re-established riparian corridor has been designed to include the species found in the Singh Restoration Site at a similar plant density.

The site will be planted with a combination of cuttings, nursery grown plants and seed. Irrigation may be required during the plant establishment period; however, irrigation is not anticipated to be required beyond the fourth year following plant installation. The following plant species are being evaluated for the various habitat zones at the site:

Rehabilitated / Re-established Wetland Riparian Corridor (350 plants per acre):

- Fremont cottonwood (*Populus fremontii*)
- Black willow (*Salix gooddingii*)
- Arroyo willow (*Salix lasiolepis*)
- Sandbar willow (*Salix hindiana*)
- Mule fat (*Baccharis salicifolia*)

Floodplain Buffer Restoration (350 plants per acre):

- Fremont cottonwood (*Populus fremontii*)
- Mule fat (*Baccharis salicifolia*)
- Live oak (*Quercus agrifolia*)
- Sycamore (*Platanus racemosa*)

Upland Buffer Restoration:

- Native and naturalized grasses
- Coastal sage scrub species (*Eriogonum spp*, *Salvia spp*, *Artemisia spp*, *Isocoma spp*, etc.)
- Live oak (*Quercus agrifolia*)

Giant Reed Removal

Along with the removal of fill from the floodplain and the revegetation of site, another component of restoration is the removal of giant reed. Giant reed is a tall perennial grass (family Poaceae) that typically forms dense stands on disturbed sites, sand dunes, riparian areas, and wetlands. It is one of the fastest growing land plants in the world. It can grow up to 4 inches per day and reach a height of up to 30 feet. It has invaded numerous counties including San Diego County. Giant reed is considered an invasive species that is threatening California's riparian ecosystems by outcompeting native species, such as willows, for water. It typically displaces native species by shading immature plants.

Various techniques can be used to remove giant reed including but not limited to hand removal, mechanical removal of the plant and rhizomes which can be up to 10 feet below the soil surface, chemical control, and machine gathering and grinding of the plants, etc. The most effective eradication of giant reed begins at the top of the watershed and includes removal of all the plants downstream of the infestations.

D. Special-Status Species

Prior to conducting field work and conducting special-status species surveys, Wildlands biologists consulted the following sources: California Natural Diversity Database (CNDDB) using a 5-mile radius from the project site; U.S. Fish and Wildlife Service (USFWS) list of Federal Endangered and Threatened Species that occur in or may be affected by projects within the Morro Hill 7.5-minute USFWS quadrangle; and the California Native Plant Society (CNPS) Inventory of Rare and Endangered Plants of California (California Native Plant Society 2007).

In terms of critical habitat review, maps and habitat evaluation models on the USFWS website were consulted in June 2011.

Plant Surveys

Due to the disturbed nature of the Bank Property, suitable habitat is absent for the vast majority of special status plant species with potential to occur in the vicinity. However, focused botanical surveys were conducted in June 2011 and all plant species observed were identified to a taxonomic level sufficient to determine special status. No state- and/or federally listed plant species were observed in the Bank Property during botanical surveys.

Wildlife Surveys

Due to timing and the overall lack of suitable on site habitat, no focused surveys for special-status wildlife were conducted; however, habitat assessments for arroyo toad, least Bell's vireo, and southwestern willow flycatcher were conducted.

No suitable arroyo toad breeding habitat was found on the Bank Property. The freshwater marsh habitat located along the San Luis Rey River does not represent suitable breeding conditions for the species. The extensive emergent vegetation, deep pools (> 1 foot), and unsuitable substrates are not characteristic of where arroyo toads breed.

The Bank Property also does not represent suitable arroyo toad aestivation habitat. Although suitable soils (sand/loam) are present within the upland habitats, the complete lack of vegetation and detritus often associated with aestivating arroyo toad sites (willow and mulefat scrub) is not present.

The Bank Property also does not contain suitable breeding or nesting habitat for least Bell's vireo or southwestern willow flycatcher. The lack of tree and shrub elements preclude the use of the site for nesting by either species, and the freshwater marsh habitat located along the San Luis Rey River does not contain the necessary structural and compositional elements required for breeding by either species.

Section IV Management and Monitoring

The overall goal of this Management Plan is to ensure that the restored and grassland habitat within the Bank Property is managed, monitored and maintained in perpetuity. The long-term management and monitoring activities described in this plan will begin at the conclusion of the Interim Management Period.

A. Biological Resources

The approach to long-term management of the Bank Property's biological resources is to conduct site examinations and monitoring of selected characteristics to determine stability and ongoing trends of the rehabilitated and re-established Waters of the U.S., Waters of the State, and associated Buffers. Quarterly site inspections will assess the Bank's condition, degree of erosion, invasion of exotic or invasive species, water quality, fire hazard, and/or other aspects that may warrant management actions. While it is not anticipated that major management actions will be needed, an objective of this Management Plan is to conduct monitoring to identify any issues that arise, and using adaptive management to determine what actions might be appropriate. Those chosen to accomplish monitoring responsibilities will have the knowledge, training, and experience to accomplish monitoring responsibilities.

Adaptive management includes those activities necessary to address the effects of climate change, fire, flood, or other natural events, force majeure, etc. Before considering any adaptive management changes to the Management Plan, the Signatory Agencies in coordination with the IRT will consider whether such actions will help ensure the continued viability of Bank's biological resources.

Element A.1 Annual Inspections

Objective: On-going monitoring within the Bank Property will identify any adverse or beneficial changes in vegetation community distribution and habitat quality such as an increase in invasive non-native species and decline or expansion of existing species, and will help to indicate if modifications to current management actions are needed.

Task A.1.1 - Quarterly Site Inspections: The Property Owner will be responsible for conducting quarterly site visits in perpetuity to qualitatively monitor the habitat conditions and the biological health of the Bank Property. During each site visit, the most recent aerial photo, vegetation and invasive species maps will be used in the field as a reference to note any substantial changes in general topographic conditions, hydrology, general vegetation cover and composition, invasive species, erosion, and fire hazard. Notes and, as applicable figures showing significant changes, will be included in the annual report detailing observations and locations of species encountered, occurrences of erosion, and weed invasion. A checklist (Attachment 1) will be utilized during quarterly site visits for consistency purposes.

Task A.2-2 – Photo Points: Reference photographs will be taken annually at each of the onsite monitoring plots established during the Interim Management Period in order to document overall habitat quality.

Element A.2 Waters of the U.S., Waters of the State, and Associated Buffers

Objective: Conduct long-term quantitative monitoring in years 10, 20 and every 10 years thereafter to ensure the riparian habitat continues to mature and persist and that the Bank Property's Waters of the U.S., Waters of the State, and associated Buffers are conserved and maintained. Years 10, 20, and every 10 years thereafter will be considered "Monitoring Year(s)"

Task A.2.1 – Habitat Mapping: The Bank Property habitats will be mapped in each Monitoring Year using a current aerial photo. Any significant change in habitat boundaries or decrease in habitat may warrant more intensive field surveys and data collection.

Task A.2.2 - Vegetation Monitoring: A qualified biologist will be responsible for conducting long term wetland, riparian, and upland vegetation monitoring of the bank. Absolute vegetative cover will be determined in each Monitoring Year by using aerial photography and will be field checked using previously established onsite plots. Any significant change in vegetation success and or extent may warrant more intensive field surveys and data collection.

Task A.2.3 – Hydrology: In Year 20 water elevations will be electronically recorded during the wet season using water level data loggers associated with the ground water monitoring wells established during the Interim Management Period. In the event of data logger failure, wells may be manually measured every two weeks during the wet season. In subsequent years, any significant changes in hydrology noted during the quarterly site inspections, or changes in the health or extent of wetland/riparian vegetation may warrant additional hydrology data collection.

Task A.2-4-Updated Preliminary Jurisdictional Determination: The Year 5 wetland delineation shall be updated in Year 20 to approximate the extent of USACE jurisdictional wetlands in accordance with the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region* (ERDC/EL TR-08-28) or any other subsequent USACE delineation manual or guidance. Recognizing that pursuant to ERDC/EL TR-08-28 "recently developed wetlands may lack hydric soil indicators because insufficient time has passed for their development". If typical hydric soil indicators such as the soil chroma and value, redox or mottling are not present, the determination of hydric soils shall be made based on performance standard for shallow groundwater/hydric soils.

If subsequent years vegetation monitoring shows an unexplained decrease in riparian wetland vegetation the wetland delineation may need to be updated and additional data collected such as topographic cross sections.

Task A.2-5 - California Rapid Assessment Method (CRAM): A final CRAM assessment will be conducted in year 20 as provided in the Development Plan.

Element A.3 Non-native Invasive Plant Species Management

Invasive species threaten the diversity or abundance of native species through competition for resources, predation, and parasitism, interbreeding with native populations, transmitting diseases, or causing physical or chemical changes to the invaded habitat.

Objective: Monitor and maintain control over non-native invasive species including but not limited to noxious weeds that diminish site quality for which the Bank was established. The Monitoring Biologist and Property Owner shall consult the California Invasive Plant Council (Cal-IPC) List A, List B, and Red Alert List to determine if a plant is an exotic species of concern, and which species should be given priority for management. Invasive non-native species of concern in the Santa Margarita-San Luis Rey watersheds include giant reed, perennial pepperweed (*Lepidium latifolium*), and saltcedar/tamarisk (*tamarix ramosissima*).

The Property Owner is responsible for the mapping of non-native invasive species cover or presence beginning the first year of habitat establishment and for updating the map as necessary during the quarterly site visits. Mapping shall be accomplished through use of available technologies, such as Geographic Information System (GIS) and aerial photography.

Task A.3-1: Invasive Plant Species Mapping: Consistent with the invasive species mapping described in the Development Plan (*Exhibit C-1 to the BEI*) the current invasive species map will be utilized as a reference and updated as needed during each quarterly site inspection (or supplemental survey). Actions to control invasive species will be evaluated and prioritized.

Task A.3-2: Invasive Plant Species Control: Invasive plants will be treated as necessary and at appropriate time of the year for the species. The Property Owner will be responsible for determining the best methods of invasive plant species control. Noxious weed vegetation management methods that may be used include hand removal or use of small hand powered or handheld equipment (such as a Weed Wrench or a chainsaw), herbicide application, or mechanical methods (use of larger equipment) or any combination thereof.

Certain invasive plant species found in San Diego County grow so aggressively, systemic herbicides such as glyphosate (the active ingredient in Roundup and its aquatic equivalent, Rodeo) may need to be used. Systemic herbicides are absorbed by plant leaves and stems and then transported to the plant's root system where it kills the entire plant, roots and all. Herbicides may be applied by qualified personnel consistent with label applications. The optimal time for weed eradication depends on the size of the treatment area and the type of eradication method. If a systemic herbicide is used, the best time to treat is in the growing season or late summer/early fall when plant energy is transferred to roots.

The Property Owner does not need to notify the Signatory Agencies if herbicides will be used or if removal will be done by hand, hand held equipment, or with a mower. The Signatory Agencies will be notified if large equipment other than a mower become necessary.

Element A.4 Nuisance Wildlife Species Management

Adaptively manage the Bank to control nuisance wildlife populations. The two most notable species being bullfrogs and the brown-headed cowbird.

Objective: If nuisance wildlife becomes a problem on the Bank, control measures may be taken subject to coordination and approval from agencies and subject to funding availability.

Task A.4-1: The Property Owner will be responsible for noting any observed occurrences of nuisance wildlife.

Task A.4-2: The Property Owner will be responsible for implementing control measures if Property Owner determines that nuisance wildlife is having a negative effect on the habitat. Control measures are subject to coordination and/or approval with appropriate agencies and subject to endowment funding availability.

Element A.5 Sediment Control and Erosion Management

Due to the nature of the project a certain amount of erosion and deposition is anticipated to occur as is natural in any active riverine system.

Objective: Adaptively manage the open areas of the Bank Property to address any erosion and/or siltation that is having a negative impact on the Bank habitats.

Task A.5-1: Analyze effects of sedimentation and erosion during quarterly site visits.

Task A.5-2: If erosion becomes a problem, the Property Owner will take steps to stabilize the slopes. If siltation becomes a problem it may be necessary to remove sediment from Bank Property. These activities are subject to concurrence and approval by the Signatory Agencies and endowment funding availability.

Element A.6 Adaptive Management

Objective: Maintain flexibility to modify management strategies and methods to ensure that the protected wetland habitats are maintained in good condition such that they will continue to support the flora and fauna of the protected habitats in perpetuity.

Task A.6-1: The Property Owner shall consider new technologies and practices to achieve the goal of protecting the habitats in perpetuity. Adaptation of the methods described in this Management Plan must be agreed upon by the Property Owner, Monitoring Biologist, and the Signatory Agencies in consultation with the IRT. Techniques to address management of the new conditions, if not addressed in this Management Plan, may be implemented by the Property Owner upon review and written approval by the Signatory Agencies.

B. Security, Safety and Public Access

The Bank will have no general public access, nor any regular public or private use. Research and/or other educational programs or efforts may be allowed on the Bank Property as deemed appropriate by the Signatory Agencies in consultation with the IRT, but are not specifically funded or a part of this Management Plan.

Legal access to the Bank Property is provided from State Route 76 and North River Road as shown in Figure 6 through adjacent property. The access point, which is located outside the Bank Property, is currently gated. The Bank Property shall have no general public access, nor any regular public or private use. The Bank is located, almost in its entirety within the 100-year floodplain and due to the potential for trapping debris during flood flows; fencing of the Bank Property is not proposed. However, if surrounding land use changes or trespassing becomes a problem a limited amount of fencing outside the floodplain and/or gates may be deemed necessary (Figure 15). The Endowment Amount includes the cost of installing fencing and gates in the future; see “Exhibit D-2 to the BEI, Endowment Fund Analysis and Schedule.

Element B.1 Trash and Trespass

Objective: Monitor sources of trash and trespass, and collect and remove trash, repair vandalized signs, and rectify trespass impacts.

Task B.1-1: During each quarterly site inspection, the Property Owner will make note of the type and location of any significant trash and/or trespass and will make management recommendations to avoid, minimize, or rectify trash and/or trespass problems. Measures that may be needed to address chronic trespass issues include erection of fencing and signage, and working with local law enforcement to patrol the site on a routine basis to intercept and cite trespassers.

Task B.1-2: During each site visit, the Property Owner will collect and remove trash. If any signs are vandalized, the Property Owner shall be responsible for replacing them as necessary.

Task B.1-3: During each site visit, the Property Owner will be responsible for surveying the site for illegal trespassing issues including encampments. Any encampments will be reported to the City of Oceanside Police Department. All encampments will be removed from the Bank site upon vacation of the property by the unauthorized persons.

Task B.1-4: If deemed necessary due to a change in surrounding land use or if trespassing becomes a problem, the Property Owner may be responsible for installing fencing and/or additional gates. It is anticipated that fencing would only be necessary along the northern boundary of the Bank due to existing contiguous restoration projects located to the east and west, and the topography to the south acting as a natural barrier with the only access points from the south being gated. Approximate locations of contingency fencing and gates are shown in Figure 15.

Element B.2 Authorized Access

Objective: Provide access to the Bank Property for maintenance activities, law enforcement or emergency situations while limiting impacts to biological values.

Task B.2-1: The Property Owner will be responsible for providing access to the Bank Property. Unauthorized access shall be discouraged through signage. Access to the Bank Property for maintenance activities is allowed, but shall be restricted to the immediate area where maintenance is occurring. Access to the Bank Property in emergency or law enforcement situations, by medical, fire or law enforcement personnel or vehicles is allowed. The Property Owner, Grantee, and the Signatory Agencies shall have access to the Bank Property. Except in cases where the Signatory Agencies determine that immediate entry is required to prevent, terminate, or mitigate a violation of this Management Plan or the Conservation Easement, 48 hours' notice will normally be given. Access to the Bank Property will be allowed as required for:

- Bank management and maintenance purposes
- Biological monitoring purposes
- Conservation Easement monitoring purposes
- Non-native (exotic) plant species and habitat maintenance
- Emergency or law enforcement situations requiring access by medical, fire or law enforcement vehicles

Element B.3 Unauthorized Motor Vehicle Use

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

Task B.3-1: The Property Owner will be responsible for noticing any unauthorized motor vehicle use on the Bank Property during routine inspections. No motorized vehicles, including off-road vehicles, shall be ridden, brought, used, or permitted on any portion of the Bank Property, except on existing dirt roadways, with the exception of motorized vehicular use required for:

- Bank management and maintenance purposes
- Biological monitoring purposes
- Conservation easement monitoring purposes
- Non-native (exotic) plant species and habitat maintenance
- Emergency or law enforcement situations requiring access by medical, fire or law enforcement vehicles

C. Infrastructure and Facilities

Element C.1 Signs

Objective: Monitor the condition of the signs and replace, as necessary.

Objective: Maintain the signs to prevent casual trespass, allow necessary access, and facilitate Bank management.

Task C.1-1: During each site visit by the Property Owner, any damaged or missing signs will be noted and arrangements made for replacement on an as-needed basis.

Task C.1-2: The Property Owner will be responsible for informing landowners whose property adjoins the Bank Property if they are in violation of any of the stipulations of the Bank's Conservation Easement. If an adjacent landowner continues to be in violation of the stipulations of the Bank's Conservation Easement after being notified by the Property Owner, actions will be taken to stop the activity or action resulting in the violation, to the extent allowable by law. The Grantee may observe violations on the part of adjacent landowners, and if so, shall inform the Property Owner immediately.

Task C.1-3: The Property Owner will be responsible for working with adjacent landowners to prevent changes in hydrology that would affect the natural flow of drainage, landscaping, or storm water runoff from their property onto the Bank Property.

D. Recreation, Education and Habitat Restoration

Element D.1 Educational Activities

Objective: At the sole discretion of the Property Owner opportunities may be made available to use the Bank Property for educational purposes to encourage awareness of and respect for open space and wildlife habitat in the community.

Task D.1-1: Individuals or groups wishing to use the Bank Property for educational purposes shall obtain the consent of and coordinate with the Property Owner. If the educational activities will be passive in nature, such as a discussion of plants and animals of the wetland habitats, then written permission of the Property Owner is sufficient. If active use (other than restoration activities) of the Bank Property is proposed, or regular but passive use of the Bank is proposed, review and approval by the Signatory Agencies in coordination with the IRT is required. To avoid repeated inquiries to the Signatory Agencies and IRT, a use plan could be developed by the interested party for a one-time approval.

E. Reporting and Administration

Element E.1 Annual Report

Objective: Provide annual report on all management tasks conducted and general site conditions to the Signatory Agencies, IRT, and Grantee.

Task E.1-1: The Property Owner, shall submit an annual report to the Signatory Agencies and the IRT, in hard copy or electronic form on or before September 1st year following completion of the Interim Management Period. Each annual report shall cover the period from July 1 of the preceding year (or if earlier, the Bank Establishment Date for the first annual report) through June 30th of the current year (the "Reporting Period").

The annual report shall contain an itemized account of the management tasks and any Remedial Actions conducted during the Reporting Period in accordance with this Long-term Management Plan, including the following:

- a. The time period covered, i.e. the dates "from" and "to";
- b. A description of each management task conducted, the dollar amount expended and time required;
- c. The total dollar amount expended for management tasks conducted during the Reporting Period;
- d. A description of the management and maintenance activities proposed for the next year; and
- e. A description of the overall condition of the Bank, including photos documenting the status of the Bank and a map documenting the location of the photo points.
- f. Endowment Fund data, including but not limited to deposits, annual long-term management expenses, and disbursements received.

Task E.1-2: The Property Owner shall make recommendations in the annual report with regard to (1) any habitat enhancement measures deemed to be warranted, (2) any problems that need near short- and long-term attention (e.g., weed removal, erosion control), and (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date.

Task E.1-3: The Property Owner shall conduct agency site visits, as requested, to review the status of the Bank with the Signatory Agencies and IRT. It is anticipated that agency site visits will be scheduled every 5 years.

Element E.2 Monitoring Report

Objective: In Years 10, 20, and every 10 years thereafter, provide wetlands monitoring report to the Signatory Agencies and the IRT and the Grantee.

Task E.2-1: The Property Owner shall submit the wetlands monitoring report to the Signatory Agencies, in hard copy and in editable electronic format, on or before September 1st of each monitoring year.

In addition to the information required in the Annual Report, the wetlands monitoring reports will provide the IRT with sufficient information to assess the status of the habitats, and to determine whether a compliance visit is warranted.

Monitoring reports will include a Monitoring Report Narrative that provides an overview of site conditions and functions. Wetlands monitoring reports will also include appropriate supporting data to assist the IRT in determining the status of the restoration project. Such supporting data may include plans, maps, and photographs to illustrate site conditions, as well as the results of any assessments used to provide quantitative or qualitative measures of the functions provided by the restored wetlands.

Element E.3 Special and/or Emergency Notifications

Objective: Provide notification to the USACE, CDFW and IRT on any activities with the potential to result in temporary or permanent loss of Waters of the U.S. or Waters of the State.

Objective: Provide notification to the USACE, CDFW, and IRT on any emergency situations that may arise that would normally require the Signatory Agencies or any member of the IRT to be notified or have review and approval authority.

Task E.3-1: The Property Owner shall be responsible for providing notification to the Signatory Agencies or IRT for any activities requiring USACE, CDFW, or IRT review and approval. All efforts will be made to outline the activities for the coming 12 months in the annual report. If this is not possible, the Property Owner will submit a separate letter to the USACE, CDFW, or IRT with a written description of the activity, including when the activity will take place and what methodology will be used, as well as a map showing what areas will be targeted. The USACE, CDFW, or IRT will have 30 days to contact the Property Owner to discuss the activity if they do not approve. If the Property Owner is not contacted within 30 days, the activity will be considered approved. Notification will be made either by fax, email, registered mail, or overnight transmittal.

Task E.3-2: Should an emergency situation, defined as a “*clear, sudden, unexpected, and imminent threat to life or property demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property or essential public services arise that requires immediate action in a Waters of the U.S.*”, the procedures outlined in the Los Angeles District USACE Regional General Permit #63, or successor permit, or regulations, will be followed.

The California Fish and Game Code Section 1600 also has emergency procedure stipulations that may apply.

Element E.4 Operations

Objective: Provide ongoing operational support for the Bank.

Task E.4-1: Property taxes will be paid by the Property Owner. Insurance on the Property will be paid from the Endowment Fund. A limited amount of funding for field equipment will be allocated in the Endowment Fund.

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
A. BIOLOGICAL RESOURCES							
Element A.1 Annual Site Inspections							
A.1-1 Quarterly Site Inspections	Qualitatively monitor habitat conditions and the biological health of the Bank	48 hours	24 hours at \$75/hour and 24 hours at \$55/hour	\$3,120	4 times per year	Quarterly	\$3,432.00
A.1-2 Photo Points	Reference photos to be taken annually	Included in Task A.1-1	--	--	Once per year during one of quarterly inspections	Spring/Summer	--
Element A.2 Waters of the U.S. and Waters of the State and Associated Buffers							
A.2-1 Habitat Mapping	Aerial photo interpretation (habitat mapping)	4 hours	\$55/hour	\$220	Every 10 years		\$24.20
A.2-1 Aerial Photo	Have current aerial photo taken		\$1,300	\$1,300	Every 10 years		\$143.00
A.2-2 Conduct long-term vegetation monitoring	Aerial photo; field check;	16 hours	\$55/hour	\$880	Every 10 years	Spring/Summer	\$96.80
A.2-3 Hydrology Monitoring	Year 20 – data logger hydrology monitoring	---	---	---	Once	Year 20- wet season	One time occurrence Funded by Bank Sponsor

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
A.2-4 Updated PJD	Year 20 – PJD update	---	---	---	Once	Year 20	One time occurrence Funded by Bank Sponsor
A.2-5 CRAM	Year 20 – CRAM	---	---	---	Once	Year 20	One time occurrence Funded by Bank Sponsor
Element A.3 Non-native Invasive Plant Species Management							
A.2-1 Invasive Plant Species Map	Update baseline map as necessary	Included in Task A.1-1	--	--	4 times per year	Quarterly	--
A.2-2 Invasive Plant Species Control	Conduct Invasive Plant Species control measures as necessary	10 hours	2 hours at \$55/hour and 8 hours at \$25/hour	\$310	As needed;	Appropriate time of year depending on species	\$341.00
A.2-2 Invasive Plant Species Control	Conduct Invasive Plant Species control measures as necessary	Herbicide		\$165	As needed	As needed	\$181.50

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
Element A.4 Nuisance Wildlife Species Management							
A.4-1 Note occurrences and/or signs of nuisance wildlife	Any observed occurrences and/or signs of nuisance wildlife will be noted during quarterly inspections	Included in Task A.1-1	---	---	4 times per year	Quarterly	---
A.4-2 Nuisance Wildlife Control	Implement nuisance wildlife control measures when needed	40 hours	\$55/hour	\$2,200	As Necessary (estimated every 5 years)	As necessary	\$484
Element A.5 Sediment Control and Erosion Management							
A.5-1 Assess sedimentation and erosion	Erosion and sedimentation issues will be noted during quarterly site inspections	Included in A.1-1	---	---	4 times per year	Quarterly	---
A.5-2 Conduct corrective actions for erosion or sedimentation as necessary	Erosion or sedimentation corrective actions	40 hours	\$55/hour	\$2,200	As necessary (estimated every 10 years)	As necessary	\$242
Element A.6 Adaptive Management							

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
A.6-1 Consider new technologies and practices and modify management strategies and methods, as needed, to ensure protected wetland habitats are maintained in good condition	As necessary	40 hours	\$75/hour	\$3,000	As necessary (estimated every 5 years)	As necessary	\$660
B. SECURITY, SAFETY AND PUBLIC ACCESS							
Element B.1 Trash and Trespass							
B.1-1 Trash and trespass monitoring	Survey; document conditions	Included in Task A.1-1	--	--	4 times per year	Quarterly	--
B.1-2 Trash removal and cleanup; replacement of signs, if needed	Remove and dispose of trash. Replace signs as needed (labor).	Included in Task A.1-1	---	---	As necessary	As necessary	---
B.1-2 Trash removal and cleanup; replacement of signs, if needed (Fees & Materials)	Dump fees and signs	24 Signs/t-posts Dump 2Xyear	\$5.25/sign \$40 dump fee	\$326.00	Estimated: Sign replacement every 5 years Dump fees 2Xyear	As needed	\$142.12
B.1-3 Trash and trespass monitoring	Survey; document conditions. Coordinate with authorities as necessary.	Included in Task A.1-1	--	--	4 times per year	Quarterly	--

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
B.1-4 Install fencing, if needed in the future	Materials and labor	2,878 feet	\$3.63 per linear foot	\$10,447.14	Install on an as-needed basis depending on conflict with adjacent land use	As needed (estimated every 30 years)	\$383.06
B.1-5 Replace gates (contingency)	Materials and labor	2	\$250	\$500.00	Every 30 years	---	\$18.33
Element B.2 Authorized Access							
B.2-1 Provide access for maintenance activities, law enforcement, and emergency situations	Access for maintenance etc..	Included in Task A.1-1	--	--	Ongoing	As needed	--
Element B.3 Unauthorized Motor Vehicle Use							
B.3-1 Discourage unauthorized access	Survey; document conditions	Included in Task A.1-1	--	--	Ongoing	As needed	--

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
C. INFRASTRUCTURE AND FACILITIES							
Element C.1 Signs							
C.1-1 Survey and assess condition of signs; repair and replace, as needed	Materials and labor	Included in Task B-1.2	--	--	Survey quarterly; repair on an as-needed basis	As needed	--
C.1-2 Inform neighbors about potential conflicts or violations	Send letters and/or meet with neighbors to discuss existing or potential conflicts	Depends on conflict	--	--	As needed	As needed	If needed, cost will be covered by contingency
C.1-3 Work with adjacent landowners to prevent changes in hydrology	Send letters and/or meet with neighbors to discuss potential changes	Depends on potential changes	--	--	As needed	As needed	If needed, cost will be covered by contingency

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
D. RECREATION, EDUCATION AND HABITAT RESTORATION							
Element D.1 Educational Activities							
D.1-1 Provide opportunities to use the Bank Property for educational purposes	Respond to requests to use the Bank Property for educational purposes	No educational purposes have been identified	--	--	As needed	Not anticipated	No cost
Element D.2 Habitat Restoration/Enhancement Activities							
D.2-1 Provide opportunities for future habitat restoration and/or enhancement	Respond to requests to use the Bank Property for future restoration or enhancement activities	No future habitat restoration or enhancement has been identified	--	--	As needed	Not anticipated	No cost
E. REPORTING AND ADMINISTRATION							
Element E.1 Annual Report							
E.1-1 Annual report	Analyze and report; maps, photos	16 hours	16 hours at \$75/hour	\$1,200.00	Once a year	Due December 31st	\$1,320.00
Element E.2 Wetlands Monitoring Report							
E.2 Wetlands monitoring report	Prepare Wetlands monitoring report	48 hours (in addition to hours used for annual report)	40 hours @ \$55/hour & 8 hours @ \$75/hour	\$2,800.00	Every 10 years	Due December 31st	\$308.00
Element E.3 Special and/or Emergency Notifications							

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost							
General Bank Management & Monitoring Activities	Description	Level of Effort	Cost per Unit	Cost	Frequency	Schedule	Annual Ongoing Management Costs (includes Contingency)
E.3-1 Special and/or emergency notifications	Provide notice to the Signatory Agencies and IRT	As needed basis	Varies	Varies	As needed	Document in annual report or as needed	If needed, cost will be covered by contingency
E.3-2 Emergency situations	Site visits as requested or needed	As needed	Depends on emergency	Varies	As needed	As needed	If needed, cost will be covered by contingency
Element E.4 Operations & Miscellaneous Expenses							
E.4-1 Provide ongoing operational support	Annual insurance payment	Per acre	\$2.48 per acre	\$143.84	Once per year	Annually	\$158.22
Field Equipment	Vehicle use, maintenance, insurance and fuel	--	--	--	--	--	\$2,108.56
Annual Ongoing Management Costs (includes 10% Contingency)							\$10,042.80
Administrative costs of total management costs (10%)	See Section 16 – Financial Summary in PAR (Exhibit D-2)						\$1,004.28
Ongoing Net Costs							\$11,047.08
Current annual capitalization rate 3.5%							
ENDOWMENT TO PRODUCE INCOME OF \$11,047.08							\$315,631

Section V Transfer, Replacement, Amendments, and Notices

A. Transfer

The Property Owner shall have the right to sell, assign, transfer or convey (each a “transfer”) its interest in the Bank Property at any time; *provided, however*, that any such transfer on or after the execution date of this BEI must be made in accordance with this BEI and the Conservation Easement, and shall be subject to written concurrence by the Signatory Agencies, in coordination with the other members of the IRT. Such concurrence shall be subject to the requirement that the transferee assumes and agrees in writing to observe and perform all of the Property Owner’s obligations pursuant to this BEI and the Conservation Easement. From and after the date of any transfer by Property Owner of its interest in the Bank Property, the transferor shall have no further obligations hereunder and all references to Property Owner in this BEI shall thereafter refer to such transferee, except that the transferor’s liability for acts, omissions, or breaches occurring prior to the transfer shall survive the transfer.

B. Amendments

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

If the CDFW or USFWS determine, in writing, that continued implementation of the Management Plan would jeopardize the continued existence of a state or federally listed species, any written amendment to this Management Plan, determined by either the CDFW or USFWS as necessary to avoid jeopardy, shall be discussed with the Signatory Agencies and the Property Owner.

C. Notices

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

Property Owner

Wildlands SLR Holdings I, LLC
c/o Wildlands
3855 Atherton Road
Rocklin, CA 95765
Attn: General Counsel
Telephone: (916) 435-3555

Grantee

Wildlife Heritage Foundation

563 2nd Street, Suite 120
Lincoln, CA 95648
Attn: Executive Director
Telephone: (916) 434-2759

Endowment Holder

Wildlife Heritage Foundation

563 2nd Street, Suite 120
Lincoln, CA 95648
Attn: Executive Director
Telephone: (916) 434-2759

Signatory Agencies

U.S. Army Corps of Engineers, Los Angeles District

5900 La Place Ct., Suite 100
Carlsbad, CA 92008
Attn: Shanti Santulli, Project Manager, South Coast Branch
Telephone: (760) 602-4834

California Department of Fish and Wildlife

South Coast Region
3883 Ruffin Road
San Diego, CA 92123
Attn: Regional Manager
Telephone: (858) 467-4223

IRT

U.S. Environmental Protection Agency, Region IX

75 Hawthorne Street, WTR-8
San Francisco, CA 94105
Attn: Elizabeth Goldmann
Telephone: (415) 972-3398

U.S. Fish and Wildlife Service

Carlsbad Fish and Wildlife Office
2177 Salk Avenue, Suite 250
Carlsbad, CA 92008
Attn: Janet Stuckrath
Telephone: (760) 431-9440 X 270

Regional Water Quality Control Board,

San Diego Region
2375 Northside Drive, Suite 100
San Diego, CA 92108
Attn: Alan Monji
Telephone: (619) 521-3968

Section VI Funding and Task Prioritization

A. Land Management and Monitoring Endowment Funding

The Bank Sponsor is responsible for depositing money into the Endowment Fund concurrent with the transfer of Credits. The Endowment Fund will be held and managed by WHF in a dedicated account. The accrued interest and earnings from the Endowment Fund shall be used exclusively to fund the permanent management and long-term maintenance of the Bank in a manner consistent with this Management Plan.

The anticipated costs of long-term management for the Bank have been estimated using the Center for Natural Lands Management (CNLM) PAR program (see *Exhibit D-2 in the BEI*). These costs include estimates of time and funding needed to conduct the basic monitoring site visits and reporting, weed removal, trash removal, etc.

B. Task Prioritization

Due to unforeseen circumstances, prioritization of tasks, including tasks resulting from new requirements, may be necessary if insufficient funding is available to accomplish all tasks. The Property Owner and the Signatory Agencies shall discuss task priorities and funding availability to determine which tasks will be implemented. In general, tasks are prioritized in this order:

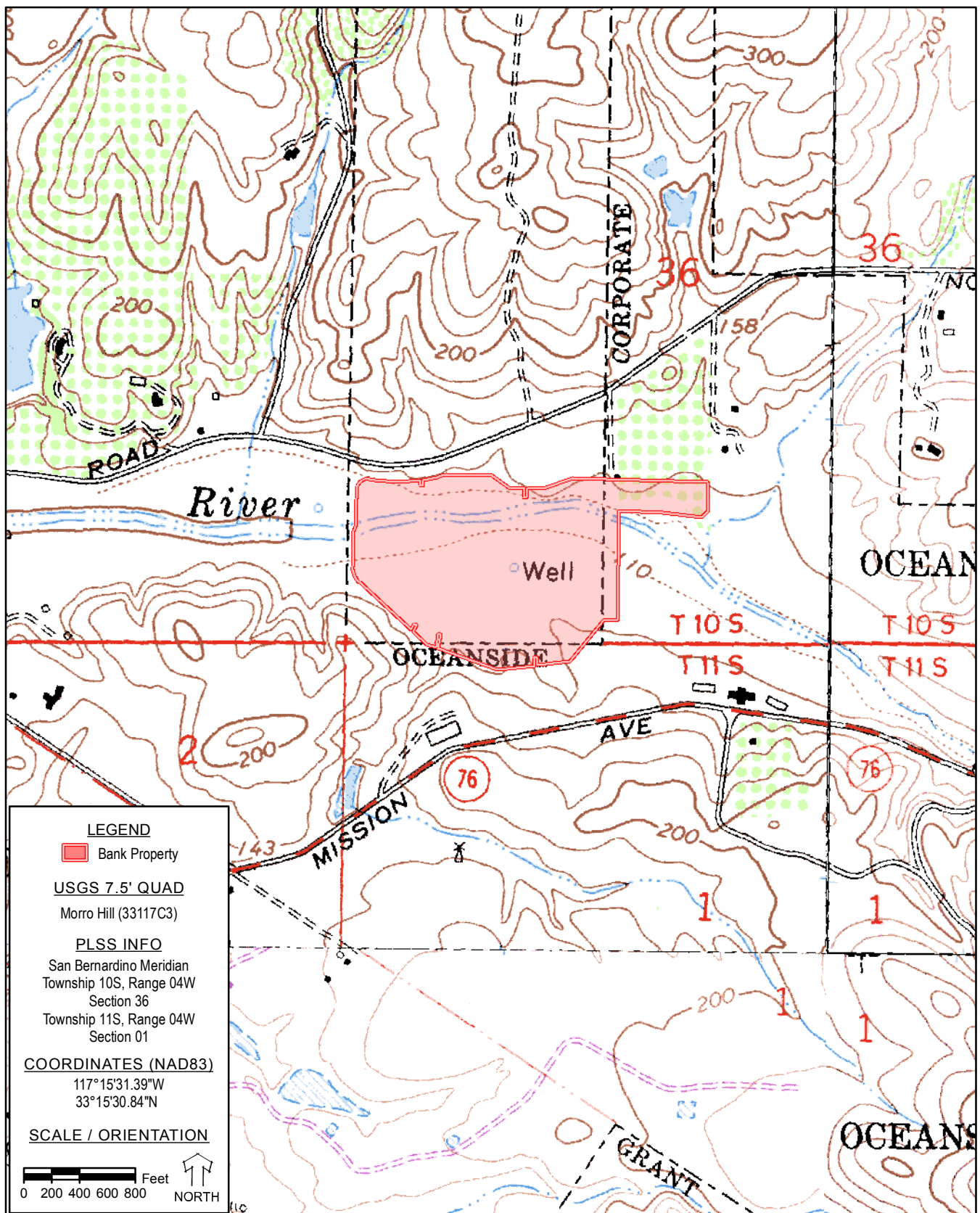
1. Required by a local, state, or federal agency;
2. Tasks necessary to maintain or remediate habitat quality; and
3. Tasks that monitor resources, particularly if past monitoring has not shown downward trends.

Equipment and materials necessary to implement priority tasks will also be considered priorities. Final determination of task priorities in any given year of insufficient funding will be determined in consultation with the Signatory Agencies and as authorized by the Signatory Agencies in writing. When full funding of the Long-term Management Plan is again provided by the Endowment Fund, full implementation of the Long-term Management Plan will resume.

Section VII References

- California Native Plant Society. 2007. Inventory of Rare and Endangered Plants of California.
- ESA PWA. 2011. Initial hydrologic assessment of the San Luis Rey River Mitigation Bank. Technical Memorandum, San Francisco, CA. 16pp.
- Federal Emergency Management Agency. 2006. Flood Insurance Study. San Diego County, California and Unincorporated Areas. Federal Emergency Management Agency. FIS Number 06073CV001B.
- <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>. Accessed August 2011.
- U.S. Army Corps of Engineers. 2008. Updated San Luis Rey Discharge-frequency analysis. U.S. Army Corps of Engineers, Los Angeles District.
- Waananen, A.O., Crippen, J.R.. 1977. Magnitude and frequency of floods in California: U.S. Geological Survey Water-Resources Investigations Report 77-21. 96 pp.

FIGURES

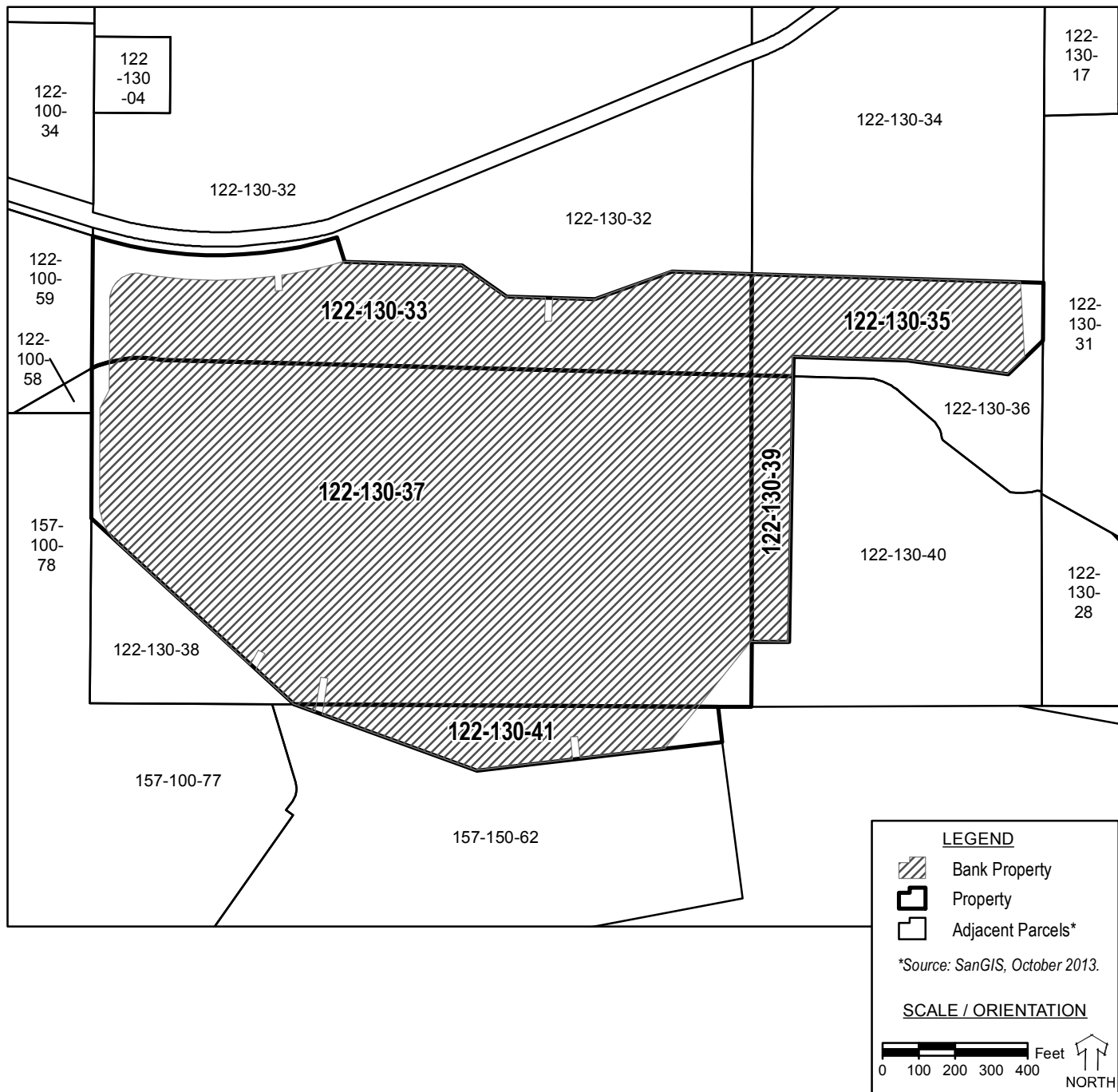


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San Luis Rey Mitigation Bank
Management Plan

Figure 2
USGS Topographic Map





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San Luis Rey Mitigation Bank
Management Plan

Figure 3
Assessor Parcel Map



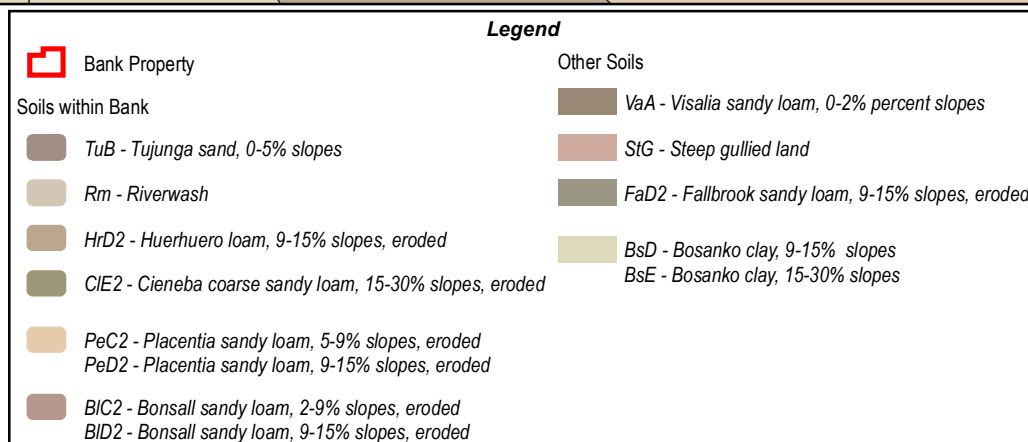
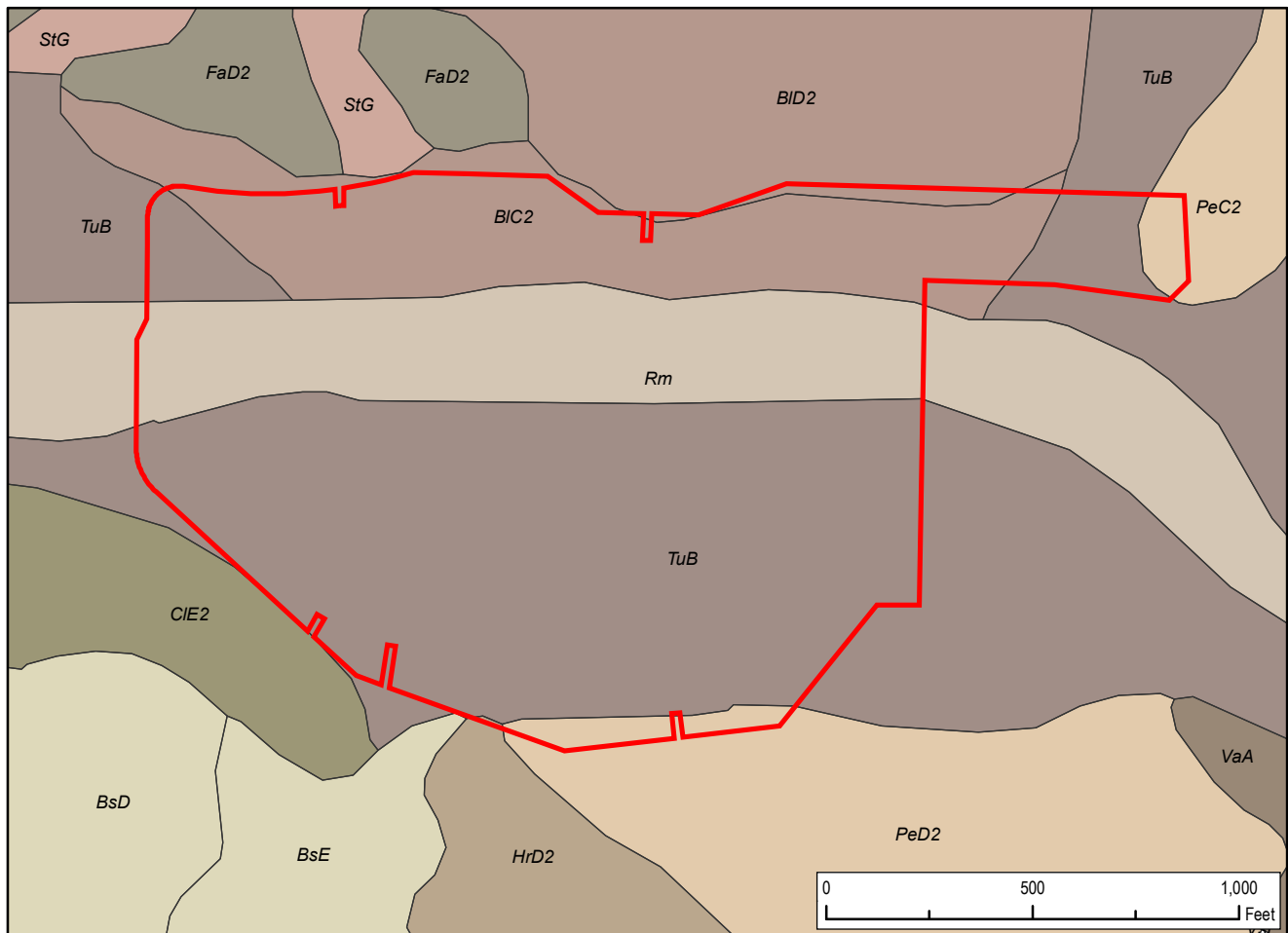


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San Luis Rey Mitigation Bank
Management Plan

Figure 4
Nearby Restoration Projects



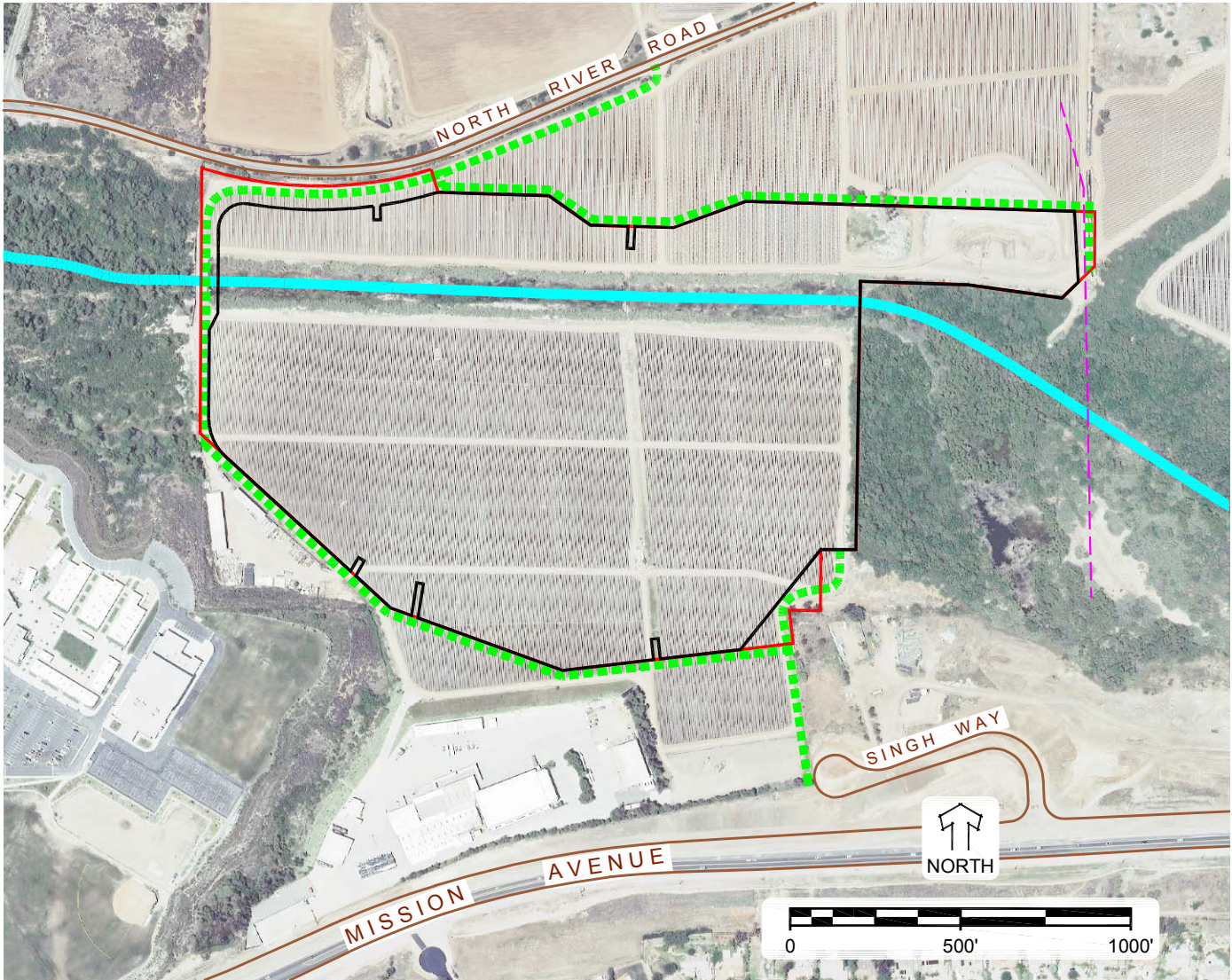


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San Luis Rey Mitigation Bank
Management Plan

Figure 5
Soils





LEGEND

Property Boundary		56.54 acres
Bank Boundary		53.84 acres
San Luis Rey River (pre-project alignment)		
Reciprocal Access Agreement (access, wells, irrigation water, drainage)		
San Diego Gas and Electric		

NOTES

The entire Bank site is subject to the following exceptions:
(exceptions: 4, 5, 6, 7, 8, 10, 11, 12)

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San Luis Rey Mitigation Bank
Management Plan

Figure 6
Easement Locations





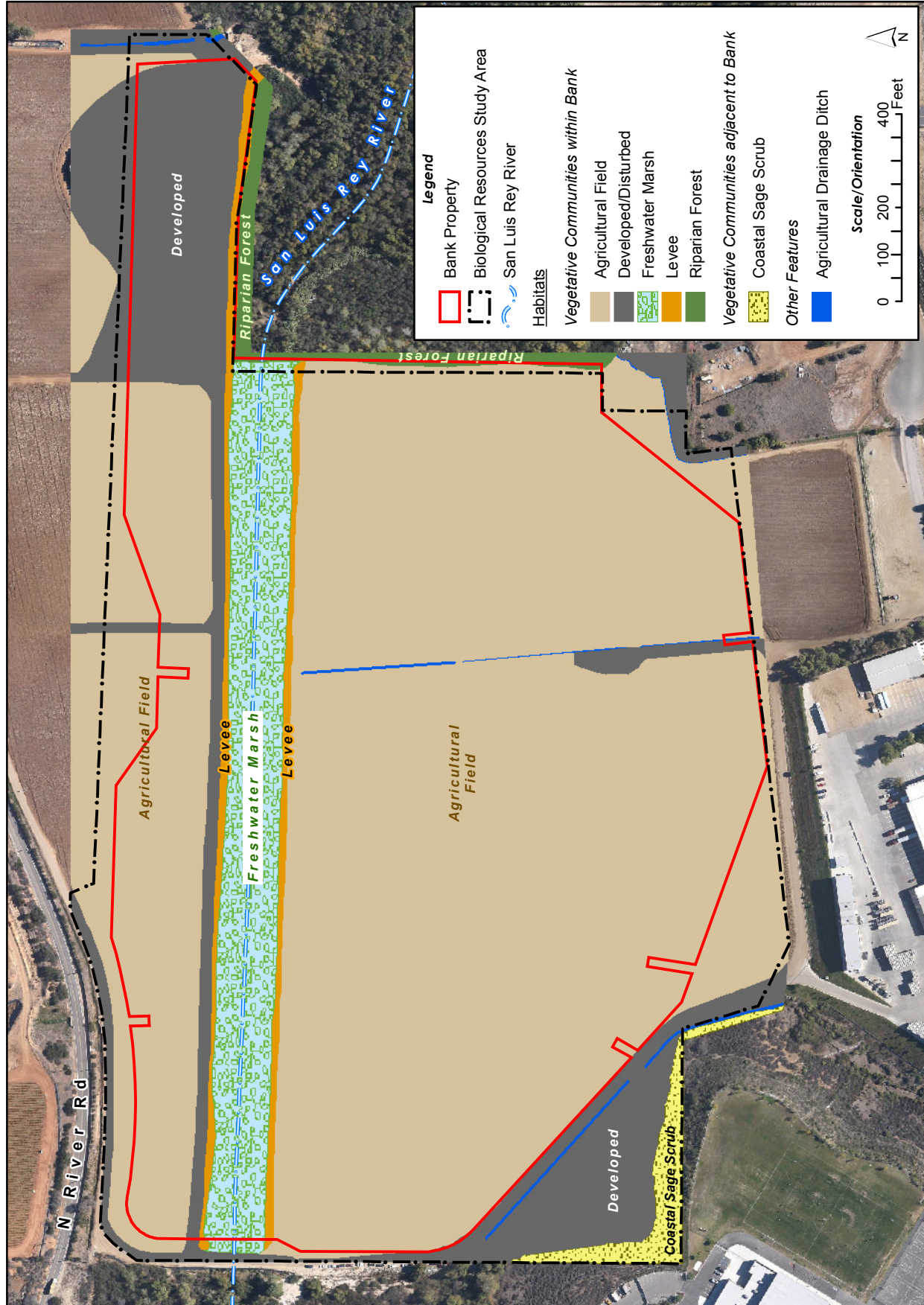
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San Luis Rey Mitigation Bank
Management Plan

City of Oceanside General Plan Land Use Designations

Figure 5



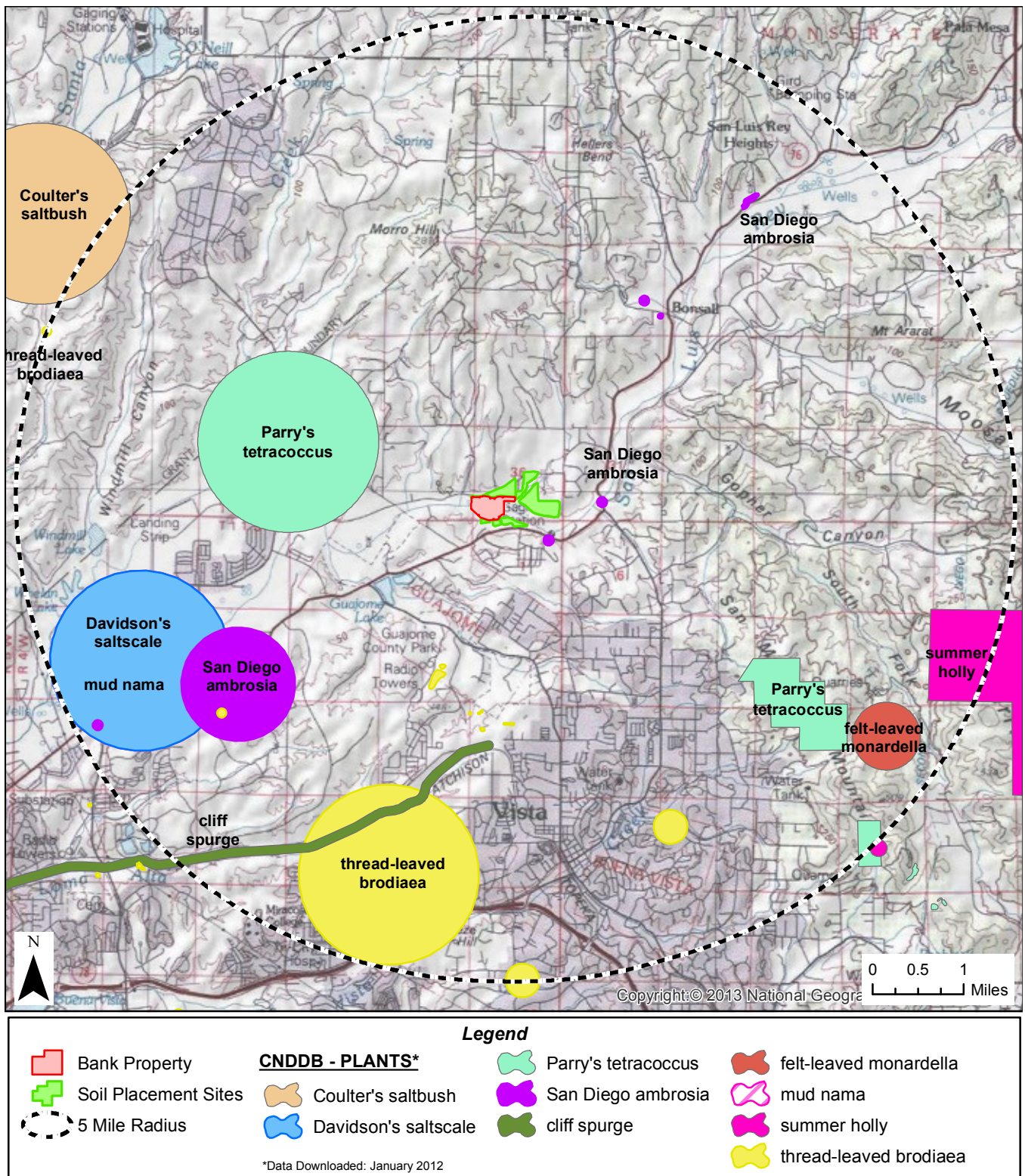


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Management Plan

Figure 7
Habitats



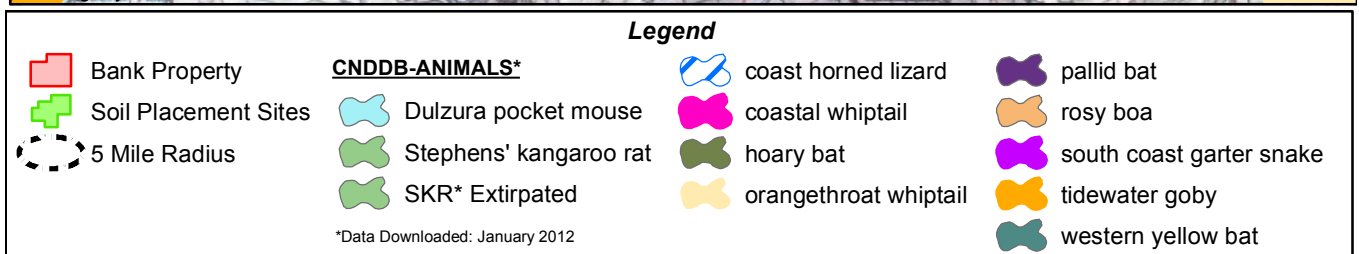
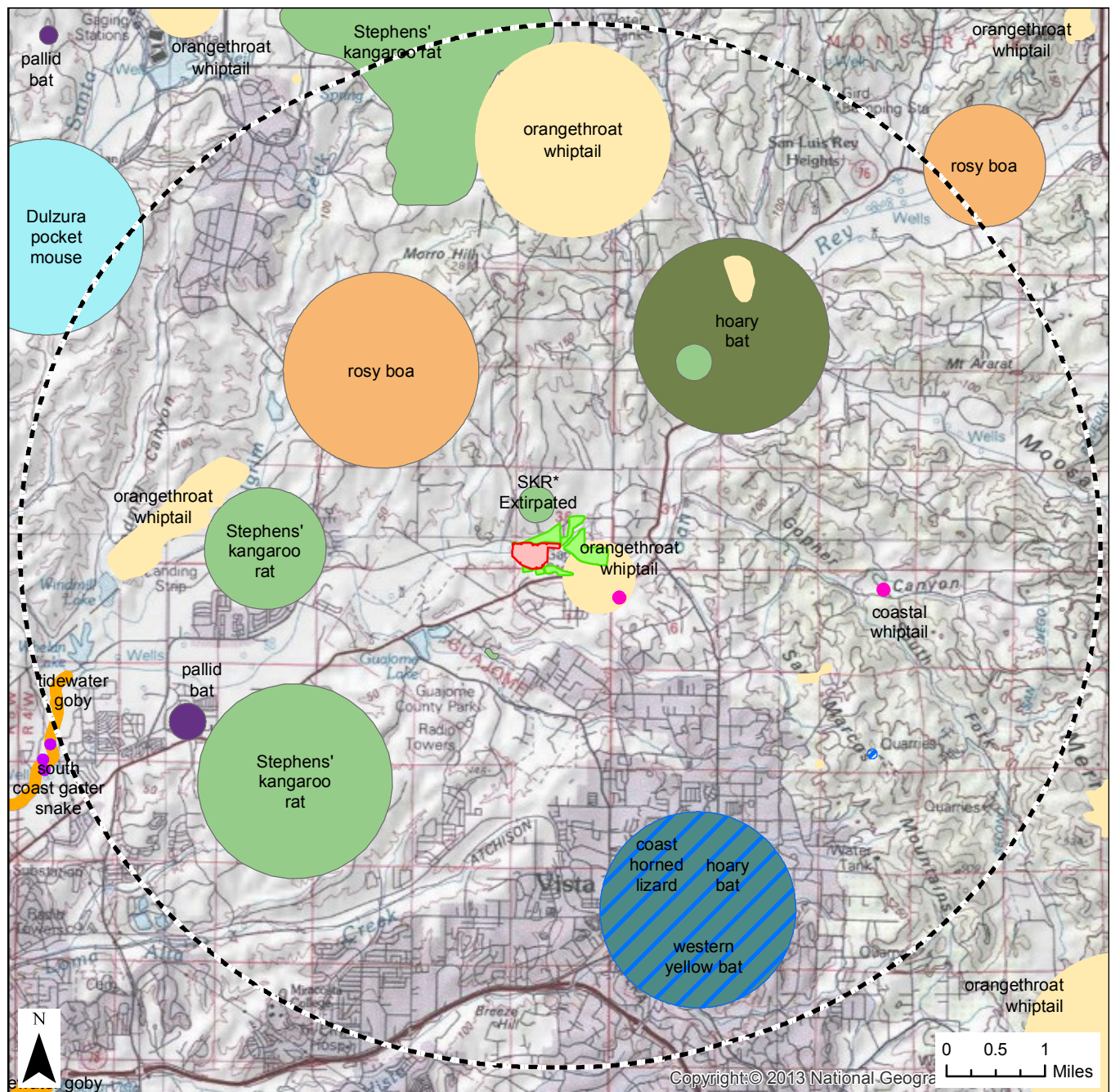


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San Luis Rey Mitigation Bank
Management Plan

Figure 8
Special Status Plant Communities within 5 Miles of the Bank Property



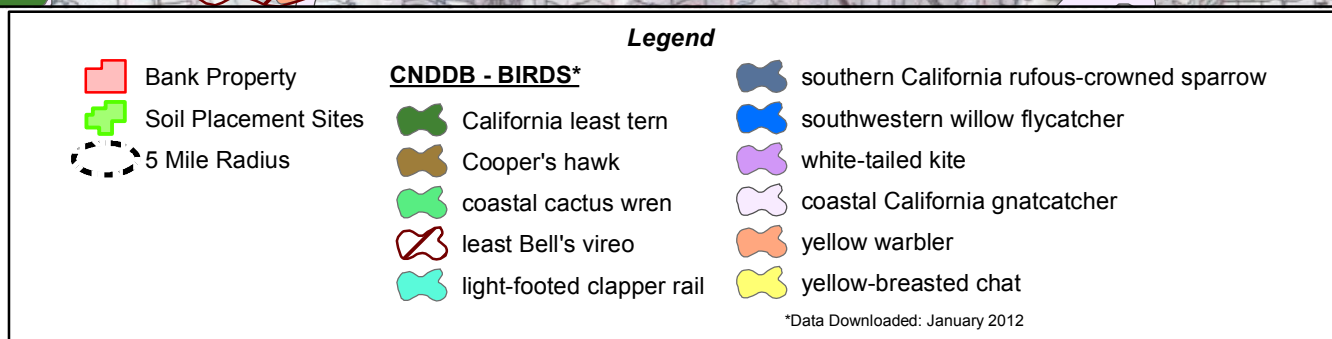
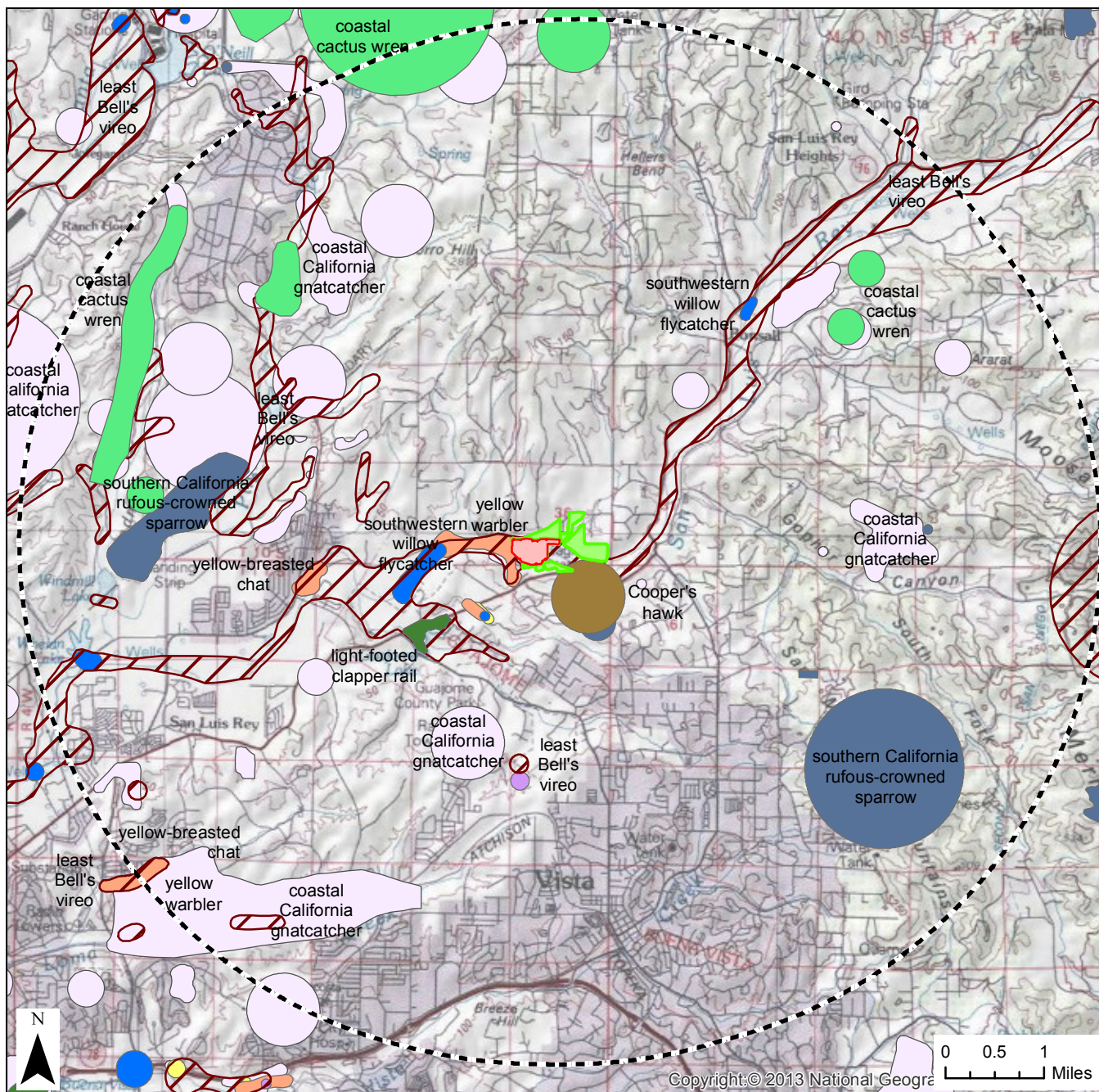


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Management Plan

Figure 9
Special Status Animals Documented within 5 Miles of the Bank Property



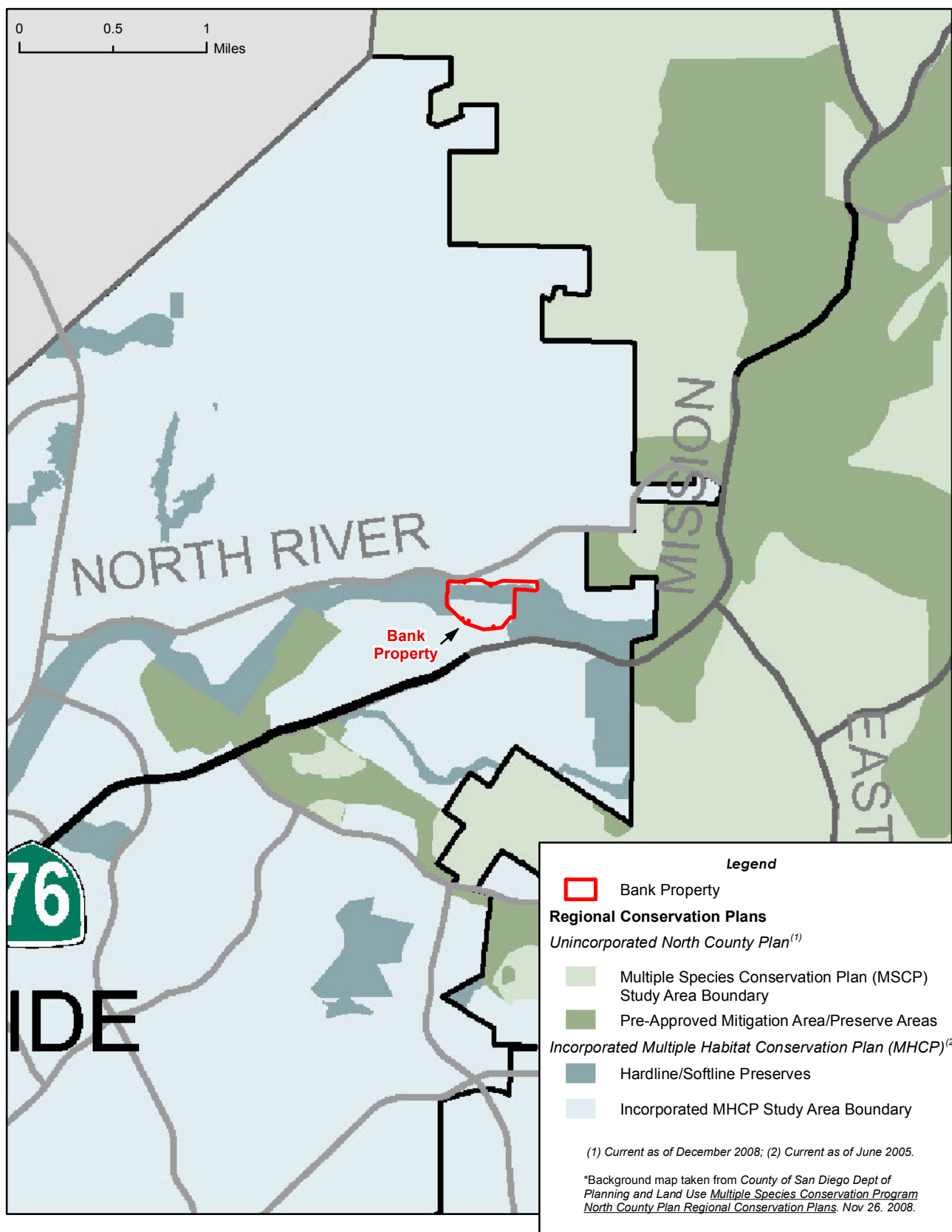


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San Luis Rey Mitigation Bank
Management Plan

Figure 10
Special Status Birds Documented within 5 Miles of the Bank Property



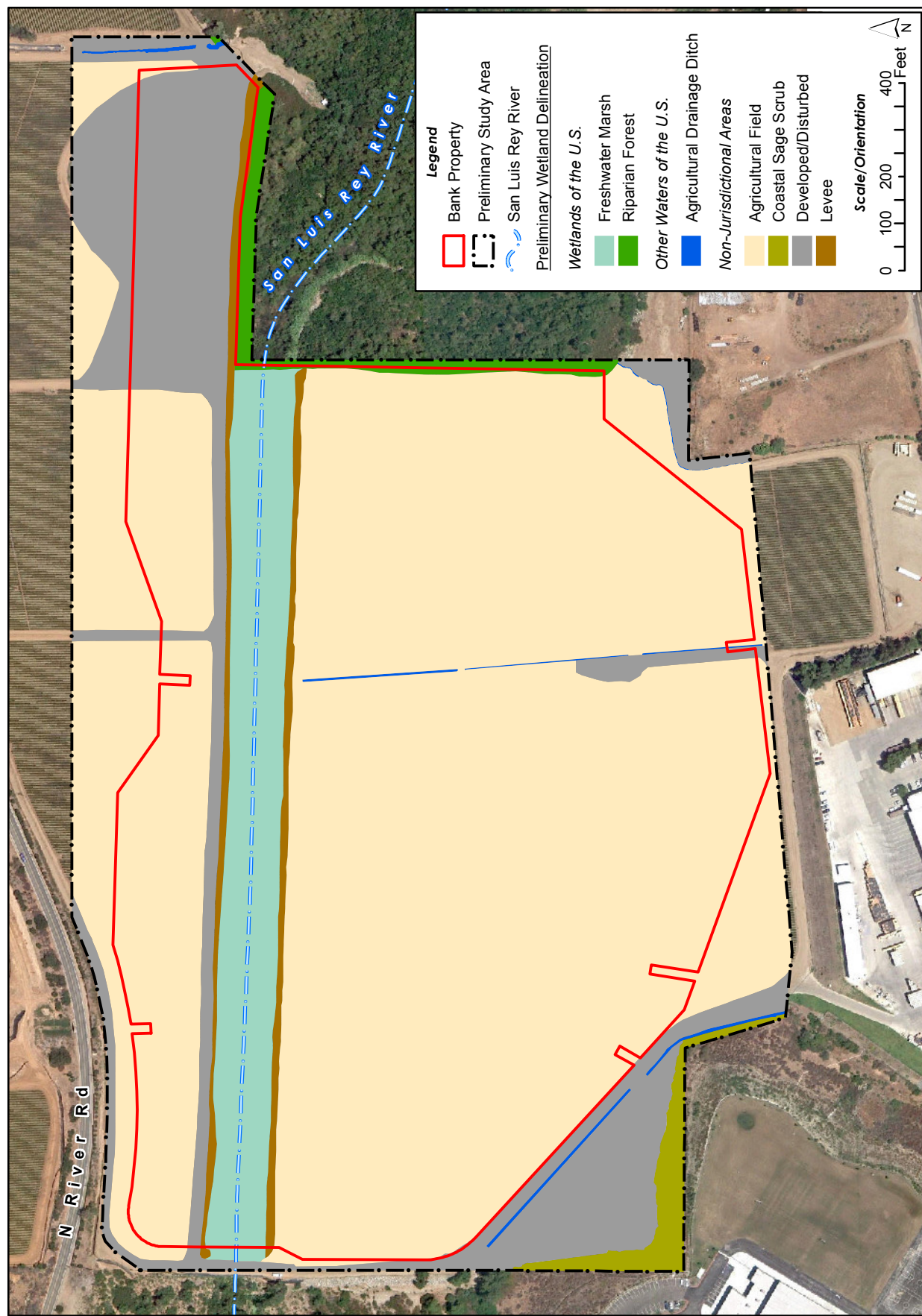


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San Luis Rey Mitigation Bank
Management Plan

Figure 11
Regional Conservation Plans

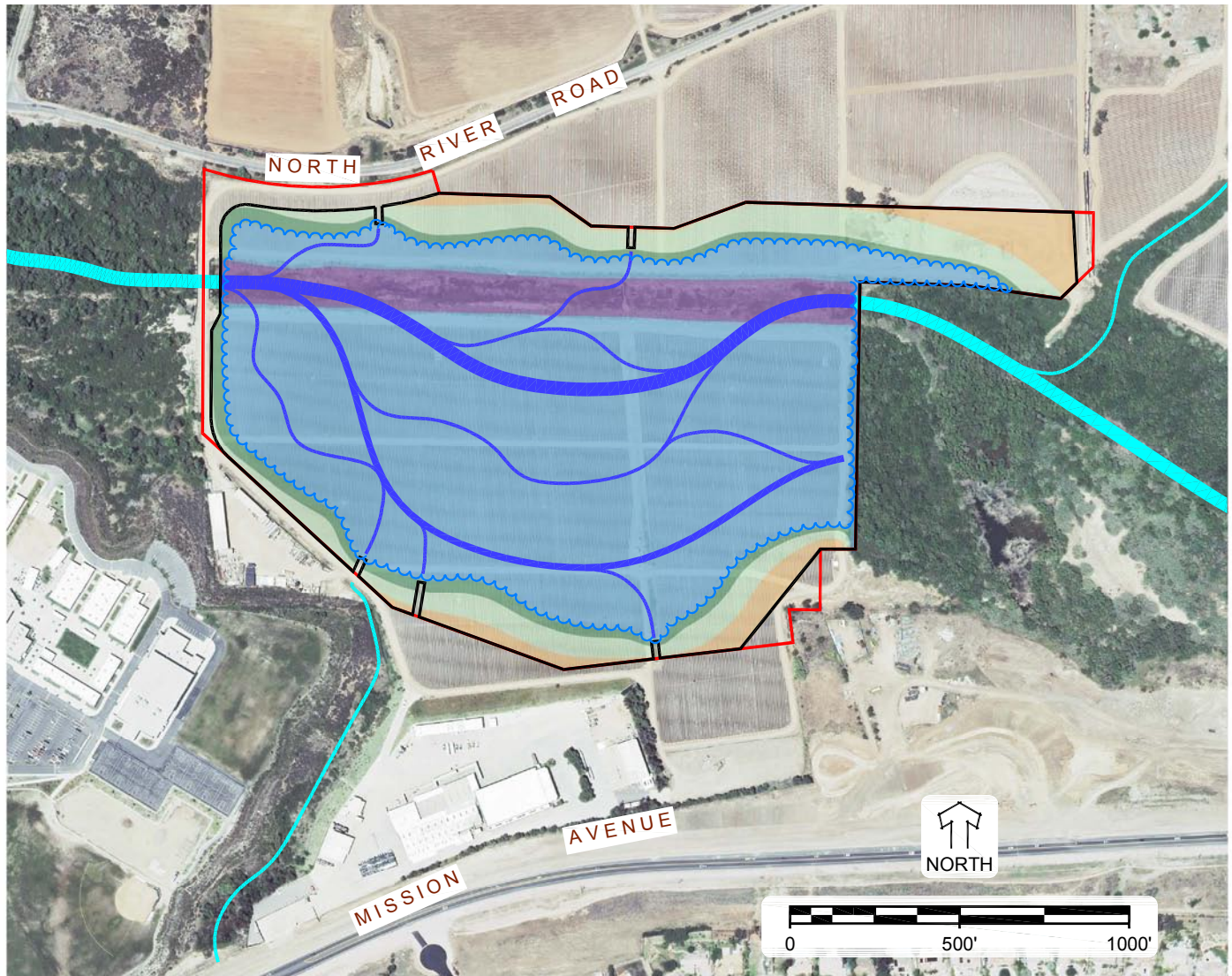
















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San Luis Rey Mitigation Bank
Management Plan

Figure 12
Preliminary Jurisdictional Determination



LEGEND

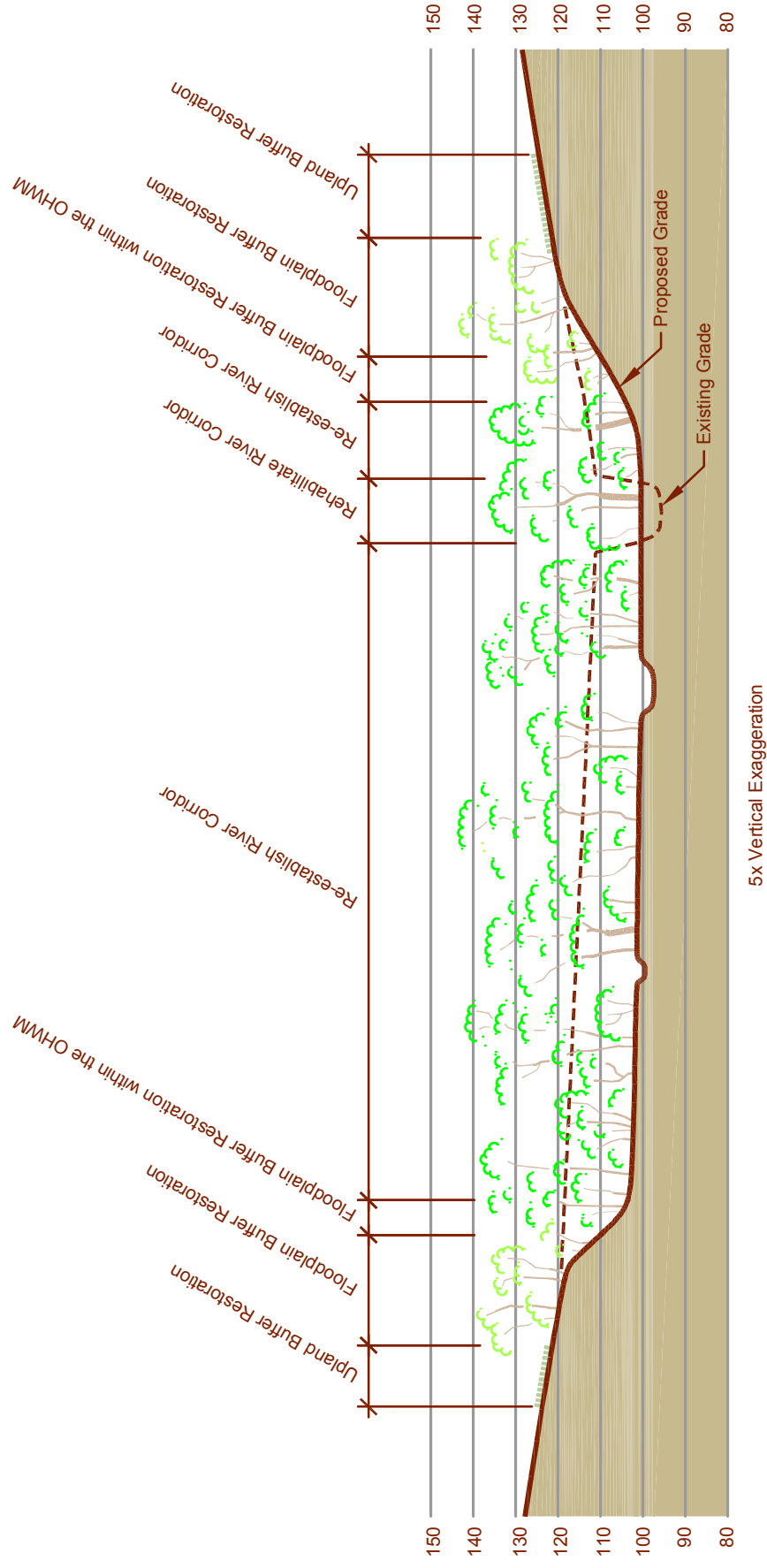
Property Boundary		56.54 acres
Bank Boundary		53.84 acres
Restore / Rehabilitate 404 Wetland River Corridor		5.28 acres
Restore / Re-establish 404 Wetland River Corridor		35.84 acres
Floodplain Buffer Restoration within OHWM		3.89 acres
Floodplain Buffer Restoration		5.34 acres
Upland Buffer Restoration		3.25 acres
Existing Riparian Forest		0.24 acres
Existing River		
Existing Stream / Drainage		
Restored River		
Restored Secondary Channel		

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Management Plan

Figure 13
Preliminary Concept Plan







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San Luis Rey Mitigation Bank
Management Plan

Figure 15
Contingency Fencing

ATTACHMENT 1

**QUARTERLY SITE INSPECTION
CHECKLIST
SAN LUIS REY MITIGATION BANK**

DESCRIPTION: The Land Manager will be responsible for conducting quarterly site visits in perpetuity to qualitatively monitor the habitat conditions and the biological health of the Bank site. During each site visit, the most recent aerial photo, vegetation and invasive species maps will be used in the field as a reference to note any substantial changes in general topographic conditions, hydrology, general vegetation cover and composition, invasive species, erosion, and fire hazard. Notes and, as applicable figures showing significant changes, will be included in the annual report detailing observations and locations of species encountered, occurrences of erosion, and weed invasion.

Date of Inspection: _____

Inspection Completed By: _____

	Changes Noted Since last visit* (Y/N)	Notes/Observations
General Topographic Conditions (noticeable signs of erosion, siltation, channel migration, etc...)		
Hydrology (note general conditions, inundation level, dry, etc...)		
General Vegetation Cover/Composition (note any noticeable changes vs. last visit)		
Invasive Species (note any noticeable changes vs. most recent invasive species mapping)		
Trash Trespass (note any large trash items needing attention and any signs of trespass)		

*Significant changes will be mapped and included in annual report as applicable.

Species Observed during Site Inspection:

Species	General Location/Habitat Type	Notes/Observations

Exhibit D-6
Bank Closure Plan

BANK CLOSURE PLAN

The purpose of the Bank closure plan is to identify and describe the long-term proposals for Property Owner, Conservation Easement Holder, Endowment Holder, and their respective responsibilities. The Bank closure plan should describe actions required to close the Bank.

Bank closure shall be deemed to take place upon occurrence of all of the following:

- a. All Performance Standards have been met; and
- b. Either:
 1. The last authorized Credit has been transferred; or
 2. The Bank Sponsor requests Bank closure by written notice to the Signatory Agencies and Signatory Agencies provide written approval of the closure; and
- c. All financial responsibilities of the Bank Sponsor have been met, including 100% funding of the Endowment Fund for not less than one year.

Upon Bank closure, no further Credit Transfer shall occur.

Property Owner (Legal Owner of the Bank Property and Fee Title Owner):

Wildlands SLR Holdings I, LLC
c/o Wildlands
3855 Atherton Road
Rocklin, CA 95765
Attn: General Counsel

Responsibilities:

- Comply with the Conservation Easement
- Ensure taxes and insurance are paid
- Abide by and implement all pertinent sections of the Long-term Management Plan
- Ensure Performance Standards are met
- Annual reporting
- Accurate accounting of financial expenditures

Conservation Easement Holder and Endowment Holder:

Wildlife Heritage Foundation
563 2nd Street, Suite 120
Lincoln, CA 95648
Attn: Executive Director

Responsibilities:

- Ensure compliance with the Conservation Easement
- Conduct annual inspections of the Bank property
- Annual easement compliance reporting
- Accurate accounting of Endowment Fund
- Timely release of funds to Property Owner
- Ensure Endowment Fund remains “non-wasting”