

Exhibit C-1

Interim Management Security Analysis and Schedule

The Interim Management Security Analysis and Schedule (IMSAS) is meant to identify the tasks and costs associated with the long-term management and maintenance of the 70.00 acres of habitat within the Willow Road Conservation Bank (WRCB). This bank is a portion of a 71.06 acre site located in the unincorporated area of eastern San Diego County in the Lakeside Area. The net amount of credits available in the WRCB is 70.00 acres.

The IMSAS includes Initial and Capital Tasks and Costs, as well as Recurring Tasks and Costs associated with managing the WRCB and the sensitive resources within it. An IMSAS Budget Table is included in Section III.

The IMSAS has been organized into the following discussion sections:

- I. Conservation Easement Habitat Description
- II. Ongoing Tasks and Costs
- III. Financial Summary
- IV. Payment of Interim Management Security
- V. Interim Management Endowment Fund Analysis – Schedule of Tasks and Costs
- VI. Conservation Easement Endowment Fund Analysis – Schedule of Tasks and Costs

The sources utilized in preparing this IMSAS include the following:

- 1. *Property Assessment and Warranty*, Exhibit D-2 of the BEI
- 2. *A Long-Term Management Plan For The WRCB*, Prepared By Vincent Scheidt, January 2015
- 3. *Preliminary Constraints Analysis and Mitigation Bank Feasibility Study for the Bertram Property, APN 319-060-05 & -07, Lakeside*. Prepared by Vincent Scheidt, November 2007, revised January 6, 2015
- 4. *First Amended Preliminary Title Report*, Chicago Title Company, March 18, 2015
- 5. *Writing Refuge Management Goals and Objectives: A Handbook*, U.S. Fish and Wildlife Service, 2004

I. CONSERVATION EASEMENT HABITAT DESCRIPTION

The Willow Road Conservation Bank (WRCB) consists of approximately 71.06 acres. The WRCB Conservation Easement will encompass the entire property, but only 70.00 acres of credits will be issued because 0.9 acres consist of Disturbed Habitat and 0.16 acres are in an existing easement or in an area along Willow Road that may require fire clearing.

The site supports a variety of wildlife species, functioning as both a local and regional wildlife corridor that facilitates wildlife movement along the creek. Six sensitive animal species were observed onsite. These are California Gnatcatcher (*Poliophtila californica*), San Diego Coast

Horned Lizard (*Phrynosoma coronatum blainvillei*), Southern California Rufous-crowned Sparrow (*Aimophila ruficeps canescens*), Golden Eagle (*Aquila chrysaetos*), Mule Deer (*Odocoileus hemionus*), and Granite Night Lizard (*Xantusia henshawi henshawi*). Additional sensitive species certainly occur onsite. These should be searched for during the spring and at other times of the year using different survey techniques. For a complete list of plants and animals detected onsite, see Table 1 at the end of the biology letter report.

The Coastal Sage Scrub/Non-Native Grassland that dominates the site is known to support sensitive species such as California Gnatcatcher, a Federally-listed 'Threatened Species', as well as Orange-throated Whiptail, a state 'Species of Special Concern', and many others. Protection of this habitat area via perpetual preservation, as proposed by the WRCB, is therefore greatly needed.

II. ONGOING TASKS AND COSTS

The task are discussed below and cost breakdowns are provided in Section IV below.

A.1 Species Survey

Monitor Covered Species: Perform a walking survey of the site. Conduct species inventory, photo document at least four locations to serve as baseline data for future reports. Photograph other areas as needed to document species-related situations such as presence of species or nests. Identify potential conflicts with WRCB goals, if any. Visits will be documented by keeping a monitoring log of site conditions. Perform survey at a minimum once a year.

A.2 Covered Habitat

Monitor Covered Habitat: Perform walking survey of the site. Obtain data on vegetation composition (plant species, abundance, frequency, and dominance) and structure (cover, height). Examine Diegan Coastal Sage Scrub and other habitat for coverage, health, presence/absence of invasives. Photo document specific baseline locations. Identify potential conflicts with WRCB goals, if any. Visits will be documented by keeping a monitoring log of site conditions.. Perform survey at a minimum once a year.

A.3 Threatened/Endangered Plant Species Monitoring (Palmer's Goldenbush)

Survey and Monitor Species: Conduct a population assessment survey. The survey dates will be selected during the appropriate blooming period and will generally occur from September through November depending on the timing of the blooming period each year. Occupied habitat will be mapped and numbered to allow repeatable data collection over subsequent survey years. The survey will be conducted every three years.

A.4 Threatened/Endangered Animal Species Monitoring (California Gnatcatcher)

Survey and Monitor Species: Bank Manager to arrange for qualified Bank Operator/biologist to conduct a protocol presence/absence survey for California Gnatcatcher. Monitor status of Diegan Coastal Sage Scrub as part of the annual survey. Conduct a formal protocol presence/absence survey for the California Gnatcatcher. Implement a population assessment and other tasks that enhance or monitor habitat characteristics for the California Gnatcatcher. Surveys will take place at least once every three years. Identify potential conflicts with WRCB goals, if any. Perform survey at a minimum once every three years.

A.5 Invasive Species

Assess the extent of invasive species: Walking survey of the site by a qualified party to map locations of invasives and assess numbers and distribution. Species assessed will include *African Fountain Grass* (*Pennisetum setaceum*), *Giant Wild Reed* (*Arundo donax*), *Castor Bean* (*Ricinus communis*), *Salt Cedar* (*Tamarix sp.*), *Mexican Fan Palm* (*Washingtonia robusta*), *Pampas Grass* (*Cortaderia sp.*), *Brazilian Peppertree* (*Schinus terebinthifolius*), *Hottentot Fig* (*Mesembryanthemum edule*), *Cocklebur* (*Xanthium strumarium*), seedling *Eucalyptus*, *Acacia*, and any other woody plants ranked as “high” priority species in the California Invasive Plant Inventory prepared by the California Invasive Plant Council (Cal-IPC, 2006). The assessment is to be carried out a minimum of four times a year.

It is assumed that the WRCB will be relatively free from exotic plant species at the time long-term management of the site commences due to the site clean-up initiated prior to the establishment of the bank. Baseline (first year) vegetation mapping will document areas where exotics removal will be prioritized. The Bank Manager will supervise the exotics removal/weeding efforts and will be responsible for updating the removal objectives in the annual report.

B.1 Trash and Trespass

Conservation Easement Monitoring: Conduct a walking survey of the site for evidence of trash or trespass. Focus on high priority areas consisting of points of previous trespass or areas readily accessible from off-site. Map locations and remove trash or arrange for trash removal. Repair of fencing or other measures to halt trespass. Visits will focus on illegal/unauthorized activities, dumping, misuse of, or creation of new/illegal trails. Identify all areas where trespass is evident. Illegal squatting, hunting, and poaching/collecting within the WRCB will be reported to the County Sheriff's Department. The Bank Manager will maintain a log of all incidences of illegal activities within the preserve and discontinued activities will be reported to the County Sheriff's Department and the MSCP staff. Survey to be carried out a minimum of four times a year.

Removal, cleanup: Employ supervised manual labor to remove trash. Eliminate all identified areas of trespass. For the repair and addition of fencing, see paragraph C.1 below.

B.2 Fire Hazard Reduction

Assess Fire Hazard, Brush Removal/Thinning: Bank Manager to assess or have assessed fire hazard in compliance with County Consolidated Fire Code requiring 20 feet of fire clearing along roadways. Arrange for clearing/thinning as needed up to this limit on the north side of Willow Road where the site is in contact with the road. Supervise cutting. The assessment is to be carried out a minimum of once a year.

Contract Clearing: Clearing/thinning/removal of vegetation in fire clearing zone along roadway.

C.1 Fences, Gates, and Signage

Survey and Assess Fences, Gate, and Signs: Habitat Manager or designated Habitat Operator to walk fence line. Document conditions and locations of areas needing repair or additional fencing or signage. The assessment is to be carried out a minimum of once a year.

Repair: Labor and materials to repair fences, the gate, or signage.

Replace Fencing, Signage: Materials and labor to replace entire fence system and signage every 25 years.

Replace Gate: Materials and labor to replace gate system every 10 years.

D.1 Reporting

Annual Report: Bank Manager to report on the activities and survey results of the previous year. The first annual report will provide baseline data that will include species data (plant and animal species detected); habitat data (vegetation type and extent), and habitat structure; endangered/threatened species survey results, and photo documentation baseline locations (by GPS and mapping), along with baseline photos from these points.

Subsequent annual reports will include analysis of data, mapping, and photo documentation. Annual photo documentation will include the selected baseline monitoring locations, and will provide baseline (Year 1) and endpoint (Current Year) comparisons, accompanied by an assessment of habitat composition and structure. Photo documentation and discussion of any additional locations that help clarify the situation on the site will be provided. The reports will include analysis of the degree to which the site conditions conform to the goals and objectives of the WRCB. The log reports noted in A.1 through A.4 above shall be appended to the annual reports. The annual reports will include the prior year's credit sales data in the reports as an attachment.

A work plan for the coming year will be included in each annual report. It will specify measurable benchmarks for assessing success in terms of percent of habitat preservation. Benchmarks will include meeting the conditions required by the Conservation Easement (Exhibit D-4), fulfillment of the management plan obligations, as described in the Long-term Management Plan, Exhibit

C-5, and implementation of any adaptive management actions necessary to maintain the property in no worse conditions that it is in now. Report copies will be provided to the CDFW, bank owner, and Conservation Easement holder for the WRCB property. Reports shall cover a period from July 1 to June 30 of the following year and will be submitted by August 15 of each year, in perpetuity.

Five Year Report: Bank Manager will prepare a report that will provide an overview of the baseline (year 1) and endpoint (year 5) bank status as related to covered species, habitats, and overall site conditions. Data will include percentage of baseline habitats still intact at endpoint. Provide a work plan for the next five years that will include measurable benchmarks to be attained such as extent of habitats to be maintained, and percent of fencing to be maintained. Habitat conditions will be described in terms of distribution, indicator plant diversity, and overall habitat structure (cover and height). It will specify measurable benchmarks for assessing success in terms of percent of habitat preservation. Benchmarks will include meeting the conditions required by the Conservation Easement (Exhibit D-4), fulfillment of the management plan obligations, as described in the Long-term Management Plan, Exhibit C-5, and implementation of any adaptive management actions necessary to maintain the property in no worse conditions that it is in now. Any updating of the project goals and objectives will be included. MSCP covered species will be assessed as to presence and condition. Report copies will be provided to the CDFW, bank owner, and Conservation Easement holder for the WRCB property. The report will cover the period from July 1 of Year 1 through June 30 of Year 5 and will be due by August 15 of the fifth year.

Transportation: Cost of driving to and from the site.

D.2 Administration

Administrative Tasks: Employ Software to document budget and credit transactions, filed phone calls to answer public questions, coordinate site visits with authorized parties, and general coordination with County Sheriff, fire authority, or others as needed. Data entry and basic bookkeeping. Meetings with the public, authorized parties, and contractors other than site visits enumerated above.

Easement Holder: Expense to cover the easement holder's costs related to easement oversight, including an annual site visit and administrative costs.

Audit: Budget allocation for an audit of the financial records, if needed, every 5 years.

Legal Assistance: Budget allocation for consultations, document review, and responses to legal queries, if needed.

Insurance: Cost of a liability insurance policy covering accidents on the site and professional insurance against lawsuits pertaining to the conservation easement or Bank Enabling Instrument.

D.3 Contingency

A contingency for a fire is included in this section. It includes the cost of site visits and assessment, undertaking invasives control, and infrastructure repair, as needed, in the event of fire. A budget allocation of ten (10) percent of the budget for tasks A.1 through D.2 to cover unforeseen expenses.

III. FINANCIAL SUMMARY

The summary of budget amounts (in dollars) is as follows:

Table 1: Summary of Endowment Funds Budget Allocations	
Interim Management Endowment Fund	
Recurring Costs Annual Ongoing Financial Requirements	13,900
Contingency Fire Recovery Contingency (\$6,900 over 15 years) Management Contingency (10%)	1,850
Total Annual Costs	15,750
Conservation Easement Endowment Fund	
Operations	705
Reporting	660
Contingency (10%)	135
Total Annual Budget	1,500
Total Endowment Funds Amount	17,250

Please see Sections V and VI for detailed costs information.

IV. PAYMENT OF INTERIM MANAGEMENT SECURITY

Bank Sponsor will provide a refundable cash deposit in the form of a cashier's check to the CDFW in the total sum of three times the annual cost of bank management. In this case, the amount will be \$51,250.

V: INTERIM MANAGEMENT ENDOWMENT FUND ANALYSIS -- SCHEDULE OF TASKS AND COSTS (In Dollars)

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) (Sheet 1/5)								
#	General Bank Management/Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit (s) ¹	Cost	Frequency	Schedule	Annual Cost
1	<i>Element A.1 Covered Habitat</i>							
2	Monitor covered habitat	Annually mapping, assess extent, density, recruitment, senescence. Take reference photos	1 survey	2500	2500	Every 5 years	April/May	500
3	<i>Elements A.2 Threatened/Endangered Plant Species Monitoring—Palmer’s Goldenbush</i>							
4	Monitor species	Review factors such as extent, density, recruitment, senescence	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330
5	<i>Element A.3 Threatened/Endangered Animal Species Monitoring – California Gnatcatcher</i>							
6	Monitor species	Protocol presence/absence survey or survey otherwise agreed to with Wildlife Agencies required to verify “occupancy” of the habitat.	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 2/5)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
7	Element A.4 Other Covered Species							
8	Monitor covered species	Walking survey, mapping, photos, notes	1 survey ¹	2000	2000	Every 5 years	April/May	400
9	<i>Element A.5 Assess Invasive Species, Trespass, and Fence</i>							
10	Monitor invasives growth, presence of trash, trespass, gate and fence conditions	Walking survey. Map and designate areas for attention. Coordinate activities to correct deficiencies.	8	50	400	Quarterly	Spring, Summer, Fall	1600
11	Invasives removal	Hand labor—landscape tender	36	30	1140	Annually	Spring/Summer	1140
12	Trash removal, clean-up	Hand labor—laborer 1	14	50	700	Annually	As needed	700
13	Repair fences	Hand labor—fence builder	8	50	400	Annually	As needed	400

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 3/5)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
14	<i>Element B.1 Fire Hazard Reduction</i>							
15	Fire hazard assessment and contracting	Survey, contract, supervise	3	60	180	Annually	As needed	180
16	Contract cutting to trim, remove vegetation along Willow Road	Hand labor	8	40	320	Annually	As needed	320
17	<i>Element C.1 Fences and Gates</i>							
18	Replace fencing	Materials and labor	2300 feet	2	4600	25	On-going	180
19	Gate replacement	Materials and labor	800	800	800	10	On-going	80

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 4/5)

#	General Bank Management & Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
20	Element D.1 Reporting							
21	Annual Report	Organize and analyze data. Include mapping, photos. Format into annual report	10	50	500	Annually	Due March 15 for previous year	500
22	Five Year Report	Evaluate attainment of long term objectives, recommend changes to monitoring. Report on status of MSCP-protected species	6	50	300	Every 5 years	Due March for previous 5 years	60
23	Vehicles and supplies	Drive to and from site	120 miles	1	120	Annually	As needed	120
24	Element D.2 Administration							
25	Accounting	Data entry, bookkeeping, process paperwork	28	40	1120	Annually	As needed	1120
26	Community outreach	Respond to public inquiries, attend meetings	4	50	200	Annually	As needed	200

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 5/5)								
#	General Bank Management & Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
27	Audit	Accounting review	1	900	900	Every 3 years	As needed	300
28	Legal assistance	Consultation, document review	1	500	500	Annually	As needed	500
29	Liability insurance	Indemnify accidents	1	1200	1200	Annually	As needed	1200
Sub-total								13,900
30	Contingency for recovery from fire	Site visit and assessment. Undertake invasives control, infrastructure repair, as needed	1	6900	6900	Every 15 years	As needed	460
31	Contingency for other unanticipated expenses	Expenses over and above budget amounts allocated above. Additional expenses not foreseen	10% of subtotaled budget	1520	1520	Annually	As needed	1390
Total								15,750
Estimated Endowment (Calculated at 0.045 per annum)								330,590

Notes:

¹ Prevailing wage data from State of California, Department of Industrial Relations, Director's General Prevailing Wage Determinations: 2015-1 General Prevailing Wage Determinations menu (journeyman). See dir.ca.gov/oprl/DPreWageDetermination.htm. Classifications used in this report are: Landscape Tender, Laborer Group 1, and Fence Builder (Carpenter) Note: for repair only. Fence replacement is inclusive of labor.

<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>
3,4,6	Estimates by project biological for surveys noted.	10	Four hours per visit for professional services and developing locational information for clearing, repair	11	Hand labor to remove invasives includes removal from site. Assumes two workers at 2 8-hour days. Uses
12	Hand labor to remove trash, Includes removal from site. Assumes two workers at one 7-hour day.	13	Assumes semi-skilled labor to repair fences. Includes one 8-hour day.	15	Assumes 3 management hours to assess and mark area along Willow road needed for removal, plus time to contract for work
16	Hand labor to clear marked areas along Willow Road. 2 persons for 4 hours	18	Fencing costs for high tensile wire, based on April 2015 assessment of fencing costs (installed) using web resources	19	Gate replacement for chain link based on April 2015 use of web resources
21	Ten hours to collect data from the year and organize into a report format.	22	Review previous data, summarize and prepare report. Compensation based on skilled administrative position	23	Based on 20 mile round trip to site four times a year.
25	Basic bookkeeping based on 4 hours per quarter.	26	Time allocated to answering inquiries about the site, attending one meeting a year as needed	27	Contingency for audit if required, or periodically assess book keeping.
28	Contingency for legal review of documents such as sales agreements, consultation as needed	29	Insurance cost based on April 2015 estimate from local insurance agency	30	Contingency to fund evaluation, clean-up, re-fencing in event of a fire. Frequency assumed to be 15 years.
31	Contingency to fund unanticipated expenses or higher expenses in already defined categories.				

VI: CONSERVATION EASEMENT ENDOWMENT FUND ANALYSIS – SCHEDULE OF TASKS AND COSTS (In Dollars)

Operations covers an annual site visit and administrative costs. Reporting covers the annual report provided by the conservation easement holder to the IRT and Owners. Budget based on data provided by the Fallbrook Land Conservancy.

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 1/3)								
#	General Bank Monitoring and Reporting	Description	Level of Effort (Hrs or as noted)	Cost/ Unit	Cost	Frequency	Schedule	Annual Cost
1	Operations¹							
2	Monitoring	Monitoring conservation easement on annual basis	6	45	270	Annually	April/May	270
3	Photo documentation	Photos from established photo points for inclusion in reports and to establish record of site conditions	2	45	90	Annually	During site visit	90
4	Audit	CPA audit	1	45	45	Annually	April/May	45
5	Insurance	General liability	1 % of policy cost	36	36	Annually	As required	37
6	Insurance	Professional liability	1 % policy cost	35	35	Annually	As required	35

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 2/3)

#	General Bank Management /Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
7	Conservation Easement Defense Fund	Terrafirma Risk Retention Group insurance	Annual fee	60	60	Annually	As required	60
8	Project Accounting	Book keeping	2	45	90	Annually	As required	90
9	Travel	Mileage to and from site	130 miles	0.60	78	Annually	As needed	78
Sub-total								705

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 3/3)									
#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost	
10	Reporting ¹								
11	Annual Report	Summary of site visit, photo documentation and recommendations	8	60	480	Annually	As needed	480	
12	Database Management	Data input	4	45	180	Annually	As needed	180	
13	Sub-total							660	
14	Management contingency	Account for unanticipated expenses of expenses greater than budgeted				Annually	As needed	135	
15	TOTAL								1500
Estimated endowment		Calculated at 0.034 per annum						44,120	

Exhibit C-2

Endowment Funds Analysis

This Endowment Funds Analysis (EFA) is meant to identify the tasks and costs associated with the long-term management and maintenance of the 70.00 acres of habitat within the Willow Road Conservation Bank (WRCB). This bank is a portion of a 71.06 acre site located in the unincorporated area of eastern San Diego County in the Lakeside Area. The net amount of credits available in the WRCB is 70.00 acres.

Two endowment funds are provided. The Long-term Management Endowment Fund covers the annual management and reporting associated with the WRCB, and is discussed in detail in Sections I through IV below. The Conservation Easement Endowment Fund provides a separate budget for the site visit and report to be provided by the conservation easement holder, and is provided in Section V.

The EFA includes Recurring Tasks and Costs associated with managing the WRCB and the sensitive resources within it. An EFA Schedule is included that details the tasks and cost of operating the WRCB on a long-term basis. Interim costs are discussed in Exhibit C-1, the Interim Management Security Analysis and Schedule.

The EFA has been organized into the following discussion sections:

- I. Conservation Easement Habitat Description
- II. Ongoing Tasks and Costs
- III. Financial Summary
- IV. Long-term Management Endowment Fund Analysis – Schedule of Tasks and Costs
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II. ONGOING TASKS AND COSTS

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Assumptions for Recurring Tasks and Costs

A Bank Manager shall have overall responsibility for the management of the WRCB, including ensuring surveys are completed, qualified persons are retained to perform specific tasks, reports are written and submitted to appropriate parties, and records are kept. The Bank Manager will retain a qualified Bank Operator to perform these tasks or may contract with individuals qualified to carry out specific tasks such as the California Gnatcatcher survey. However, the Bank Manager retains responsibility for the proper functioning all aspects of the WRCB.

A.1 Species Survey

Monitor Covered Species: Perform a walking survey of the site. Conduct species inventory, photo document at least four locations to serve as baseline data for future reports. Photograph other areas as needed to document species-related situations such as presence of species or nests. Identify potential conflicts with WRCB goals, if any. Visits will be documented by keeping a monitoring log of site conditions. Perform survey at a minimum once a year.

A.2 Covered Habitat

Monitor Covered Habitat: Perform walking survey of the site. Obtain data on vegetation composition (plant species, abundance, frequency, and dominance) and structure (cover, height).

Examine Diegan Coastal Sage Scrub and other habitat for coverage, health, presence/absence of invasives. Photo document specific baseline locations. Identify potential conflicts with WRCB goals, if any. Visits will be documented by keeping a monitoring log of site conditions.. Perform survey at a minimum once a year.

A.3 Threatened/Endangered Plant Species Monitoring (Palmer's Goldenbush)

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A.4 Threatened/Endangered Animal Species Monitoring (California Gnatcatcher)

Survey and Monitor Species: Bank Manager to arrange for qualified Bank Operator/biologist to conduct a protocol presence/absence survey for California Gnatcatcher. Monitor status of Diegan Coastal Sage Scrub as part of the annual survey. Conduct a formal protocol presence/absence survey for the California Gnatcatcher. Implement a population assessment and other tasks that enhance or monitor habitat characteristics for the California Gnatcatcher. Surveys will take place at least once every three years. Identify potential conflicts with WRCB goals, if any. Perform survey at a minimum once every three years.

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B.1 Trash and Trespass

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accessible from off-site. Map locations and remove trash or arrange for trash removal. Repair of fencing or other measures to halt trespass. Visits will focus on illegal/unauthorized activities, dumping, misuse of, or creation of new/illegal trails. Identify all areas where trespass is evident. Illegal squatting, hunting, and poaching/collecting within the WRCB will be reported to the County Sheriff's Department. The Bank Manager will maintain a log of all incidences of illegal activities within the preserve and discontinued activities will be reported to the County Sheriff's Department and the MSCP staff. Survey to be carried out a minimum of four times a year.

Removal, cleanup: Employ supervised manual labor to remove trash. Eliminate all identified areas of trespass. For the repair and addition of fencing, see paragraph C.1 below.

B.2 Fire Hazard Reduction

Assess Fire Hazard, Brush Removal/Thinning: Bank Manager to assess or have assessed fire hazard in compliance with County Consolidated Fire Code requiring 20 feet of fire clearing along roadways. Arrange for clearing/thinning as needed up to this limit on the north side of Willow Road where the site is in contact with the road. Supervise cutting. The assessment is to be carried out a minimum of once a year.

Contract Clearing: Clearing/thinning/removal of vegetation in fire clearing zone along roadway.

C.1 Fences, Gates, and Signage

Survey and Assess Fences, Gate, and Signs: Habitat Manager or designated Habitat Operator to walk fence line. Document conditions and locations of areas needing repair or additional fencing or signage. The assessment is to be carried out a minimum of once a year.

Repair: Labor and materials to repair fences, the gate, or signage.

Replace Fencing, Signage: Materials and labor to replace entire fence system and signage every 25 years.

Replace Gate: Materials and labor to replace gate system every 10 years.

D.1 Reporting

Annual Report: Bank Manager to report on the activities and survey results of the previous year. The first annual report will provide baseline data that will include species data (plant and animal species detected); habitat data (vegetation type and extent), and habitat structure; endangered/threatened species survey results, and photo documentation baseline locations (by GPS and mapping), along with baseline photos from these points.

Subsequent annual reports will include analysis of data, mapping, and photo documentation. Annual photo documentation will include the selected baseline monitoring locations, and will provide baseline (Year 1) and endpoint (Current Year) comparisons, accompanied by an

assessment of habitat composition and structure. Photo documentation and discussion of any additional locations that help clarify the situation on the site will be provided. The reports will include analysis of the degree to which the site conditions conform to the goals and objectives of the WRCB. The log reports noted in A.1 through A.4 above shall be appended to the annual reports. The annual reports will include the prior year's credit sales data in the reports as an attachment.

A work plan for the coming year will be included in each annual report. It will specify measurable benchmarks for assessing success in terms of percent of habitat preservation. Benchmarks will include meeting the conditions required by the Conservation Easement (Exhibit D-4), fulfillment of the management plan obligations, as described in the Long-term Management Plan, Exhibit C-5, and implementation of any adaptive management actions necessary to maintain the property in no worse conditions that it is in now. Report copies will be provided to the CDFW, USFWS, bank owner, and Conservation Easement holder for the WRCB property. Reports shall cover a period from July 1 to June 30 of the following year and will be submitted by August 15 of each year, in perpetuity.

Five Year Report: Bank Manager will prepare a report that will provide an overview of the baseline (year 1) and endpoint (year 5) bank status as related to covered species, habitats, and overall site conditions. Data will include percentage of baseline habitats still intact at endpoint. Provide a work plan for the next five years that will include measurable benchmarks to be attained such as extent of habitats to be maintained, and percent of fencing to be maintained. Habitat conditions will be described in terms of distribution, indicator plant diversity, and overall habitat structure (cover and height). It will specify measurable benchmarks for assessing success in terms of percent of habitat preservation. Benchmarks will include meeting the conditions required by the Conservation Easement (Exhibit D-4), fulfillment of the management plan obligations, as described in the Long-term Management Plan, Exhibit C-5, and implementation of any adaptive management actions necessary to maintain the property in no worse conditions that it is in now. Any updating of the project goals and objectives will be included. MSCP covered species will be assessed as to presence and condition. Report copies will be provided to the CDFW, USFWS, bank owner, and Conservation Easement holder for the WRCB property. The report will cover the period from July 1 of Year 1 through June 30 of Year 5 and will be due by August 15 of the fifth year.

Transportation: Cost of driving to and from the site.

D.2 Administration

Administrative Tasks: Employ Software to document budget and credit transactions, filed phone calls to answer public questions, coordinate site visits with authorized parties, and general coordination with County Sheriff, fire authority, or others as needed. Data entry and basic bookkeeping. Meetings with the public, authorized parties, and contractors other than site visits enumerated above.

Easement Holder: Expense to cover the easement holder's costs related to easement oversight, including an annual site visit and administrative costs.

Audit: Budget allocation for an audit of the financial records, if needed, every 5 years.

Legal Assistance: Budget allocation for consultations, document review, and responses to legal queries, if needed.

Insurance: Cost of a liability insurance policy covering accidents on the site and professional insurance against lawsuits pertaining to the conservation easement or Bank Enabling Instrument.

D.3 Contingency

A contingency for a fire is included in this section. It includes the cost of site visits and assessment, undertaking invasives control, and infrastructure repair, as needed, in the event of fire. A budget allocation of ten (10) percent of the budget for tasks A.1 through D.2 to cover unforeseen expenses.

III. FINANCIAL SUMMARY

The summary of Endowment Funds budget amounts (in dollars) is as follows:

Table 1: Summary of Endowment Funds Budget Allocations	
Long-term Management Endowment Fund	
Recurring Costs	13,900
Annual Ongoing Financial Requirements	
Contingency	1,850
Fire Recovery Contingency (\$6,900 over 15 years)	
Management Contingency (10%)	
Total Annual Costs	15,750
Conservation Easement Endowment Fund	
Operations	705
Reporting	660
Contingency (10%)	135
Total Annual Budget	1,500
Total Endowment Funds Amount	17,250

Please see Sections IV and V for detailed costs information.

Endowment Funds Requirements

Two endowment funds are provided. The Long-term Management Endowment Fund covers the annual management and reporting associated with the WRCB. The Conservation Easement Endowment Fund provides a separate budget for the site visit and report to be provided by the conservation easement holder. The endowment for the Long-term Management Endowment Fund is \$370,590. The endowment for the Conservation Easement Endowment Fund is \$44,120. The total endowment in both funds is \$414,710. Both funds include contingencies of 10%. Endowment contributions for each credit sold will be a minimum of \$5,925. The budgets are detailed in Section IV, Long-term Management Endowment Fund and Section V, Conservation Easement Endowment Fund –Schedule of Tasks and Costs.

IV: LONG-TERM MANAGEMENT ENDOWMENT FUND ANALYSIS – SCHEDULE OF TASKS AND COSTS (In Dollars)

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) (Sheet 1/5)								
#	General Bank Management/Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit (s) ¹	Cost	Frequency	Schedule	Annual Cost
1	<i>Element A.1 Covered Habitat</i>							
2	Monitor covered habitat	Annually mapping, assess extent, density, recruitment, senescence. Take reference photos	1 survey	2500	2500	Every 5 years	April/May	500
3	<i>Elements A.2 Threatened/Endangered Plant Species Monitoring—Palmer’s Goldenbush</i>							
4	Monitor species	Review factors such as extent, density, recruitment, senescence	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330
5	<i>Element A.3 Threatened/Endangered Animal Species Monitoring – California Gnatcatcher</i>							
6	Monitor species	Protocol presence/absence survey or survey otherwise agreed to with Wildlife Agencies required to verify “occupancy” of the habitat.	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 2/5)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
7	Element A.4 Other Covered Species							
8	Monitor covered species	Walking survey, mapping, photos, notes	1 survey ¹	2000	2000	Every 5 years	April/May	400
9	<i>Element A.5 Assess Invasive Species, Trespass, and Fence</i>							
10	Monitor invasives growth, presence of trash, trespass, gate and fence conditions	Walking survey. Map and designate areas for attention. Coordinate activities to correct deficiencies.	8	50	400	Quarterly	Spring, Summer, Fall	1600
11	Invasives removal	Hand labor—landscape tender	36	30	1140	Annually	Spring/Summer	1140
12	Trash removal, clean-up	Hand labor—laborer 1	14	50	700	Annually	As needed	700
13	Repair fences	Hand labor—fence builder	8	50	400	Annually	As needed	400

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 3/5)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
14	<i>Element B.1 Fire Hazard Reduction</i>							
15	Fire hazard assessment and contracting	Survey, contract, supervise	3	60	180	Annually	As needed	180
16	Contract cutting to trim, remove vegetation along Willow Road	Hand labor	8	40	320	Annually	As needed	320
17	<i>Element C.1 Fences and Gates</i>							
18	Replace fencing	Materials and labor	2300 feet	2	4600	25	On-going	180
19	Gate replacement	Materials and labor	800	800	800	10	On-going	80

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 4/5)

#	General Bank Management & Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
20	Element D.1 Reporting							
21	Annual Report	Organize and analyze data. Include mapping, photos. Format into annual report	10	50	500	Annually	Due March 15 for previous year	500
22	Five Year Report	Evaluate attainment of long term objectives, recommend changes to monitoring. Report on status of MSCP-protected species	6	50	300	Every 5 years	Due March for previous 5 years	60
23	Vehicles and supplies	Drive to and from site	120 miles	1	120	Annually	As needed	120
24	Element D.2 Administration							
25	Accounting	Data entry, bookkeeping, process paperwork	28	40	1120	Annually	As needed	1120
26	Community outreach	Respond to public inquiries, attend meetings	4	50	200	Annually	As needed	200

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 5/5)								
#	General Bank Management & Monitor Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
27	Audit	Accounting review	1	900	900	Every 3 years	As needed	300
28	Legal assistance	Consultation, document review	1	500	500	Annually	As needed	500
29	Liability insurance	Indemnify accidents	1	1200	1200	Annually	As needed	1200
Sub-total								13,900
30	Contingency for recovery from fire	Site visit and assessment. Undertake invasives control, infrastructure repair, as needed	1	6900	6900	Every 15 years	As needed	460
31	Contingency for other unanticipated expenses	Expenses over and above budget amounts allocated above. Additional expenses not foreseen	10% of subtotaled budget	1520	1520	Annually	As needed	1390
Total								15,750
Current Capitalization Rate 4.25%								
Total Endowment for Long Term Management								370,590

Notes:

¹ Prevailing wage data from State of California, Department of Industrial Relations, Director's General Prevailing Wage Determinations: 2015-1 General Prevailing Wage Determinations menu (journeyman). See dir.ca.gov/oprl/DPreWageDetermination.htm. Classifications used in this report are: Landscape Tender, Laborer Group 1, and Fence Builder (Carpenter) Note: for repair only. Fence replacement is inclusive of labor.

<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>
3,4,6	Estimates by project biological for surveys noted.	10	Four hours per visit for professional services and developing locational information for clearing, repair	11	Hand labor to remove invasives includes removal from site. Assumes two workers at 2 8-hour days. Uses
12	Hand labor to remove trash, Includes removal from site. Assumes two workers at one 7-hour day.	13	Assumes semi-skilled labor to repair fences. Includes one 8-hour day.	15	Assumes 3 management hours to assess and mark area along Willow road needed for removal, plus time to contract for work
16	Hand labor to clear marked areas along Willow Road. 2 persons for 4 hours	18	Fencing costs for high tensile wire, based on April 2015 assessment of fencing costs (installed) using web resources	19	Gate replacement for chain link based on April 2015 use of web resources
21	Ten hours to collect data from the year and organize into a report format.	22	Review previous data, summarize and prepare report. Compensation based on skilled administrative position	23	Based on 20 mile round trip to site four times a year.
25	Basic bookkeeping based on 4 hours per quarter.	26	Time allocated to answering inquiries about the site, attending one meeting a year as needed	27	Contingency for audit if required, or periodically assess book keeping.
28	Contingency for legal review of documents such as sales agreements, consultation as needed	29	Insurance cost based on April 2015 estimate from local insurance agency	30	Contingency to fund evaluation, clean-up, re-fencing in event of a fire. Frequency assumed to be 15 years.
31	Contingency to fund unanticipated expenses or higher expenses in already defined categories.				

V: CONSERVATION EASEMENT ENDOWMENT FUND ANALYSIS –SCHEDULE OF TASKS AND COSTS (In Dollars)

Operations covers an annual site visit and administrative costs. Reporting covers the annual report provided by the conservation easement holder to the IRT and Owners. Budget based on data provided by the Fallbrook Land Conservancy.

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 1/3)								
#	General Bank Monitoring and Reporting	Description	Level of Effort (Hrs or as noted)	Cost/ Unit	Cost	Frequency	Schedule	Annual Cost
1	Operations¹							
2	Monitoring	Monitoring conservation easement on annual basis	6	45	270	Annually	April/May	270
3	Photo documentation	Photos from established photo points for inclusion in reports and to establish record of site conditions	2	45	90	Annually	During site visit	90
4	Audit	CPA audit	1	45	45	Annually	April/May	45
5	Insurance	General liability	1 % of policy cost	36	36	Annually	As required	37
6	Insurance	Professional liability	1 % policy cost	35	35	Annually	As required	35

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 2/3)

#	General Bank Management /Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
7	Conservation Easement Defense Fund	Terrafirma Risk Retention Group insurance	Annual fee	60	60	Annually	As required	60
8	Project Accounting	Book keeping	2	45	90	Annually	As required	90
9	Travel	Mileage to and from site	130 miles	0.60	78	Annually	As needed	78
Sub-total								705

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (Sheet 3/3)									
#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost	
10	Reporting ¹								
11	Annual Report	Summary of site visit, photo documentation and recommendations	8	60	480	Annually	As needed	480	
12	Database Management	Data input	4	45	180	Annually	As needed	180	
13	Sub-total							660	
14	Management contingency	Account for unanticipated expenses of expenses greater than budgeted				Annually	As needed	135	
15	TOTAL								1500
Estimated endowment		Calculated at 0.034 % interest						44,120	

Exhibit C-3

Willow Road Conservation Bank

Instructions and Forms for Submission or Disbursement of Funds

and San Diego Foundation Agreement

Submission and disbursement of Funds shall be subject to the Fund Agreements between the Owners and the San Diego Foundation (TSDF). For ease of reference, draft agreements are provided in Attachment A, Willow Road Conservation Bank Long-Term Management Endowment Fund, and Attachment B, Willow Road Conservation Bank Conservation Easement Endowment Fund.

Submission of Funds

Funds for the Willow Road Conservation Bank (WRCB) Endowments shall be provided by the Owners to TSDF in the form of a check payable to The San Diego Foundation for deposit into the designated accounts for the WRCB. The account designation shall be one of the following:

Long-term Management Endowment Fund

Conservation Easement Endowment Fund

Disbursement of Funds

Earnings allocated by TSDF to the Funds shall be distributed exclusively for charitable, scientific, literary or educational purposes per the agreement between the WRCB and TSDF (included as Attachments A and B).

Disbursements shall be made to the Faith Mountain Pentecostal Church on behalf of the WRCB, The Fallbrook Land Conservancy, or such other permissible distributees as are agreed to in writing by WRCB and TSDF.

Allocation of earnings will be made semi-annually in March and September in an amount to cover half of the operating budget of the WRCB, which is the budget which has been established in Exhibit the Long-term Management Plan, up to the amount of earnings available for that period.

Distributable earnings available over and above maintenance expenses for a given period will be reinvested if the Habitat Manager requests it in writing 30 days prior to disbursement. Earnings reinvested become a part of principal and cannot be accessed in the future for distribution.

A fund statement will be provided to WRCB by TSDF quarterly indicating the amount of the principle, appreciation, the distribution amount, and the amount to be reinvested if any.



FUND AGREEMENT for the

Willow Road Conservation Bank Long-Term Management Endowment Fund (a Designated Mitigation Endowment fund)

THIS AGREEMENT is made and entered into on <Date>, by and between THE SAN DIEGO FOUNDATION ("TSDF") and Paul Bertram, Connie Bertram, and Faith Mountain Pentecostal Church ("Founders" or "Project Proponents").

RECITALS

- A. Project Proponent executed a certain Conservation Bank Enabling Instrument with California Department of Fish and Wildlife (the "Agency") dated <Date of Agreement> (the "Agency Agreement") regarding the appropriate management and maintenance of certain open space land and/or open space easements which total 71.06 acres (hereinafter referred to as the "Property"). Pursuant to the Agency Agreement, Project Proponent is responsible for the long-term stewardship of the Property in accordance with the requirements of that certain Long-Term Management Plan ("Willow Road Conservation Bank Long-Term Management Plan") dated February 2015 (the "LTMP").
- B. Pursuant to the Agency Agreement, the Project Proponent is obligated to create an endowment fund for the long-term management of the property in the amount of \$370,590 representing a principal amount that, when managed and invested, is reasonably anticipated to cover the funding needs of the long-term stewardship and monitoring of the Property. This endowment has been established to be held, managed, invested and disbursed by TSDF solely for, and permanently restricted to, the stewardship of the Property.
- C. Pursuant to the Agency Agreement, Faith Mountain Pentecostal Church (the "Project Proponent") is obligated to manage the Property for conservation purposes in accordance with the LTMP. The Project Proponent is a California nonprofit public benefit corporation or government agency, and it is an organization described in Section 170(c)(1) or (2) of the Internal Revenue Code.

- D. To facilitate the matters described in Recital B, Founders are entering into this Agreement.

DEFINITIONS

The following terms, as used in this Agreement, shall be defined as follows:

- (1) Agency: The lead governmental entities issuing a permit for the mitigation project and requiring the establishment of the mitigation endowment.
- (2) Project Proponents: The entities proposing the mitigation project to Agency for approval and issuance of permit. In this Agreement, the Project Proponents are the Founders and such terms may be used interchangeably.
- (4) Property: Fee title land or any partial interest in real property, including a conservation easement, conveyed pursuant to a mitigation requirement by the Agency or other agency.
- (5) Long-Term Management Plan (LTMP): The plan describing the management activities to be performed on the Property.
- (6) Agency Agreement: The agreement between Agency, Project Proponent and Easement Holder by which these entities agree to terms which include the LTMP and/or Conservation Easement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. NAME OF FUND

Project Proponent transfers assets irrevocably to TSDF to establish in TSDF the Willow Road Conservation Bank Long-Term Management Endowment Fund (the "Fund") as an endowment for the purpose described in paragraph 2 below. An endowment is a permanent fund. Endowment funds are pooled for maximum benefit and invested to achieve long-term capital growth. Contributions are irrevocable and become assets of The San Diego Foundation. As an endowment fund for the purpose described in Paragraph 2 below, the Fund shall be operated and administered in accordance with (i) Sections 65965, 65966, 65967 and 65968 of the California Government Code and (ii) the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501 et seq. ("UPMIFA"), except to the extent TSDF may adhere, from time to time, to

more rigorous standards or requirements than those proscribed by UPMIFA. Expenditures from the Fund shall be made in the manner described for endowment funds under UPMIFA Section 18504. TSDF may receive additional irrevocable gifts of property acceptable to TSDF from time to time from Project Proponent and from any other source to be added to the Fund, all subject to the provisions hereof.

2. PURPOSE

Subject to the limitations of paragraph 4 below, the primary purpose of the Fund shall be to support the **Project Proponent** in furtherance of the long-term stewardship of the Property in accordance with the Agency Agreement. In the event that in the future the **Project Proponent** (i) no longer constitutes an organization described in Sections 170(c)(1) or (2) of the Internal Revenue Code, (ii) becomes subject to bankruptcy proceedings under state or federal law, (iii) liquidates and dissolves or otherwise ceases to exist, (iv) fails to submit to Agency and TSDF in a timely manner (or within such reasonable period as determined by Agency and TSDF) the annual income and expense report (the "Expense Report") along with reimbursement to the Fund of any unused funds from any previous distribution(s) and an annual certification, signed by the President or Chief Financial Officer of the **Project Proponent**, certifying as to the accuracy and completeness, in all material respects, of the Expense Report and the **Project Proponent's** compliance with the requirements imposed upon it under the Agency Agreement (the "Annual Certification"), or (v) proves unable to fulfill substantially all of the duties described in the Agency Agreement as determined by either the Agency or a court of law, then the assets of the Fund shall be applied as described in paragraph 5 below.

3. INVESTMENT OF FUNDS

TSDF shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the "prudent person" standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code.

4. DISTRIBUTEES

Subject to paragraph 5 below, earnings allocated by TSDF to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make

deductible charitable contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue Code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California, or to a government entity acceptable to Agency. Distributions from the Fund shall be within the purposes and procedures of TSDF as contained in its Articles of Incorporation and its Bylaws.

5. DISTRIBUTION

Distributions from the Fund may be made from earnings and so much of the net gains (realized and unrealized) in the fair value of the assets of the Fund as is prudent under the standard established by Section 18504 of UPMIFA. Distributions shall be made to the **Project Proponent** or such other permissible distributees and at such times and in such amounts as may be designated by the Agency Agreement, subject to the approval of the TSDF Board of Governors. Subject to the limitations of Section 18504 of UPMIFA, distributions shall be made each year to the extent needed to cover the management and maintenance expenses for such year in accordance with the requirements of the LTMP; provided, however, TSDF is not, and shall not in the future under any circumstances be deemed to be, a party to either the LTMP or the Agency Agreement. TSDF shall have no liability or responsibility whatsoever for the funding needed to cover such expenses to the extent such funding need is greater than the distributable amount of the Fund. There shall be no requirement that all earnings and net gains be distributed each year; earnings and net gains may be accumulated and added to principal. Earnings and net gains which are accumulated and added to the principal may, however, be distributed in the future as herein provided.

Distributions shall be made to such distributees of the type described in Section 4 above as may be designated by the Board of Governors of TSDF except as modified in accordance with Section 6 below.

In the event TSDF becomes aware that the **Project Proponent** has misused or diverted any monies from the purposes required by the Agency Agreement or any of the events listed in Section 2 above have occurred, TSDF shall (i) immediately cease making any further distributions from the Fund to **Project Proponent**, and (ii) provide Agency with written notice of such misuse or diversion so that TSDF and Agency can take appropriate action, and (iii) if Agency elects to undertake the management and maintenance responsibilities over the Property pursuant to the Agency Agreement, make distributions from

the Fund to Agency or make distributions from the Fund to a distributee designated by Agency and approved the TSDF Board of Governors as described in Section 6 below.

Without limiting the foregoing, all parties hereto acknowledge and agree that distributions from the Fund are to be made only for the stewardship purposes described in Section 2 above, and that the Fund is not intended to provide distributions to address the effects of emergencies or natural disasters.

Unless the Agency Agreement provides that another person or entity shall prepare an annual fiscal report that complies with the requirements set forth in Section 65966(e) of the California Government Code, TSDF shall prepare such an annual fiscal report. Such reports are available via TSDF's website, www.sdfoundation.org.

6. CONTINUITY OF THE FUND

If any of the events referred to in Section 2(i), (ii), (iii), (iv), (v) or Section 5 (iii) above occur, TSDF and Agency shall elect a new nonprofit habitat management organization approved by Agency and the TSDF Board of Governors.

The Fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated for any of the above reasons, TSDF shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- a. are within the scope of the charitable purposes of TSDF's Articles of Incorporation; and,
- b. most nearly approximate, in the good faith opinion of the Board of Governors, of the original purpose of the Fund.

7. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of TSDF. All money and property in the Fund shall be assets of TSDF, and not a separate trust, and shall be subject only to the control of TSDF. Pursuant to Treasury Regulations, the Board of Governors of TSDF has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Treas. Reg. §1.170A-9(e)(11)(v)(B) and (E).

8. COSTS OF THE FUND

Founders understand and agree that the Fund shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against the Fund shall be determined in accordance with the then current Fee Policy identified by TSDF as the fee structure applicable to Funds of this type. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for the Fund shall also be paid from the Fund.

9. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to TSDF.

10. CHARITABLE DEDUCTIONS

TSDF has provided no advice or assurance to Founders as to the tax treatment of the amounts deposited in the Fund. Founders have been advised and given the opportunity to seek independent advice as to such tax treatment.

11. DISCLAIMERS

TSDF shall have no duty of any kind whatsoever to monitor or determine the **Project Proponent's** compliance with the LTMP (including, without limitation, the Agency Agreement) other than to accept receipt, annually, of the Expense Report and the Annual Certification. TSDF shall have no liability whatsoever with respect to the performance of any of the obligations of the **Project Proponent** under the LTMP (including, without limitation, the Agency Agreement). The responsibility for managing and maintaining the Property is limited solely to the **Project Proponent**. TSDF shall have no obligation whatsoever to enforce the terms and provisions of the Agency Agreement. Neither the Agency nor the **Project Proponent** are intended as third party beneficiaries of this Agreement.

12. ATTACHMENTS

If checked below, the attachment(s) so designated shall be incorporated by reference herein and hereby made a part of this Agreement as if fully set forth in this Agreement (provided that the applicable attachments are executed by Founders).

_____ Addendum To Fund Agreement for **Willow Road Conservation Bank Long-Term Management Endowment Fund**

_____ Endowment Distribution Election for Willow Road Conservation
Bank Long-Term Management Endowment Fund

13. CERTIFICATION

Pursuant to California Government Code section 65968(e), TSDF certifies that it meets all of the following requirements:

- a. TSDF has the capacity to effectively manage the Fund;
- b. TSDF has the capacity to achieve reasonable rates of return on the investment of the Fund similar to those of other prudent investors for endowment funds and shall manage and invest the Fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with UPMIFA;
- c. TSDF uses generally accepted accounting practices (GAAP) as promulgated by the Financial Accounting Standards Board or any successor entity;
- d. TSDF will be able to ensure that the Fund is accounted for, and tied to, the Property; and
- e. TSDF has an investment policy that is consistent with UPMIFA.

IN WITNESS WHEREOF, we execute this agreement as of the Effective Date.

Founders:

By: _____
Paul Bertram

By: _____
Connie Bertram

By: _____
<NAME>, Board President
Faith Mountain Pentecostal Church

Approved by the President & CEO of The San Diego Foundation on _____.

By: _____

B. Kathlyn Mead
President & CEO

Enc.: Program Policies



ADDENDUM TO FUND AGREEMENT

for

Willow Road Conservation Bank Long-Term Management Endowment Fund

THIS ADDENDUM TO FUND AGREEMENT is dated as of the same date as the Fund Agreement by and between THE SAN DIEGO FOUNDATION ("TSDF") and **Paul Bertram, Connie Bertram, and Faith Mountain Pentecostal Church** ("Founders" or "Project Proponents") and amends and supplements the Fund Agreement as follows:

14. DISPUTE RESOLUTION

A. Mediation. Founders and TSDF agree to mediate any dispute or claims arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorneys fees, even if they are otherwise available to that party in any such action. Exclusions from this mediation agreement are specified in paragraph **14C** below.

B. Arbitration of Disputes. Founders and TSDF agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be submitted for neutral, non-binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least 20 years of experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with the Code of Civil Procedure Section 1283.85. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Exclusions from this arbitration provision are specified in paragraph **14C** below.

C. Exclusions. Any matter that is within the jurisdiction of any bankruptcy court shall be excluded from mediation and arbitration.

IN WITNESS WHEREOF, we execute this agreement as of the Effective Date.

Founders:

By: _____
Paul Bertram

By: _____
Connie Bertram

By: _____
<NAME>, Board President
Faith Mountain Pentecostal Church

Approved by the President & CEO of The San Diego Foundation on _____.

By: _____
B. Kathlyn Mead
President & CEO



ENDOWMENT DISTRIBUTION ELECTION for

Willow Road Conservation Bank Long-Term Management Endowment Fund

Allocation of earnings are made semi-annually to each Fund in March and September. Earnings are available for distribution semi-annually, annually, or on request after an allocation period. Distributable earnings will remain distributable unless it is requested that the earnings be reinvested. Earnings reinvested become a part of principal and cannot be accessed in the future for distribution.

It is the **Project Proponent's** responsibility to request that TSDF end reinvestment in the fund with adequate advance notice. For annual distributions, TSDF must be notified 15 months in advance of requested distribution date. For semi-annual distributions, TSDF must be notified 9 months in advance of requested distribution date.

Please check one of the following: (If no selection is made earnings will be held until distribution is requested by founder(s) or advisor(s).)

☐ Please distribute the earnings semi-annually. (March and September)

☐ Please distribute the earnings annually.

Circle one: March or September

☐ Please hold the earnings until distribution is requested.

Please note distributable balance earnings are not credited to the fund.

☐ Please reinvest the earnings.

(This selection can be changed at any time, but becomes effective on July 1 and January 1.)

Paul Bertram

Date

Connie Bertram	Date
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<NAME>, Board President Faith Mountain Pentecostal Church	Date
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PROGRAM POLICIES

1. The San Diego Foundation. The San Diego Foundation ("TSDF") is a California nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC"). TSDF is recognized as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi) and operates as a "community trust" under U.S. Treasury Regulations Section 1.170A-9T(f)(11). All contributions to and assets of TSDF are subject to its Articles of Incorporation, Bylaws and Program Policies. TSDF reserves the right to modify the terms and conditions of its Articles of Incorporation, Bylaws and Program Policies at any time.

2. Donor Advised Funds. As a community foundation, TSDF may establish for its donors a "donor advised fund," which is separately identified by reference to the donor or donors. The fund is owned and controlled by TSDF and the donor or persons appointed by the donor have the privilege of providing advice with respect to the fund's investments or distributions. TSDF has final authority over the distribution of all grants from its donor advised funds, and reserves the right to decline or modify a grant recommendation that is not consistent with these policies or TSDF's charitable purposes. Gifts to a donor advised fund are irrevocable.

3. Other Funds. In addition to donor advised funds, TSDF also establishes scholarship funds (discussed below), agency funds (for the benefit of a specified charity), field of interest funds (for a specified charitable purpose) and habitat funds (to administer funds set aside to maintain ecological preserves). Gifts to these funds are irrevocable.

4. Fund Minimums. Generally, a minimum of \$50,000 is required to establish an agency fund and \$25,000 for all other funds.

5. Providing Grant Advice to Donor Advised Funds. Once a donor advised fund has been established and funded, and as long as it maintains a fund balance of at least \$10,000, the advisor(s) named in the agreement may recommend distributions to qualified charitable organizations. (TSDF staff will perform due diligence to verify that the organization is a current, qualified charity.) The following rules govern grant recommendations:

a. Minimums. Each recommended grant should be for at least \$250.00.

b. Procedure. Unless otherwise restricted as an endowment, grants may be recommended out of the original principal, as well as accumulated investment earnings, if any. Grant recommendations can be made at any time during the year, except for designated endowment funds, which make distributions in March and/or September. A maximum of four (4) grants may be made per year from Agency non-endowment funds. Recommendations can be submitted by mail, facsimile or electronic mail. Forms and instructions for making grant recommendations will be provided upon creation of a fund, as part of an advisor orientation process.

c. Grant Restrictions. The following restrictions apply to grants:

i. No Indirect Benefit. Grants from donor advised funds may not be used to secure any benefit from the grantee for the donor, the advisor or any persons related to them.

ii. Enforceable Pledges. Grants from donor advised funds may not be used to discharge or satisfy a charitable pledge or obligation that is legally enforceable against the donor or any other person.

iii. Event Tickets. Grants from donor advised funds may not be used to pay for goods or services of value received by the donor, advisor or their family members. For example, grants may not be used to support any charitable event, including fundraising dinners, concerts, auctions, or other benefit functions when the donor would receive a return benefit, such as the benefit of being able to attend a fundraising dinner or event. Further, no grants may be used to pay for any portion of a split or bifurcated disbursement to a charity. A split or bifurcated payment refers to the splitting of a payment to a charity, such as for tickets to an event, into two parts: the deductible portion and the non-deductible portion.

iv. Giving to Individuals. Donors may not choose a specific individual to receive a benefit from a grant from a donor advised fund.

v. Prohibited Loans & Compensation. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

d. Restricted Organizations and Purposes. TSDF will not approve grant recommendations that are for non-functionally integrated Type III supporting organizations; supporting organizations that provide support to organizations controlled by the donor, advisor or related persons; supporting organizations that are controlled by the donor, advisor, or related persons; private non-operating foundations; lobbying, political campaigns or other political activities; or any purpose that is not entirely charitable.

e. Remedial Action. TSDF will take remedial action if it discovers that grants have been made for improper purposes. Remedial actions may include, but are not limited to, a requirement that the recipient charity return the grant and/or termination of the donor's advisory privileges.

f. Anti-Terrorism Provisions. As part of the grant review process, TSDF checks all recommended grant recipients against the Treasury Department's List of Specially-Designated Nationals, other U.S. and foreign government watch lists, and the IRS list of organizations whose tax exemption has been suspended under IRC Section 501(p). TSDF will not approve grant recommendations to organizations that appear on such lists.

6. Scholarship Funds. Scholarship funds may have a scholarship advisory committee. All scholarship advisory committee members must be approved by the TSDF's Board of Governors prior to making the first scholarship awards and thereafter annually. The founder may participate on the scholarship advisory committee, provided that neither the founder nor the founder's designees (related parties) may chair the scholarship advisory committee or in any way control the selection process or constitute a majority of the scholarship advisory committee members. In the event the scholarship advisory committee shall cease to be in existence, the Board of Governors of TSDF shall serve as the advisor of the scholarship fund. All scholarships shall be awarded on an objective and nondiscriminatory basis using procedures that have been approved in advance by the Board of Governors of TSDF and that have been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of Section 4945(g) of the Internal Revenue Code of 1986.

7. Income and Estate Tax Deductions. TSDF does not provide any advice or assurance to its donors as to the income tax treatment of amounts deposited in a fund. Donors are advised to seek independent advice as to such income tax treatment.

8. Investments. The fund advisors for endowment funds will have the assets invested in TSDF's Endowment pool. The fund advisors for non-endowment funds with assets in excess of \$25,000 may recommend that the assets of the fund be invested in one of three investment pools (subject to liquidity requirements); information regarding the composition of each investment pool will be provided to the donor at the time the fund is established. Such recommendations are advisory, and TSDF has final authority over the investment of assets in its funds.

9. Fees and Costs. Each fund established at TSDF shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against each fund shall be determined in accordance with the then current fee policy of TSDF as the fee structure applicable to funds of its type. Administrative fees for charitable expenses will be negotiated and incurred based upon the complexity of the transaction. Charitable expenses apply exclusively to Field of Interest or Special Project Funds. In addition, upon receipt of assets upon the death of a donor, a onetime estate fee will be assessed in accordance with the then current fee policy of TSDF. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for a fund shall also be paid from such fund.

10. Provision for Governing Law. These Program Policies, all fund agreements, and any program-related agreement executed by a Donor shall be governed by California law. All gift agreements are deemed to be entered into in the State of California, and all contributions to the TSDF are intended to be administered and managed in the State of California.



FUND AGREEMENT for the

Willow Road Conservation Bank Conservation Easement Endowment Fund (a Designated Mitigation Endowment fund)

THIS AGREEMENT is made and entered into on **<Date>**, by and between THE SAN DIEGO FOUNDATION (“TSDF”) and **Paul Bertram, Connie Bertram, and Faith Mountain Pentecostal Church** (“Founders” or “Project Proponents”).

RECITALS

- A. Project Proponent executed a certain Conservation Bank Enabling Instrument with **California Department of Fish and Wildlife** (the “Agency”) dated **<Date of Agreement>** (the “Agency Agreement”) regarding the appropriate management and maintenance of certain open space land and/or open space easements which total **71.06** acres (hereinafter referred to as the “Property”). Pursuant to the Agency Agreement, Project Proponent is responsible for the **conservation easement monitoring costs** of the Property in accordance with the requirements of that certain Conservation Easement (**“<Reference name?>”**) dated **<Date?>** (the “LTMP”).
- B. Pursuant to the Agency Agreement, the Project Proponent is obligated to create an endowment fund for the monitoring of the conservation easement in the amount of **\$44,120** representing a principal amount that, when managed and invested, is reasonably anticipated to cover the funding needs of the monitoring of the Property. This endowment has been established to be held, managed, invested and disbursed by TSDF solely for, and permanently restricted to, the stewardship of the Property.
- C. Pursuant to the Agency Agreement, **Fallbrook Land Conservancy** (the “Easement Holder”) is obligated to monitor the Property in accordance with the Conservation Easement. The Easement Holder is a California nonprofit public benefit corporation or government agency, and it is an organization described in Section 170(c)(1) or (2) of the Internal Revenue Code.

- D. To facilitate the matters described in Recital B, Founders are entering into this Agreement.

DEFINITIONS

The following terms, as used in this Agreement, shall be defined as follows:

(1) Agency: The lead governmental entities issuing a permit for the mitigation project and requiring the establishment of the mitigation endowment.

(2) Project Proponents: The entities proposing the mitigation project to Agency for approval and issuance of permit. In this Agreement, the Project Proponents are the Founders and such terms may be used interchangeably.

(3) Easement Holder: Nonprofit or governmental entity contracted to hold the Conservation Easement and perform Conservation Easement monitoring.

(4) Property: Fee title land or any partial interest in real property, including a conservation easement, conveyed pursuant to a mitigation requirement by the Agency or other agency.

(5) Conservation Easement: The instrument that identifies the Easement Holder and provides for permanent protection of the property.

(6) Agency Agreement: The agreement between Agency, Project Proponent and Easement Holder by which these entities agree to terms which include the LTMP and/or Conservation Easement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. NAME OF FUND

Project Proponent transfers assets irrevocably to TSDF to establish in TSDF the Willow Road Conservation Bank Conservation Easement Endowment Fund (the "Fund") as an endowment for the purpose described in paragraph 2 below. An endowment is a permanent fund. Endowment funds are pooled for maximum benefit and invested to achieve long-term capital growth. Contributions are irrevocable and become assets of The San Diego Foundation. As an endowment fund for the purpose described in Paragraph 2 below, the Fund shall be operated

and administered in accordance with (i) Sections 65965, 65966, 65967 and 65968 of the California Government Code and (ii) the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501 et seq. (“UPMIFA”), except to the extent TSDF may adhere, from time to time, to more rigorous standards or requirements than those proscribed by UPMIFA. Expenditures from the Fund shall be made in the manner described for endowment funds under UPMIFA Section 18504. TSDF may receive additional irrevocable gifts of property acceptable to TSDF from time to time from Project Proponent and from any other source to be added to the Fund, all subject to the provisions hereof.

2. PURPOSE

Subject to the limitations of paragraph 4 below, the primary purpose of the Fund shall be **to support the Easement Holder in furtherance of the inspection and monitoring of the Property in accordance with the Agency Agreement.** In the event that in the future the **Easement Holder** (i) no longer constitutes an organization described in Sections 170(c)(1) or (2) of the Internal Revenue Code, (ii) becomes subject to bankruptcy proceedings under state or federal law, (iii) liquidates and dissolves or otherwise ceases to exist, (iv) fails to submit to Agency and TSDF in a timely manner (or within such reasonable period as determined by Agency and TSDF) the annual income and expense report (the “Expense Report”) along with reimbursement to the Fund of any unused funds from any previous distribution(s) and an annual certification, signed by the President or Chief Financial Officer of the **Easement Holder**, certifying as to the accuracy and completeness, in all material respects, of the Expense Report and the **Easement Holder’s** compliance with the requirements imposed upon it under the Agency Agreement (the “Annual Certification”), or (v) proves unable to fulfill substantially all of the duties described in the Agency Agreement as determined by either the Agency or a court of law, then the assets of the Fund shall be applied as described in paragraph 5 below.

3. INVESTMENT OF FUNDS

TSDF shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the “prudent person” standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporations Code.

4. DISTRIBUTEES

Subject to paragraph 5 below, earnings allocated by TSDF to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make deductible charitable contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue Code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California, or to a government entity acceptable to Agency. Distributions from the Fund shall be within the purposes and procedures of TSDF as contained in its Articles of Incorporation and its Bylaws.

5. DISTRIBUTION

Distributions from the Fund may be made from earnings and so much of the net gains (realized and unrealized) in the fair value of the assets of the Fund as is prudent under the standard established by Section 18504 of UPMIFA. Distributions shall be made to the **Easement Holder** or such other permissible distributees and at such times and in such amounts as may be designated by the Agency Agreement, subject to the approval of the TSDF Board of Governors. Subject to the limitations of Section 18504 of UPMIFA, distributions shall be made each year to the extent needed to cover the management and maintenance expenses for such year in accordance with the requirements of the **Agency Agreement**; provided, however, TSDF is not, and shall not in the future under any circumstances be deemed to be, a party to either the Conservation Easement or the Agency Agreement. TSDF shall have no liability or responsibility whatsoever for the funding needed to cover such expenses to the extent such funding need is greater than the distributable amount of the Fund. There shall be no requirement that all earnings and net gains be distributed each year; earnings and net gains may be accumulated and added to principal. Earnings and net gains which are accumulated and added to the principal may, however, be distributed in the future as herein provided.

Distributions shall be made to such distributees of the type described in Section 4 above as may be designated by the Board of Governors of TSDF except as modified in accordance with Section 6 below.

In the event TSDF becomes aware that the **Easement Holder** has misused or diverted any monies from the purposes required by the Agency Agreement or any of the events listed in Section 2 above have occurred, TSDF shall (i)

immediately cease making any further distributions from the Fund to **Easement Holder**, and (ii) provide Agency with written notice of such misuse or diversion so that TSDF and Agency can take appropriate action, and (iii) if Agency elects to undertake the **monitoring** responsibilities over the Property pursuant to the Agency Agreement, make distributions from the Fund to Agency or make distributions from the Fund to a distributee designated by Agency and approved the TSDF Board of Governors as described in Section 6 below.

Without limiting the foregoing, all parties hereto acknowledge and agree that distributions from the Fund are to be made only for the stewardship purposes described in Section 2 above, and that the Fund is not intended to provide distributions to address the effects of emergencies or natural disasters.

Unless the Agency Agreement provides that another person or entity shall prepare an annual fiscal report that complies with the requirements set forth in Section 65966(e) of the California Government Code, TSDF shall prepare such an annual fiscal report. Such reports are available via TSDF's website, www.sdfoundation.org.

6. CONTINUITY OF THE FUND

If any of the events referred to in Section 2(i), (ii), (iii), (iv), (v) or Section 5 (iii) above occur, TSDF and Agency shall elect a new nonprofit **Easement Holder** organization approved by Agency and the TSDF Board of Governors.

The Fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated for any of the above reasons, TSDF shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- a. are within the scope of the charitable purposes of TSDF's Articles of Incorporation; and,
- b. most nearly approximate, in the good faith opinion of the Board of Governors, of the original purpose of the Fund.

7. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of TSDF. All money and property in the Fund shall be assets of TSDF, and not a separate trust, and shall be subject only to the control of TSDF. Pursuant to Treasury Regulations, the Board of Governors of TSDF has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of

Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.” Treas. Reg. §1.170A-9(e)(11)(v)(B) and (E).

8. COSTS OF THE FUND

Founders understand and agree that the Fund shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against the Fund shall be determined in accordance with the then current Fee Policy identified by TSDF as the fee structure applicable to Funds of this type. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for the Fund shall also be paid from the Fund.

9. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to TSDF.

10. CHARITABLE DEDUCTIONS

TSDF has provided no advice or assurance to Founders as to the tax treatment of the amounts deposited in the Fund. Founders have been advised and given the opportunity to seek independent advice as to such tax treatment.

11. DISCLAIMERS

TSDF shall have no duty of any kind whatsoever to monitor or determine the **Easement Holder**’s compliance with the **Conservation Easement** (including, without limitation, the Agency Agreement) other than to accept receipt, annually, of the Expense Report and the Annual Certification. TSDF shall have no liability whatsoever with respect to the performance of any of the obligations of the **Easement Holder** under the **Conservation Easement** (including, without limitation, the Agency Agreement). The responsibility for **inspecting and monitoring** the Property is limited solely to the **Easement Holder**. TSDF shall have no obligation whatsoever to enforce the terms and provisions of the Agency Agreement. Neither the Agency nor the **Easement Holder** are intended as third party beneficiaries of this Agreement.

12. ATTACHMENTS

If checked below, the attachment(s) so designated shall be incorporated by reference herein and hereby made a part of this Agreement as if fully set forth in

this Agreement (provided that the applicable attachments are executed by Founders).

_____ Addendum To Fund Agreement for Willow Road Conservation Bank Conservation Easement Endowment Fund

_____ Endowment Distribution Election for Willow Road Conservation Bank Conservation Easement Endowment Fund

13. CERTIFICATION

Pursuant to California Government Code section 65968(e), TSDF certifies that it meets all of the following requirements:

- a. TSDF has the capacity to effectively manage the Fund;
- b. TSDF has the capacity to achieve reasonable rates of return on the investment of the Fund similar to those of other prudent investors for endowment funds and shall manage and invest the Fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with UPMIFA;
- c. TSDF uses generally accepted accounting practices (GAAP) as promulgated by the Financial Accounting Standards Board or any successor entity;
- d. TSDF will be able to ensure that the Fund is accounted for, and tied to, the Property; and
- e. TSDF has an investment policy that is consistent with UPMIFA.

IN WITNESS WHEREOF, we execute this agreement as of the Effective Date.

Founders:

By: _____
Paul Bertram

By: _____
Connie Bertram

By: _____
<NAME>, Board President
Faith Mountain Pentecostal Church

Approved by the President & CEO of The San Diego Foundation on _____.

By: _____

B. Kathlyn Mead
President & CEO

Enc.: Program Policies



ADDENDUM TO FUND AGREEMENT

for

Willow Road Conservation Bank Conservation Easement Endowment Fund

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<NAME>, Board President
Faith Mountain Pentecostal Church

Approved by the President & CEO of The San Diego Foundation on _____
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By: _____
B. Kathlyn Mead
President & CEO



ENDOWMENT DISTRIBUTION ELECTION for

Willow Road Conservation Bank Endowment Fund

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Please check one of the following: (If no selection is made earnings will be held until distribution is requested by founder(s) or advisor(s).)

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☐ Please distribute the earnings annually.

Circle one: March or September

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Please note distributable balance earnings are not credited to the fund.

☐ Please reinvest the earnings.

(This selection can be changed at any time, but becomes effective on July 1 and January 1.)

Paul Bertram

Date

Connie Bertram	Date
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<NAME>, Board President Faith Mountain Pentecostal Church	Date
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2. Donor Advised Funds. As a community foundation, TSDF may establish for its donors a "donor advised fund," which is separately identified by reference to the donor or donors. The fund is owned and controlled by TSDF and the donor or persons appointed by the donor have the privilege of providing advice with respect to the fund's investments or distributions. TSDF has final authority over the distribution of all grants from its donor advised funds, and reserves the right to decline or modify a grant recommendation that is not consistent with these policies or TSDF's charitable purposes. Gifts to a donor advised fund are irrevocable.

3. Other Funds. In addition to donor advised funds, TSDF also establishes scholarship funds (discussed below), agency funds (for the benefit of a specified charity), field of interest funds (for a specified charitable purpose) and habitat funds (to administer funds set aside to maintain ecological preserves). Gifts to these funds are irrevocable.

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c. Grant Restrictions. The following restrictions apply to grants:

i. No Indirect Benefit. Grants from donor advised funds may not be used to secure any benefit from the grantee for the donor, the advisor or any persons related to them.

ii. Enforceable Pledges. Grants from donor advised funds may not be used to discharge or satisfy a charitable pledge or obligation that is legally enforceable against the donor or any other person.

iii. Event Tickets. Grants from donor advised funds may not be used to pay for goods or services of value received by the donor, advisor or their family members. For example, grants may not be used to support any charitable event, including fundraising dinners, concerts, auctions, or other benefit functions when the donor would receive a return benefit, such as the benefit of being able to attend a fundraising dinner or event. Further, no grants may be used to pay for any portion of a split or bifurcated disbursement to a charity. A split or bifurcated payment refers to the splitting of a payment to a charity, such as for tickets to an event, into two parts: the deductible portion and the non-deductible portion.

iv. Giving to Individuals. Donors may not choose a specific individual to receive a benefit from a grant from a donor advised fund.

v. Prohibited Loans & Compensation. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

d. Restricted Organizations and Purposes. TSDF will not approve grant recommendations that are for non-functionally integrated Type III supporting organizations; supporting organizations that provide support to organizations controlled by the donor, advisor or related persons; supporting organizations that are controlled by the donor, advisor, or related persons; private non-operating foundations; lobbying, political campaigns or other political activities; or any purpose that is not entirely charitable.

e. Remedial Action. TSDF will take remedial action if it discovers that grants have been made for improper purposes. Remedial actions may include, but are not limited to, a requirement that the recipient charity return the grant and/or termination of the donor's advisory privileges.

f. Anti-Terrorism Provisions. As part of the grant review process, TSDF checks all recommended grant recipients against the Treasury Department's List of Specially-Designated Nationals, other U.S. and foreign government watch lists, and the IRS list of organizations whose tax exemption has been suspended under IRC Section 501(p). TSDF will not approve grant recommendations to organizations that appear on such lists.

6. Scholarship Funds. Scholarship funds may have a scholarship advisory committee. All scholarship advisory committee members must be approved by the TSDF's Board of Governors prior to making the first scholarship awards and thereafter annually. The founder may participate on the scholarship advisory committee, provided that neither the founder nor the founder's designees (related parties) may chair the scholarship advisory committee or in any way control the selection process or constitute a majority of the scholarship advisory committee members. In the event the scholarship advisory committee shall cease to be in existence, the Board of Governors of TSDF shall serve as the advisor of the scholarship fund. All scholarships shall be awarded on an objective and nondiscriminatory basis using procedures that have been approved in advance by the Board of Governors of TSDF and that have been designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of Section 4945(g) of the Internal Revenue Code of 1986.

7. Income and Estate Tax Deductions. TSDF does not provide any advice or assurance to its donors as to the income tax treatment of amounts deposited in a fund. Donors are advised to seek independent advice as to such income tax treatment.

8. Investments. The fund advisors for endowment funds will have the assets invested in TSDF's Endowment pool. The fund advisors for non-endowment funds with assets in excess of \$25,000 may recommend that the assets of the fund be invested in one of three investment pools (subject to liquidity requirements); information regarding the composition of each investment pool will be provided to the donor at the time the fund is established. Such recommendations are advisory, and TSDF has final authority over the investment of assets in its funds.

9. Fees and Costs. Each fund established at TSDF shall share a fair portion of the total administrative costs of TSDF. The administrative cost annually charged against each fund shall be determined in accordance with the then current fee policy of TSDF as the fee structure applicable to funds of its type. Administrative fees for charitable expenses will be negotiated and incurred based upon the complexity of the transaction. Charitable expenses apply exclusively to Field of Interest or Special Project Funds. In addition, upon receipt of assets upon the death of a donor, a onetime estate fee will be assessed in accordance with the then current fee policy of TSDF. Any costs to TSDF in accepting, transferring or managing property donated to TSDF for a fund shall also be paid from such fund.

10. Provision for Governing Law. These Program Policies, all fund agreements, and any program-related agreement executed by a Donor shall be governed by California law. All gift agreements are deemed to be entered into in the State of California, and all contributions to the TSDF are intended to be administered and managed in the State of California.

EXHIBIT C-4:

**INTERIM MANAGEMENT PLAN
FOR THE
Willow Road Conservation Bank**

Lakeside, California

PREPARED FOR

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TABLE OF CONTENTS

	Page
1.0 PURPOSE AND GOALS OF THE PLAN.....	1
1.1 Areas of Responsibility.....	1
1.2 Project Impacts.....	3
1.3 Areas Conserved	3
2.0 PROJECT SUMMARY	3
2.1 Project Location	3
2.2 Description of the Proposed Action	3
2.3 Current Environmental Setting	3
2.3.1 Plant Communities.....	4
2.3.2 Flora and Fauna.....	4
2.3.3 Special Status Species.....	5
3.0 AGENCY CONCERNS AND REQUIREMENTS	6
4.0 ADMINISTRATIVE STRUCTURE AND FUNDING MECHANISM	6
4.1 Qualifications of the Habitat Manager	7
4.2 Conservation Area.....	7
4.3 Easement Dedication.....	7
4.4 Funding Mechanism.....	8
5.0 CONSERVATION BANK PROTECTION	9
5.1 Owner Responsibilities	9
5.2 Bank Manager Responsibilities.....	11
5.3 Conservation Easement and Grantee Responsibilities.....	12
6.0 CONSERVATION BANK MANAGEMENT AND MONITORING	12
6.1 Adaptive Management	12
6.2 Management and Monitoring Summary	13
6.2.1 A. Biology	13
6.2.2 B. Security, Safety, and Public Access	16
6.2.3 C. Infrastructure and Facilities.....	17
6.2.4 D. Reporting and Administration.....	17
7.0 CONSERVATION BANK GUIDELINES.....	18
7.1 Prohibited Activities.....	18
7.2 Management of Invasive and Exotic Species.....	20
7.2.1 Exotic Plant Control.....	20
7.2.2 Exotic Animal Control	21

	Page
8.0 NON-HABITAT MANAGEMENT CONCERNS	22
8.1 Trash/Graffiti Removal and Vandalism Repair	22
8.2 Collecting, Removal, or Disturbance of Conservation Bank Features	22
8.3 Removal of Hazardous Materials.....	23
8.4 Encampments and Unauthorized Encroachments.....	23
8.5 Easements.....	23
8.6 Disturbed and Developed Areas.....	23
8.7 Maintenance of WRCB Fencing, Signage, Gates, and Locks.....	24
8.8 Access	24
8.9 Public Awareness	25
8.10 Fire	25
9.0 CONSERVATION BANK MONITORING	25
9.1 Long-term Monitoring	25
9.2 Baseline Inventory	25
9.3 Tracking Changes within the Conservation Bank	26
10.0 MULTIPLE SPECIES CONSERVATION PROGRAM – COVERED SPECIES MONITORING	26
10.1 Content of Monitoring Reports	27
11.0 TRAIL MAINTENANCE.....	28
12.0 LIST OF PREPARERS.....	28
13.0 CERTIFICATION.....	29

LIST OF FIGURES

	Page
Figure 1 Regional Location	31
Figure 2 Aerial Photograph	33
Figure 3 Plant Communities Map.....	35
Figure 4 Onsite Soils	37
Figure 5 Fencing and Signage Plan	39

LIST OF TABLES

	Page
Table 1 Plant Communities Represented Onsite.....	6
Table 2 Interim Management Schedule	41

1.0 PURPOSE AND GOALS OF THE PLAN

The goal of this Interim Management Plan (IMP) is to develop a process for establishing, maintaining, and conserving the natural habitats existing on 70.00-acres of a 71.06-acre property located north of Willow Road in the Lakeside area of unincorporated San Diego County, hereinafter known as the Willow Road Conservation Bank (WRCB). The 0.9 acres of Disturbed land and 0.16 acres of an existing easement and fire clearing area have been excluded. The site consists of 57.2 acres of California Gnatcatcher/Diegan Coastal Sage Scrub habitat. The IMP will remain in effect from the establishment of the WRCB until the third anniversary of the full funding of the long-term endowment. The project site is home to various special status species, including one federally-listed sensitive species, the Coastal California Gnatcatcher (*Polioptila californica californica*, gnatcatcher). The purpose of this document is to establish a program of baseline assessments, management, monitoring, and reporting that will protect these natural habitats and accomplish the goal of maintaining the natural resources located on and/or supported by the property. In addition, the IMP will identify all parties responsible for carrying out these tasks. The applicant is required to prepare this IMP and have it approved by the California Department of Fish and Wildlife (CDFW) referred to hereinafter as the Interagency Review Team (IRT).

1.1 Areas of Responsibility

The current owners of the 71.06-acre property are the Reverend Paul Bertram, Connie Bertram, and Faith Mountain Pentecostal Church (“owners”). Reverend Bertram serves as Bank Sponsor, and will also serve as the Bank Manager to oversee operation of the WRCB property. A Bank Operator will be selected to carry out daily operations and the biological monitoring for the WRCB.

The Bank Sponsor has been involved in the creation of the WRCB from the beginning. The Bank Sponsor has pre-bank closure responsibilities that include, but are not limited to: (1) pre-bank clean-up, (2) implementing a fencing plan, (3) posting the construction and performance securities, (4) funding the endowment, (5) overseeing WRCB management, and (6) ensuring credit sales are in compliance with the Bank Enabling Instrument (BEI) as reported to the CDFW. Upon closure of the WRCB, the Bank Sponsor’s responsibilities associated with the WRCB will terminate. Therefore, all references to the Bank Sponsor in this IMP apply only to that period during which the WRCB is

actively selling conservation credits. After bank closure, the Bank Sponsor's responsibilities will be assumed by land owners.

A Conservation Easement (CE) will be placed over 71.06 acres of the property (the entire WRCB) and conveyed to a CE Grantee, which is the Fallbrook Land Conservancy (FLC). Prior to WRCB opening, the FLC will be responsible for ensuring the CE is recorded on the WRCB, and the WRCB is in good standing with the terms and conditions of the CE. On an ongoing basis, the FLC will be responsible for (1) verifying that the owners have complied with all of the requirements of the IMP and the CE; (2) conducting site visits on the WRCB on an annual basis to ensure the WRCB is being maintained in accordance with the terms of the CE; and (3) submitting an annual monitoring report to the IRT- describing the monitoring activities, and identifying any actions or conditions that may not be in compliance with the CE. (The monitoring report can be either a stand-alone report provided by the FLC or can be provided as an attachment to the yearly monitoring report provided by the Bank Manager); and (4) coordinating with owners on an annual basis to discuss the status of the WRCB and compliance with the CE.

The CE of 71.06 acres includes 0.9 acres of disturbed habitat and 0.15 acres of an existing easement and an additional 0.01 acres of fire clearing that will not receive mitigation credits but will be managed under this IMP. Total credits that can be sold under this agreement are therefore 70.00. Credits classified as "occupied" by the California Gnatcatcher will be limited to the 57.2 acres of California Gnatcatcher /Diegan Coastal Sage Scrub habitat on the site.

As part of the responsibilities of resource management the biological features of the site will be managed and protected in perpetuity. The on-site habitats have been studied, delineated, and quantified so that an accurate accounting can be established for the habitats to be offered as "conservation credits." These credits can be sold to project proponents who seek off-site conservation opportunities to compensate for biological resource impacts associated with projects elsewhere in the vicinity. The purpose of this document is to provide a mechanism to ensure the interim-term viability of the WRCB by identifying monitoring and maintenance activities designed to protect the resource in perpetuity.

1.2 Project Impacts

No project impacts have been found to be associated with the WRCB.

1.3 Areas Conserved

The entire area of the WRCB will be conserved.

2.0 PROJECT SUMMARY

2.1 Project Location

The WRCB is located adjacent to and north of Willow Road and east of Highway 67 in the Lakeside area of unincorporated San Diego County, California (Figure 1). A few homes are located in the general vicinity adjoining the southern portion of the property adjacent to Willow Road. However, most areas adjoining the property support similar native habitats including chaparral, sage scrub, and grasslands (Figures 2 and 3).

2.2 Description of the Proposed Action

The proposed action is to establish a conservation bank to conserve 71.06 acres of natural habitat in perpetuity. The conservation area includes 0.9 acre of disturbed habitat and 0.16 acres of an existing easement that will not receive mitigation credits.

2.3 Current Environmental Setting

The WRCB property is entirely undeveloped, with high-value, gnatcatcher-occupied Diegan Coastal Sage Scrub, Chamise Chaparral, Non-native Grassland, and Riparian habitats (Figure 3 and Table 1). Numerous drainages cross the site, most at the bottom of very steep slopes. Access to the property would be provided from Willow Road. An unmaintained dirt track currently traverses a portion of the property in a generally south to north direction. Slopes are gentle to extremely steep, and elevations on-site range between approximately 480 and 1200 feet above Mean Sea Level (MSL).

Surrounding land uses consist primarily of undeveloped land, residential parcels greater than four acres, and some agricultural uses. Residential housing is located adjacent to the southwest and

southeast corners of the property. South of the site is Willow Road, which runs parallel to a portion of the southern property boundary. The WRCB will preserve connectivity with existing undeveloped and preserved area off site. Figure 2 shows the range of land uses in the area surrounding the project.

The WRCB is located within the Metro-Lakeside-Jamul segment of the County of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan area, under which it is designated as "State and Federal Pre-approved Mitigation Area (PAMA)". For this reason, and because the project site is mapped as "medium" to "very high" value on the MSCP Habitat Evaluation Map, the site is also assumed to be part of a Biological Resource Core Area (BRCA). The project site and off-site areas support Diegan Coastal Sage Scrub, Non-native Grassland, and Disturbed Habitat.

2.3.1 Plant Communities

The 71.06-acre WRCB site supports seven broadly overlapping plant associations, or habitats, as defined by Holland (1996). These are described in detail in the project biology report (Scheidt 2012) (Exhibit G of the BEI). Key habitats consist primarily of Chamise Chaparral, Diegan Coastal Sage Scrub, and Coastal Sage—Chaparral Scrub, with small areas of Southern Willow Scrub, Freshwater Seep, Non-native Grassland, and Disturbed Habitat. The site supports several drainages, the largest of which runs through the center of the site. One sensitive plant, the Palmer's Goldenbush, and six sensitive animal species were detected on the site. Sensitive animals consist of California Gnatcatcher, San Diego Coast Horned Lizard, Southern California Rufous-crowned Sparrow, Golden Eagle, Mule Deer, and Granite Night Lizard.

The WRCB includes 0.9 acres of disturbed habitat and a 0.16-acre easement/fire clearing area that will not receive mitigation credits. The total mitigation credits are therefore 70.00 acres, as listed in Table 1

2.3.2 Flora and Fauna

One hundred and twenty-four species of vascular plants and twenty-nine species of animals were observed during the survey. The plant species observed typify the diversity normally found in mostly-

undisturbed chaparral, sage scrub, grassland, and riparian habitats. A complete list of the plants detected, listed alphabetically, can be found in Table 1 in the project biology report. This list would be expected to represent at least 70 percent of the naturalized plants occurring on this property. The balance (mostly winter-flowering, ephemeral, or inconspicuous annuals) would be detectable at other times of the year.

The animal species detected on the site generally represent common species that are abundant in the site's general vicinity. Some, however, are rare and constitute locally-significant populations or elements of larger populations of their respective species. A list of the animals observed on-site during the site surveys may be found in Table 1 in the project biology report for this project.

2.3.3 Special Status Species

One Special Status ("sensitive") plant and six sensitive animals were observed on the WRCB site. The sensitive plant is Palmer's Goldenbush (*Ericameria palmeri*), a soft-woody shrub. The sensitive animals include Southern California Rufous-crowned Sparrow (*Aimophila ruficeps canescens*), Coastal California Gnatcatcher (*Polioptila californica californica*), San Diego Coast Horned Lizard (*Phrynosoma coronatum blainvillei*) Golden Eagle (*Aquila chrysaetos*), Mule Deer (*Odocoileus hemionus*), and Granite Night Lizard (*Xantusia henshawi henshawi*).

TABLE 1. PLANT COMMUNITIES CREDITS REPRESENTED ONSITE

<u>Habitat</u>	<u>Holland Code</u>	<u>Total Acreage</u>
Chamise Chaparral	37200	9.4
Coastal Scrub — Chaparral Scrub	37G00	0.5
California Gnatcatcher Occupied Diegan Coastal Sage Scrub	32500	57.2
Non-native Grassland	42200	2.9
Total		70.00

3.0 AGENCY CONCERNS AND REQUIREMENTS

Throughout the process of environmental review and certification, the Bank Sponsor has worked with the CDFW in order to ensure that their concerns are adequately addressed. This involved updated surveys for gnatcatchers to identify occupied habitat and areas, detailed habitat mapping, and other various tasks (Figure 3).

4.0 ADMINISTRATIVE STRUCTURE AND FUNDING MECHANISM

The owners of the property are Paul Bertram, Bonnie Bertram, and Faith Mountain Pentecostal Church. One owner, Paul Bertram, has been authorized to act on behalf of the church (Exhibit I) and will also serve as the Bank Sponsor and Bank Manager. The owners will execute and record a perpetual biological CE over the 71.06-acre WRCB. The easement will be in favor of the FLC. The owners have submitted a draft easement to the CDFW for review and approval with this submittal (see Exhibit D-4). The owners will submit the final easement and evidence of its recordation to the CDFW within 60 days of receiving approval of the draft easement. Prior to dedication of the easement, the owners will complete an initial site clean-up, including the removal of any trash, encampments, etc.

The following organizations and individuals will be involved in the implementation of this IMP:

- The property owners, Paul Bertram, Connie Bertram, and Faith Mountain Pentecostal Church, will grant an easement over the 71.06-acre site in favor of the FLC. The owners will be responsible for the implementation of the IMP and will carry out the specified requirements of the IMP.
- One property owner, Paul Bertram, is the Bank Sponsor and has pre-bank closure responsibilities as described elsewhere in this IMP.
- The CDFW will be an approving agency with respect to the WRCB. The CDFW will not be responsible for implementation of the IMP, but will have authority to enforce its terms and conditions. The CDFW also has authority to enforce the terms and conditions of the CE which, among other things, requires compliance with the IMP.

- The owners have designated Paul Bertram as the representative who will function as the WRCB Contact. This individual will coordinate all activities involving the WRCB.
- The FLC will be the grantee of the CE for the 71.06 acre WRCB. Neither the FLC or the CDFW will not be responsible for implementation of the IMP, but will have authority to enforce its terms and conditions. The FLC will be responsible for ensuring that owners are in compliance with the requirements of the IMP and CE.
- The Bank Manager hire a Bank Operator to carry out the day-to-day maintenance and monitoring activities.
- The CDFW will be responsible for holding the Interim Management Security Fund, which will be returned in full if unused at the end of the Interim Management Period.

4.1 Qualifications of the Bank Manager

The Bank Manager will have all of the following qualifications:

- Possession of a B.S. or B.A. or higher degree in ecology, zoology, botany, biology, or closely related field.
- A minimum of five years experience in field biology in San Diego County.
- Demonstrated experience with similar projects or in projects requiring similar skills in San Diego County.
- Possession of a Federal 10(a)(1)(a) Recovery Permit for Coastal California Gnatcatcher.

4.2 Conservation Area

The entire site of 71.06 acres constitutes the conservation area, over which a conservation easement will be placed in favor of the FLC as shown on Exhibit D-4.

4.3 Easement Dedication

Prior to the sale of any conservation credits or similar entitlements, the owners will dedicate a CE to the FLC over the 71.06 acres as shown on the Conservation Bank Map in Exhibit D.

The owners will perform the following tasks prior to certification of the bank and in conjunction with the dedication of the CE to the FLC:

- Pay all recording and related costs.
- Complete an initial clean-up of the property, removing invasives and debris and all other items as deemed necessary by, and to the satisfaction of the IRT. The initial site clean-up activities will be done in such a manner so as not to adversely impact biological resources within the WRCB.
- Provide funding for the installation of necessary fences and signage. Fencing will be “wildlife friendly,” allowing wildlife species to move on and off the property, as shown in Figure 5.
- Install fencing, gate, and signage.
- Supply IRT and FLC with copies of all relevant reports prepared for the project (e.g.; biology reports, cultural resources reports, and Phase I reports).

4.4 Funding Mechanism

The initial site clean-up and baseline survey will be funded by the owners. Within 90 days after approval of the WRCB, the owners will fund the installation of fencing and signage.

Prior to the opening of the WRCB, the owners will fund the Interim Management Security Account for an amount equal to three times the \$17,250 annual budget as detailed in the Interim Management Security Analysis and Schedule (Exhibit C-1). This amounts to \$51,750. CDFW will hold funds for the Interim Management Security Account. The Interim Management Security shall be in the form of a letter of credit or cashier’s check to CDFW. This refundable deposit is to be held as security, as provided in BEI Section VI and will be returned in full if unused at the end of the Interim Management Period.

The owners will provide on-going funding for management expenses as needed until the interim management period ends. Activities to be funded are based on the budget specified in Exhibit C-1, which totals \$17,250 per year. CDFW can draw on the Interim Management Security Account to make up for any shortfall in the funds needed to operate the WRCB in the interim period, as provided in BEI Section VI.

The Interim Management Security Analysis and Schedule (Exhibit C-1) will govern funding until the endowments are fully funded and can provide full support of this IMP for three years and can provide full support for the Long-term Management Plan. Endowments will be used to fund management activities upon closing of the interim management period. Endowments will be funded by the owner or by the sale of conservation credits and interest incurred to cover all perpetual monitoring and maintenance. The Endowment Funds Analysis and Schedule (Exhibit C-2) created for that purpose, and the Long-term Management Plan (Exhibit C-5) provide details about long-term management. The Endowments amount will be \$414,710.

5.0 CONSERVATION BANK PROTECTION

5.1 Owner Responsibilities

The owners' primary responsibilities will be to maintain the integrity of the conserved habitats in the WRCB. In order to fulfill that responsibility, the owners, through the Bank Manager, will:

- Check permanent signs and fencing along the boundary of the open space easement at appropriate locations according to the Conditions of Approval.
- Ensure brush removal or clearing of vegetation (i.e. invasive exotics) does not occur during the avian breeding season, defined as between January 1 and August 31 of any year, unless owners, CDFW, an USFWS determine and concur that no breeding birds would be affected by the clearing activity.
- Employ a CDFW-approved biologist as Bank Manager and coordinate with the Bank Manager regarding that individual's specific responsibilities.

- Be familiar with this IMP and supporting documentation.
- Be responsible for habitat management and public service.
- Maintain all documents transferred by the owners (as noted above) and be knowledgeable of the resources and their locations addressed in these reports.
- Be responsive to any community concerns or problems regarding the WRCB.
- Coordinate with the bank managers of adjacent properties, if any, on management practices and tasks related to preservation and maintenance of the sub-regional open space system. Specifically, this will include activities such as removing exotic and pest species, and ensuring compatibility with the overall open space management plan as prepared by the County as part of the MSCP.
- Work in conjunction with the appropriate fire protection agency on issues such as brush management, emergency vehicle access, and related safety considerations.
- Be responsible for writing or contributing to the annual report, and the five-year monitoring and work plan on the status of the WRCB, and the following year's work plan.
- Be an advocate for the WRCB.
- Require the Bank Manager to document management and maintenance activities and assist with reporting.
- Provide the CDFW, USFWS, and the FLC, and sponsor (pre-bank closure) with copies of all reports required under the WRCB agreements.
- Compile a report of credit sales.

5.2 Bank Manager Responsibilities

The Bank Manager may designate a Bank Operator to carry out the day-to-day maintenance and monitoring activities associated with the interim and long-term management of the WRCB. General tasks are listed below. Specific tasks that correspond to the Interim Management Security Analysis (Exhibit C-1) are spelled out in Section 6.2 Management and Monitoring Summary that follows.

- Compile a baseline species inventory during the first year of biological monitoring and update this list as appropriate with any additional plant and animal species observed during subsequent field surveys.
- Maintain a vegetation map showing current conditions of all lands within the WRCB and a table showing total acreages of all existing habitat-types. Figure 3 is the initial habitat mapping for the site. Plot the locations of any noteworthy sensitive plants or animals on the vegetation map, where applicable.
- Conduct vegetation monitoring, establish specific photo points, take photographs at photo points during regular monitoring visits, and create and maintain a map showing the photo point locations.
- Conduct invasive species monitoring, including invasive species mapping.
- Conduct MSCP Covered Species monitoring, including regular gnatcatcher surveys.
- Supervise any required vegetation removal activities to ensure that the activities do not impact areas of coastal sage scrub, wetlands or other sensitive resources. These activities are anticipated to be limited to fire clearing along Willow Road. The County of San Diego Consolidated Fire Code, Section 4907.2.1 states that up to 20 feet of fire clearing could be required along roadways. To maintain a conservative analysis, a 20 foot strip of land parallel to and immediately north of Willow Road, at the far southern end of the WRCB, has been excluded from receiving bank credits due to possible future fire clearing in this area.

- Document all field visits and notify the WRCB Contact in a timely manner of any concerns or problems and identify potential solutions
- Assist owners with the preparation of the annual report.

5.3 Conservation Easement and Grantee Responsibilities

A conservation easement (CE) will be dedicated over the 71.06-acre site with the FLC named as CE Grantee. Grantee's responsibilities will be to carry out those duties as specified in Section 4 of the CE, which are:

- To ensure that the purposes of this Conservation Easement as described in Section 1 of the CE are being accomplished,
- Perform, at a minimum on an annual basis, compliance monitoring inspections of the Bank Property; and
- Prepare reports on the results of the compliance monitoring inspections, and provide these reports to the Signatory Agency on an annual basis.

6.0 CONSERVATION BANK MANAGEMENT

The effective long-term management of the WRCB site will be focused on controlling access and implementing a proactive monitoring program. Conservation banks supporting mostly undisturbed native vegetation require very little intervention with the exception of the control of invasives, the removal of litter, and the maintenance of fencing and signage. The site will not be open to the general public for recreational purposes.

6.1 Adaptive Management

This IMP will utilize an adaptive management strategy, the overall goal of which is to improve the quality of decisions based on the best available information. Habitat management will be carried out in accordance with a regular schedule of site inspections and biological surveys. These are outlined in Table 2, "Management Schedule" at the end of this document. These inspections and surveys will provide information that will formulate the basis for maintenance activities on the site.

Fire management in the WRCB is one example of how the adaptive management strategy will function. The risk of wildfire in a conservation bank will vary from year to year and from season

to season. The establishment of significant numbers of annual weeds, particularly Eurasian grasses (a problem in itself insofar as it could displace native species), will also increase the risk of wildfire. Other sources of wildfires in a conservation bank include unauthorized encroachments (see Section 8.4, Encampments and Unauthorized Encroachments). An adaptive management strategy will be utilized to identify invasives and remove them.

Familiarizing local residents with the WRCB, its importance, and the need for its protection, can aid in its preservation. It should be noted, however, that the owners will be solely responsible for identifying and implementing long-term and adaptive management of the preserve. Over time, it is essential that decisions made with respect to conservation bank management receive adequate local support, as based on resident input.

6.2 Management and Monitoring Summary

The following Elements and Tasks parallel the categories on the Interim Management Security Analysis and Schedule, Exhibit C-1.

6.2.1 A. Biology

Element A.1 Covered Species Survey

Objective: Monitor, conserve, and maintain the Bank site's covered species.

Task 1: An annual covered species survey will be conducted. It will consist of a site walk-through to note and assess any changes related to the covered species. These changes will include at a minimum presence/absence, location, quantities, and the general conditions of the site and date and time of the walk-through. Any necessary tasks will be identified, prioritized, and implemented as funding is available. The annual survey may be combined with a site visit for the purpose of assessing site security, invasive plants, and trash removal.

Task 2: Assess overall site conditions, note surrounding off-site activities, and impact, if any, on covered habitats. All covered habitats will be examined for extent, density, recruitment, and senescence. Any necessary tasks will be identified, prioritized and implemented. Note if action(s) cited in the previous report as related to covered habitats have been addressed.

Task 3; Note invasion of exotic or deleterious (e.g., thatch producing) species, water quality, fire hazard, and/or other aspects that may be detrimental to covered habitats.

Element A.2 Gnatcatcher Species Monitoring

Objective 1: Monitor population status and trends

Task 1: Conduct a formal protocol presence/absence survey for the California Gnatcatcher or use other methodology acceptable to the U.S. Fish and Wildlife. Surveys will take place at least once every three years.

Objective 2: Manage so as to maintain habitat for the California Gnatcatcher

Task 1: Assess habitat upon which the species depends as part of the annual survey. Maintain habitat at 100 percent of baseline, 57.2 acres, allowing for natural fluxuations in extent and habitat conditions.

Element A.3 Palmer's Goldenbush Monitoring

Objective 1: Monitor population status and trends.

Task 1: Monitor status every three years by conducting population assessment surveys. The survey dates will be selected during the appropriate blooming period and will generally occur from September through November depending on the timing of the blooming period each year. Occupied habitat will be mapped and numbered to allow repeatable data collection over subsequent survey years. Recruitment and senescence will be assessed. Abundance will be assessed semi-quantitatively using broad abundance categories, i.e., 1-20, 21-50, 50-100, > 100

Objective 2: Manage to maintain habitat for Palmer's Goldenbush.

Task 1: Visually observe for changes to occupied habitat, such as changed hydrology (erosion, scour, siltation, etc) or vegetation composition. Record any observed changes.

Task 2: Identify and monitor important habitat characteristics (slope, aspect, hydrology, soils, etc). Prioritize any management tools needed to reverse negative trends (e.g.: removal of any new invasives directly threatening the Palmer's Goldenbush on this site.

Element A.4 Other Covered Species Surveys

Objective 1: Conduct general surveys and make recommendations to conserve and maintain the Bank site's non-target (not Palmer's Goldenbush or California Gnatcatcher) species (covered species), as enumerated in Section III C above

Task 1: Conduct an annual biological walking survey of the site to: (a) assess the status of known covered species in terms of extent, recruitment, and senescence; (b)

identify any new covered species and assess extent, location, and general conditions..

Task 2; Assess overall site conditions, note surrounding off-site activities, and impacts, if any, on covered species. Note if action(s) cited in the previous annual report as related to covered species have been addressed.

Task 3: Assess any new covered species. Assessment to include mapping, extent, density, and recruitment, and senescence characteristics.

Task 4 Assessment will focus on: (a) work necessary to implement protections for covered species, such as invasives removal, fence repair, as enumerated in Element A.5. Any necessary tasks will be identified, prioritized and implemented; (b) assessment and inclusion of any new covered species, and (c) recording and reporting of data as enumerated in Element D.1.

Element A.5 Non-native Invasive Species

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

Objective 1: 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 Bank Manager shall consult the following sources for guidance on what species may threaten the site and on management of those species: Any noxious exotics that become established in the mitigation bank must be manually removed immediately after they are observed. These include (but are not limited to), Giant Wild Reed (*Arundo donax*), Castor Bean (*Ricinus communis*), Salt Cedar (*Tamarix* sp.), Mexican Fan Palm (*Washingtonia robusta*), Pampas Grass (*Cortaderia* sp.), Brazilian Peppertree (*Schinus terebinthifolius*), Hottentot Fig (*Mesembryanthemum edule*), African Fountain Grass (*Pennisetum setaceum*), seedling *Eucalyptus*, *Acacia*, and any other woody plants ranked as “high” priority species in the California Invasive Plant Inventory prepared by the California Invasive Plant Council (Cal-IPC, 2006)..

Task 1: Mapping of non-native invasive species cover or presence shall occur during the first five years of bank management, to establish a baseline. Mapping shall be accomplished through use of available technologies, such as GIS and aerial photography.

Task 2: Walk-through surveys (or a supplemental survey) will be conducted at least four times a year and will include a qualitative assessment (e.g. visual estimate of cover) of potential or observed noxious weeds or other non-native species invasions, primarily in or around the wetlands, and assess erosion. Erosion control measures appropriate to the setting such as the use of straw wattles, will be employed if

needed to address erosion issues. Additional actions to control invasive species will be evaluated and prioritized.

Task 3: Arrange and monitor removal of non-native invasives in accordance with Task 2 above. Use hand removal techniques to avoid disturbance to covered habitats and species.

6.2.2 B. Security, Safety, and Public Access

The WRCB will be fenced and shall 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 WRCB site as deemed appropriate by the Bank Manager and approved by the IRT, but are not specifically funded or a part of this interim management plan.

Potential mosquito abatement issues will be addressed through the development of a plan by the Bank Manager and the mosquito and vector control district in coordination with and approved by the IRT.

Potential wildfire fuels will be reduced as needed by mowing in areas where approved by the IRT.

Element B.1 Trash and trespass

Objective 1: Monitor sources of trash and trespass.

Task 1: Visit site at least four time a year to assess site conditions.

Task 2: During each site visit, record occurrences of trash and/or trespass. Record type, location, and management mitigation recommendations to avoid, minimize, or rectify a trash and/or trespass impact.

Task 3: At least once yearly, collect and remove as much trash and repair and rectify vandalism and trespass impacts.

Objective 2: Collect and remove trash, repair vandalized structures, and rectify trespass impacts.

Task 1: At least once yearly collect and remove as much trash.

Task 2: Repair and rectify vandalism and trespass impacts when noted.

Element B.2 Fire Hazard Reduction

Objective 1: Maintain the site as required for fire control while limiting impacts to biological values.

Task: Mow to reduce vegetation in areas required by authority agency(ies), and as approved by the IRT, for fire control. Fire regulations can require up to 20 feet of fire clearing along Willow Road (County of San Diego, 2011 Consolidated Fire Code, Section 4907.2.1 titled Fuel modification of combustible vegetation from sides of roadways). This area has been deducted from the habitat credit area.

6.2.3 C. Infrastructure and Facilities

Element C.1 Fences and Gates

Objective 1: Monitor condition of fences and gates.

Objective 2: Maintain fences and gates to prevent casual trespass and allow necessary access.

Task 1: During each site visit, record condition of fences and gates. Record location, type, and recommendations to implement fence and/or gate repair or replacement, if applicable.

Task 2: Maintain fences and gates annually or as necessary by replacing posts, wire, and/or gates. Replace fences and/or gates, as necessary, but at least all fencing every 25 years and the gate every 10 years.

6.2.4 D. Reporting and Administration

Element D.1 Reporting

Objective 1: Provide annual report on all management tasks conducted and general site conditions to IRT and any other appropriate parties.

Task 1: Prepare annual report and any other additional documentation. Include (1) a review of the status of the Endowment Fund, (2) proposed work plan for the coming year, (3) photo documentation, and (4) a summary. Complete and circulate to the IRT and other parties by August 15 of each year.

Task 2: Make recommendations 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, fence repair, erosion control), and (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date.

Objective 2: Provide five year report summarizing previous five years of survey work with summary of management tasks conducted and general site conditions to the IRT and any other appropriate parties.

Task 1: Make recommendations with regard to (1) long term enhancement measures deemed to be warranted, (2) any short- or long-term issues than have occurred (e.g.,

change in overall site conditions, changes to land uses near the site), (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date, and (4) evaluate status of MSCP listed species on the site.

Element D.2 Administration

Objective 1: Provide for efficient and effective administrative structure from year to year.

Task 1: Budget for possible legal, accounting, and insurance requirements.

Task 2: Allow for contingencies in the annual budget.

7.0 CONSERVATION BANK GUIDELINES

7.1 Prohibited Activities

Within the WRCB, the following will be prohibited, as required by the Conservation Easement:

- Grading, excavation, or the placement or movement of any soil, sand, rock, gravel, or any other material, except for habitat or species restoration pursuant to an approved plan.
- The clearing or thinning of any vegetation, except for the hand removal of exotic plant species or fuel management for public safety, or by mechanical means if necessary.
- Landscape maintenance activities, such as watering, pruning, or fertilization of the native species, unless determined by the Habitat Manager or the IRT to be necessary.
- The construction, erection, or placement of any building or structure.
- Use of off-road vehicles.
- Use of any other motorized vehicles, except when necessary for the use or maintenance of existing trails or utility easements. The owners will ensure that any vehicular use for easement purposes is limited to the minimum necessary for the allowed easement purpose.

- Dumping of any kind, including the dumping of landscape materials, trash, hazardous waste, or any other materials.
- Planting of any vegetation except as required pursuant to an approved revegetation program.
- Use for any purpose other than those specifically designated in this Management Plan.
- Any other uses that violate the terms of the CE.

The owners will determine the appropriateness of any proposed uses not specifically designated in this IMP. To limit impacts to sensitive biological resources, activities within the WRCB are forever restricted to:

- Biological surveys or studies as authorized by the owners.
- Weeding, trash removal, or other maintenance activities (described in detail subsequently).
- Emergency response by the owners and the appropriate agencies in case of fires, floods, earthquakes, or other natural disasters.
- The use of existing easements by the easement holders.
- Other activities deemed by the owners to be appropriate and necessary to ensure the long-term viability of the WRCB. The IRT will have the right to disallow “other activities” approved by the owners if the IRT believes such uses are not appropriate or necessary to the purposes of the IMP and Long-term Management Plan.

All activities authorized by the owners must be consistent with the goals and objectives of the MSCP.

7.2 Management of Invasive and Exotic Species

Exotic species as defined by the biologist that are found within the WRCB will be removed as soon as possible. Removal will be carried out by trained personnel under supervision of the Bank Manager. The owners will be responsible for the removal of any exotics that occur in the WRCB, including (but not limited to); Giant Wild Reed (*Arundo donax*), Castor Bean (*Ricinus communis*), Salt Cedar (*Tamarix* sp.), Mexican Fan Palm (*Washingtonia robusta*), Pampas Grass (*Cortaderia* sp.), seedling *Eucalyptus*, *Acacia*, *African Fountain Grass* (*Pennisetum setaceum*), *Brazilian Peppertree* (*Schinus terebinthifolius*), *Hottentot Fig* (*Mesembryanthemum edule*), *Cocklebur* (*Xanthium strumarium*), and any other plants ranked as “high” priority species in the California Invasive Plant Inventory prepared by the California Invasive Plant Council (Cal-IPC, 2006). The use of control agents such as herbicides or pesticides will be minimized and used in accordance with manufacturer’s instructions and by a certified applicant. Removal of invasives will be managed so as to not disrupt breeding birds during the breeding bird season (January 1 through August 31), if birds are present.

7.2.1 Exotic Plant Control

Control of exotic and invasive plant species will include the following:

- Quarterly monitoring of the WRCB by the Bank Manager for the occurrence of exotic and invasive species.
- The coordination of the removal of any identified exotic species, using primarily manual weeding methods.
- Any invasives detected in the WRCB will be immediately and completely removed under the supervision of the Bank Manager. Removal during the breeding bird season will require specific measures to protect birds present.

Perennial and biennial exotic plants will be removed by cutting weed stems at or below ground level or pulling seedlings manually. Annual weeds will be manually pulled prior to producing mature seed.

All cuttings or pulled weeds will be exported from the WRCB and disposed of properly. The use of herbicides and pesticides for weed/vector control will be minimized in the WRCB and will be used in accordance with the manufacturer's instructions and by a certified herbicide or pesticide operator.

The Bank Manager will be responsible for assessing weed populations in the WRCB on an ongoing basis. An exotics control action report will be included in the Monitoring Plan to be prepared each year.

7.2.2 Exotic Animal Control

Feral or uncontrolled pet animals, such as dogs and cats, are considered exotic animals in natural areas. Dogs and cats are also known as major predators of native species. Exotic animal control will be initiated as necessary on a case-by-case basis, as follows:

- Predator/pest control will only be implemented to address a specific, identified problem situation.
- The trapping of non-native predators/pests will be limited to strategic locations where determined most feasible to accomplish the goal of removing these animals from the WRCB.
- Predator/pest control methods will be humane. Adequate shade will be provided, and all traps will be checked twice daily.
- Any domestic animals trapped during predator/pest control will be taken to the nearest animal shelter.
- Any predator/pest control activities will be consistent with MSCP guidelines to ensure that the activity complies with the MSCP guidelines, once they are implemented.

- The owners will report to County Animal Control if persistent and chronic problems occur with respect to particular uncontrolled pets being found in the WRCB area.

8.0 NON-HABITAT MANAGEMENT CONCERNS

8.1 Trash/Graffiti Removal and Vandalism Repair

The owners will be responsible for maintaining the general condition of the WRCB by directing the removal of any illegally dumped materials and cleaning up any litter. All maintenance activities within the WRCB will be performed under the supervision of the Bank Manager.

All litter will be removed from the WRCB on a regular basis. During the first year after construction of the barrier fence, litter will be removed every other month or as often as necessary and approved by the owners.

Any graffiti appearing on the fence or wall will be removed as soon as detected. Any vandalism resulting in damage to the walls, fences, signs or resources within the WRCB must be remediated immediately.

8.2 Collecting, Removal, or Disturbance of Conservation Bank Features

The collecting, removal, or relocation of any natural resource from the WRCB (e.g., plants, animals, rocks, etc.) is strictly prohibited. Hunting is also strictly prohibited in the WRCB. Anyone attempting such activities will be informed of the restriction by the owners in a non-confrontational manner. The Bank Manager will report any serious confrontational situations and any chronic offenders to the San Diego County Sheriff's Department and will include the information in reports to CDFW.

The owners, in consultation with the Bank Manager, may allow seed collecting from plants in the WRCB for the purpose of revegetating degraded areas in the WRCB. Any such seed collecting will be performed under the direct supervision of the Bank Manager, during the dry season, and under a written agreement specifying the amounts and localities of collectible materials. The collecting of

seed stock will be limited to the minimum necessary for the revegetation effort and will not seriously deplete the existing vegetation.

8.3 Removal of Hazardous Materials

If identified, hazardous materials must be removed per County-approved procedures. The owners will contact the County of San Diego Environmental Health Service's hazardous materials team for details.

The handling, transport, and disposal of any hazardous materials or hazardous wastes found in the WRCB will be subject to all applicable local, state, and federal regulations. The regulations dictate the qualifications required of the personnel and the type of methods and equipment used. Notification of any toxic spills or unlawful dumping of hazardous wastes in the WRCB will be immediately reported to the owners.

8.4 Encampments and Unauthorized Encroachments

Encampments are prohibited in all open space areas in the County. The owners will regularly survey the site for encampments and report them to the Sheriff. All encampments will be removed from the WRCB upon vacation of the property by the unauthorized persons. Improper or illegal encroachments (such as landscape encroachments into the WRCB by adjacent landowners, play areas, etc.) must be removed as soon as possible, on an as-needed basis.

8.5 Easements

All easements noted in Section 1.1 are excluded from the IMP credit calculations. This consists of a single 15 foot easement to a private party that parallels Willow Road. This area has been excluded from the credit area for the bank.

8.6 Disturbed and Developed Areas

It is the intention of this IMP that all existing disturbed or developed areas be excluded from the mitigation easement credit calculation, other than the 0.9-acre area of disturbed habitat described

above that will not receive mitigation credit. An additional 0.01 acre is subject to fire clearing and will not receive mitigation credit.

8.7 Maintenance of WRCB Fencing, Signage, Gates, and Locks

The WRCB will be protected by a permanent, professionally-installed chain link, high tension wire, or similarly well-constructed fence designed to be of maximum durability, where the owners determine it is needed for site security or to protect the habitat. The fence will be installed following approval of the WRCB. The fence will have a minimum four-foot height with locked entry gates where needed. The purpose of the perimeter fencing will be to prevent intrusion into the open space area and to avoid an attractive nuisance. The installation of this fence will be monitored to completion by the owners. The CDFW-approved fence plan and fence detail are shown on Exhibit G-5.

Permanent, high visibility signs will be placed at 100-foot intervals along all segments of the permanent fence and at 300 foot intervals along the remainder of the project boundary. The text of the sign is presented in Figure 5. Evidence that permanent fencing and signage has been properly installed will consist of a signed, stamped statement from a California Registered Engineer or licensed surveyor verifying that the permanent fence/wall has been placed to protect the WRCB from inadvertent disturbance associated with adjacent grading, brushing, or clearing. Photographs and a brief description of design and materials used will be submitted along with the statement from the California Registered Engineer or licensed surveyor. The specific construction materials and fence designs are subject to approval by the CDFW and the owners.

The WRCB's access gate and lock must be maintained in working order at all times to prevent unauthorized entry into the WRCB. Signs must also be in good condition at all times, and must be replaced, repaired, and/or cleaned as directed by the owners.

8.8 Access

Under normal circumstances, only the owners, Bank Manager or their designated representative, CDFW, USFWS, and the easement holder personnel or their designated representatives will be allowed into the WRCB. Exceptions to this will be in an emergency or as otherwise specified by the

owners. Access to the WRCB will primarily occur during the dry season to avoid potential damage to sensitive biological resources.

8.9 Public Awareness

A notice can be sent to inform neighboring property owners (within 300 feet of the WRCB boundary) of the conservation bank's creation. An annual report reviewing the status of the WRCB will be prepared by the owners, with input from the Bank Manager, and provided to the CDFW, and the local planning group.

8.10 Fire

The East County Fire Protection District will be provided with access to any traversable roads that remain within the property.

9.0 CONSERVATION BANK MONITORING

9.1 Long-term Monitoring

Long-term biological monitoring (Exhibit C-5) of the WRCB will document any changes within the property. The monitoring program will analyze vegetative growth patterns, changes in floristic composition or diversity, and other factors relating to habitat viability. The monitoring program will also determine the need for remedial activities whenever problems are noted. Additionally the conservation easement holder will survey the property at least once a year to ensure the protective measures detailed in the conservation easement document are being followed. This will include a site visit, a walking survey of the site, and reporting of any issues that arise.

9.2 Baseline Inventory

The quality and quantity of the habitat types present within the WRCB will be documented during the first year of biological monitoring. A copy of the baseline species inventory will be included in the first annual report to be submitted to the IRT, and the local planning group (pre-bank closure). This information will be used as a baseline to measure habitat changes resulting from both natural causes and edge effects as well as to evaluate the success of the management effort in the years that follow.

A vegetation map showing current conditions will be maintained for all lands within the WRCB. A table showing total acreages of all existing habitat types will be included on this exhibit. A complete list of all plant and animal species observed (either directly or indirectly by scats, tracks, etc.) during field surveys will also be produced. The locations of any noteworthy sensitive plants or animals detected will be noted on the vegetation map, where practicable. The baseline species inventory will be compiled once during the first year of biological monitoring. This information will be included in all annual reports.

9.3 Tracking Changes Within the Conservation Bank

Any measurable changes within the WRCB that could affect the existing wildlife habitat will be monitored over time. Fixed photo monitoring points will be used to gauge changes over time. Information obtained from tracking changes to the habitat within the WRCB will be used by the owners and Bank Manager to determine specific remediation and recovery, as needed. The WRCB will be visually inspected for changes during all regular monitoring and surveying periods. All remediation/recovery activities will be discussed with the WRCB Contact and IRT prior to implementation. The WRCB will be visually inspected for changes during all regular monitoring and surveying periods.

10.0 MULTIPLE SPECIES CONSERVATION PROGRAM - COVERED SPECIES MONITORING

The Bank Manager will be responsible for evaluating the status of the “covered” species in the WRCB and, upon approval by the owners, will implement protective measures, if necessary, to ensure population viability. Specific tasks have been defined for the surveys to be undertaken, and are provided in Section 6.2 above. Monitoring of MSCP covered species will include the use of specific survey protocols and methodologies, fixed monitoring locations or transects, and species-specific data collection and analysis. The Bank Manager will monitor all of the covered species that are recorded on the WRCB site and will prepare the annual reports to be submitted to the IRT. Reports will include all Geographic Information System (GIS) data layers. Any additional covered species detected in the WRCB during the regular monitoring periods will be incorporated into future monitoring reports.

The status of all covered species populations on site will be assessed at least once every five years. Surveys for other sensitive species will be conducted at appropriate times.

Population survey assessment for the Palmer's Goldenbush and focused surveys for the California gnatcatcher will be performed every three (3) years commencing the third year after approval of the WRCB by the Bank Manager. These surveys will follow recommended survey protocols and can coincide with other site assessments. Surveys will be conducted in the late winter or early spring to best assess the site's carrying capacity. All plant and animal species observed will be recorded during each site survey and included in the annual report.

10.1 Content of Annual Reports

Reports will be prepared annually summarizing the status of the WRCB, the results of the periodic surveys, and all actions taken since the most recent surveys and evaluation. The annual report will summarize the status of the endowment and funds generated, itemize the costs of management actions, and estimated costs for the coming year. The annual report will include a work plan that outlines specific projects and management activities that will be undertaken for the coming year, as well as provide a general habitat assessment and a summary of the status of sensitive species occurring on the property. Copies of these reports will be provided to the CDFW by August 15 of each year.

A vegetation map showing current conditions will be maintained for all lands within the WRCB. A table showing total acreages of all existing habitat types will be included on this exhibit. A complete list of all plant and animal species observed (either directly or indirectly by scats, tracks, etc.) during field surveys will also be produced. The locations of any noteworthy sensitive plants or animals detected will be noted on the vegetation map, where practicable. The baseline species inventory will be compiled once during the first year of biological monitoring. This information will be included in all annual reports.

The reports will document the condition of the WRCB and provide specific recommendations as necessary to manage the WRCB. Reports will be submitted annually in perpetuity. The reports will qualitatively describe site conditions and summarize all WRCB management activities for the prior monitoring period. If any habitats or covered species populations appear to be declining, the report will outline a plan for the recovery of that resource. A map and site photographs from fixed photo documentation points will be provided as part of the monitoring reporting effort. These will clearly depict the height and cover of the native vegetation, condition of the fences and signs, and any problems not needing emergency response. The reports will summarize remediation required during the previous reporting period, and make specific recommendations for future maintenance and monitoring.

This IMP will be reviewed and modifications will be made to the Long-term Management Plan as necessary, based on findings and determinations made during the ongoing WRCB monitoring. The updates will reflect any changes in site conditions and modifications to maintenance/recovery efforts.

11.0 Trail Maintenance

No trails are planned through the site. Existing trails and roads will be closed and monitored.

12.0 List of Preparers

The following persons or organizations have collaborated on the production of this report:

Vincent Scheidt, Biologist

Mark Thompson, TRS Consultants, WRCB Planner

13.0 CERTIFICATION

I hereby certify that the information contained in this document is complete and accurate to the best of my knowledge as of October 2015.



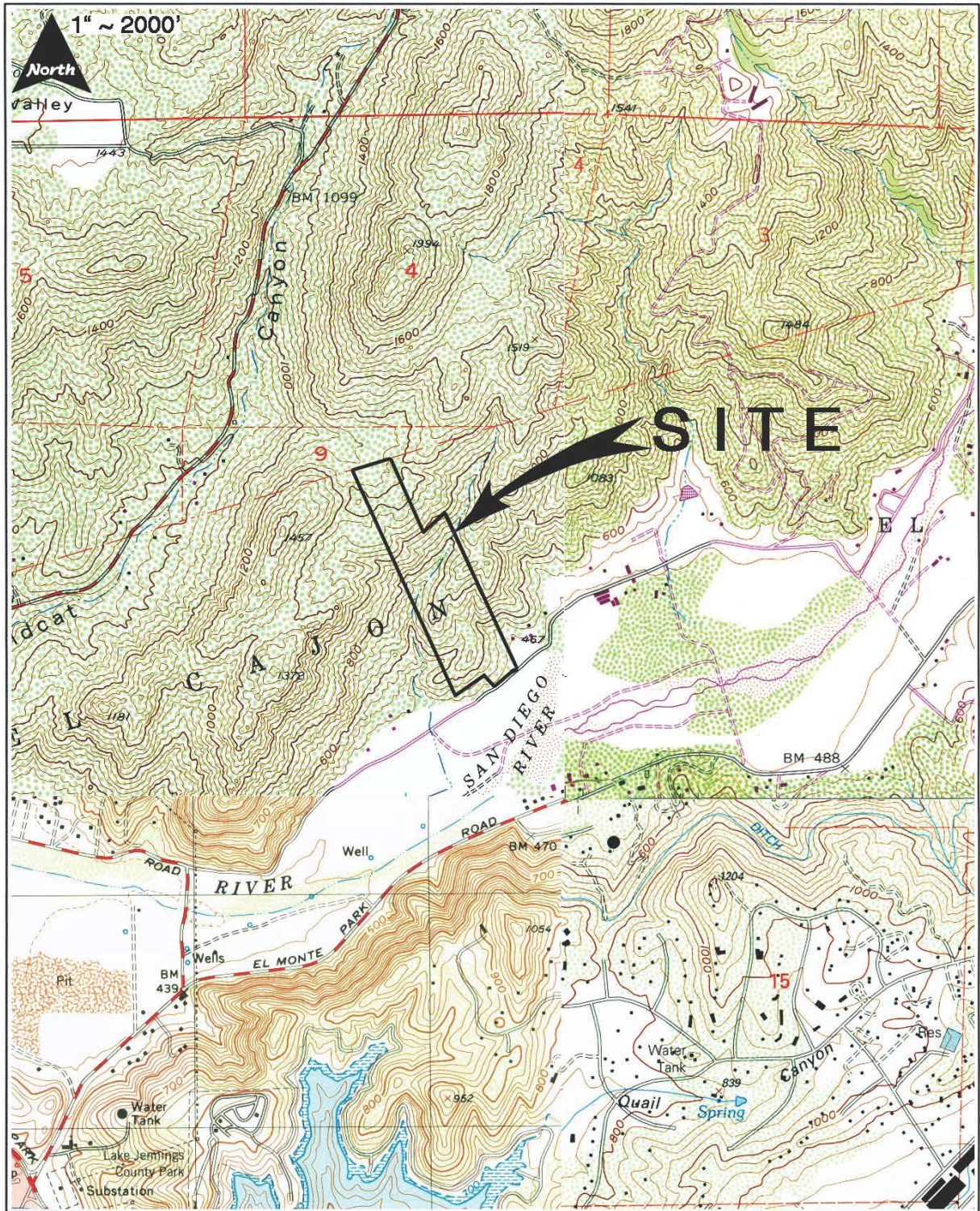
Vincent Scheidt, Biologist



Mark Thompson, TRS Consultants

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Figure 1. Regional Location



Regional Location Map

Figure
1

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Figure 2. Aerial Photograph



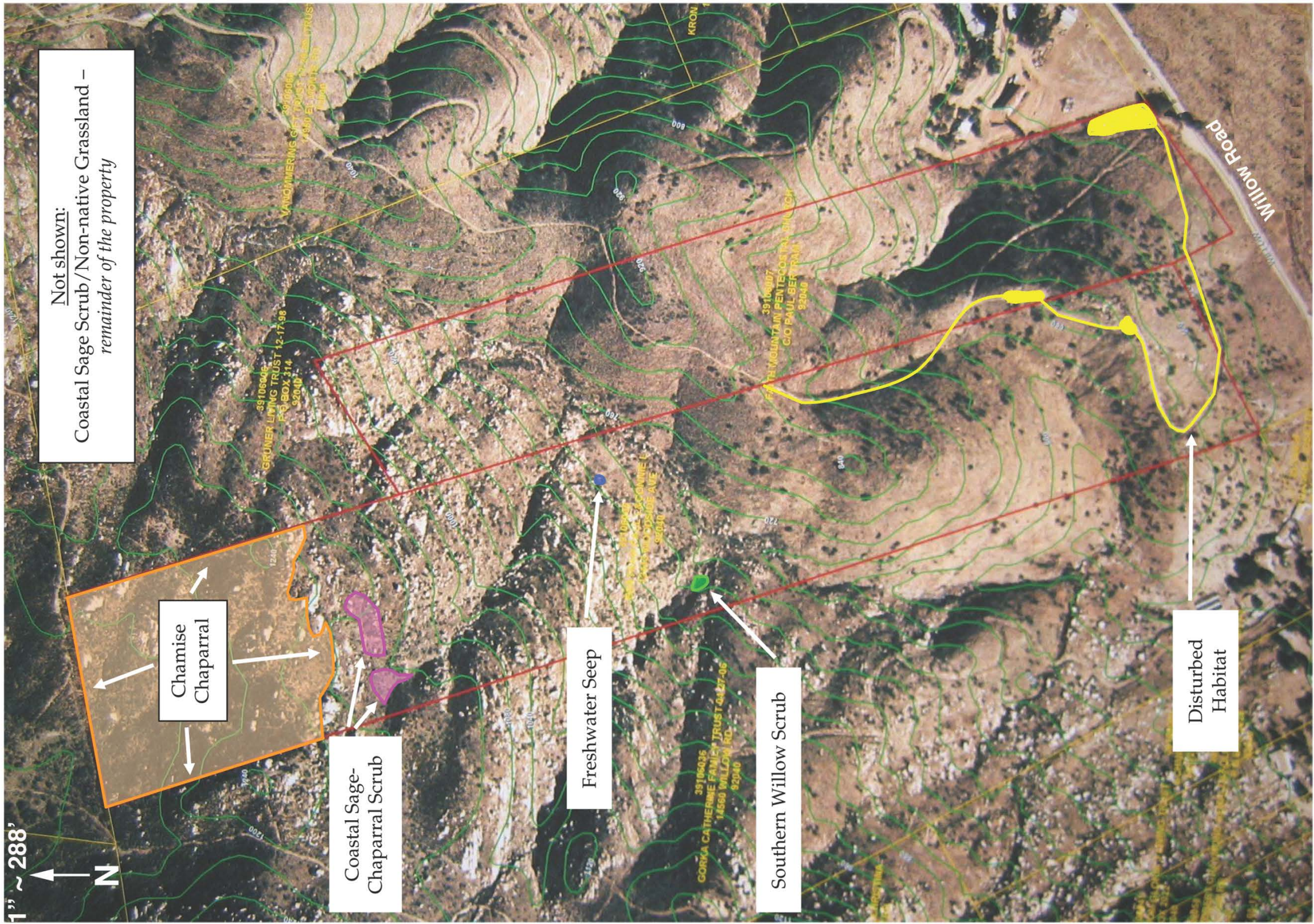
Aerial Photograph

Figure 2

ervation Bank

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Figure 3. Plant Communities Map

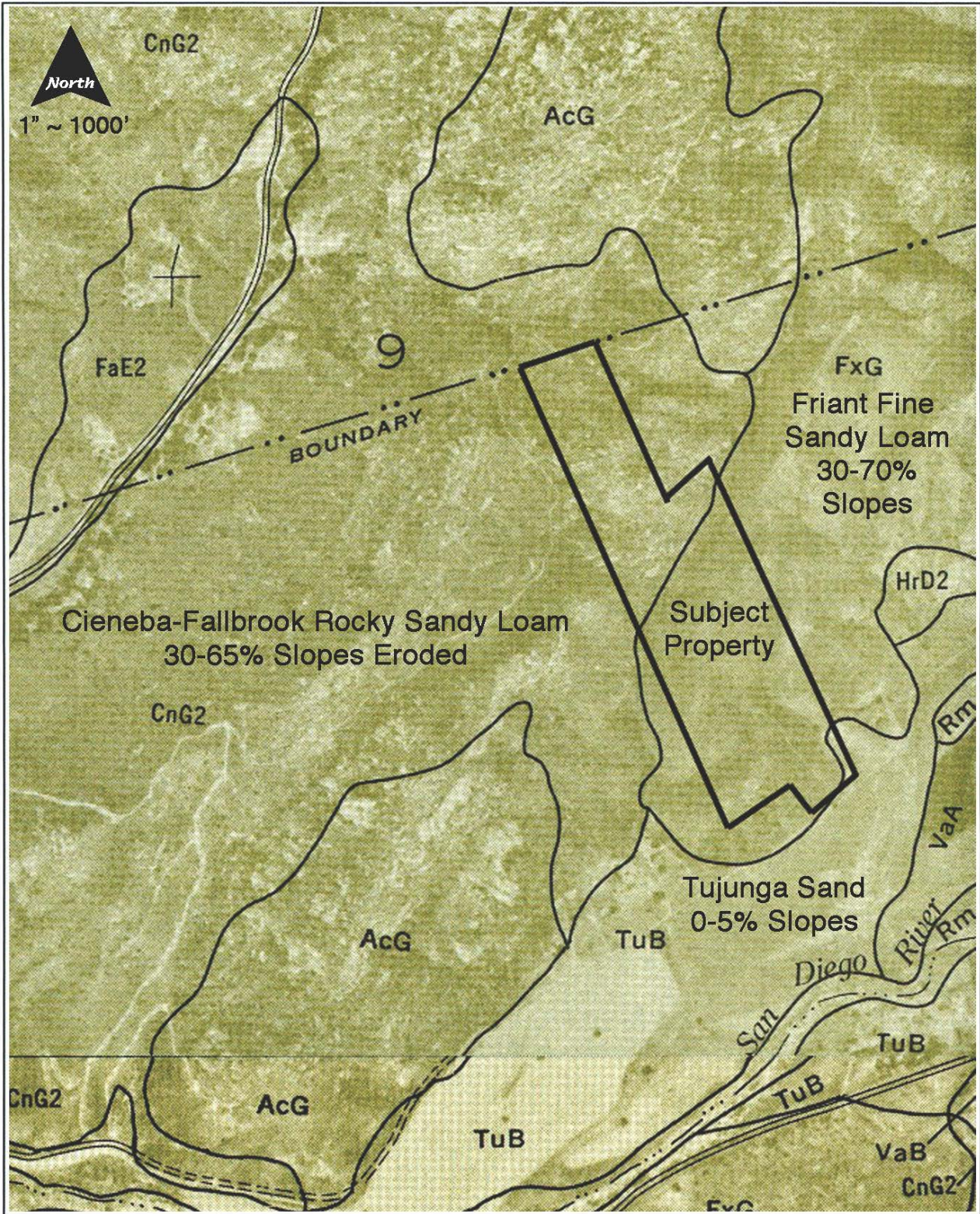


Plant Community Map

Figure 3

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Figure 4. Onsite Soils



Onsite Soils

Figure
4

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Figure 5. Fencing and Signage Plan



Typical Fencing Detail – Open Space Fencing

- Wire:**
- HTSW; 12-gauge; type III galvanized; rated @ 170,000-200,000 psi
 - 1,350 lbs breaking strength (minimum)
 - Top wire white vinyl coated HTSW
 - Tensioned to 250 pounds

- Line Posts:** - spaced @ 50 feet (maximum, depending on terrain)

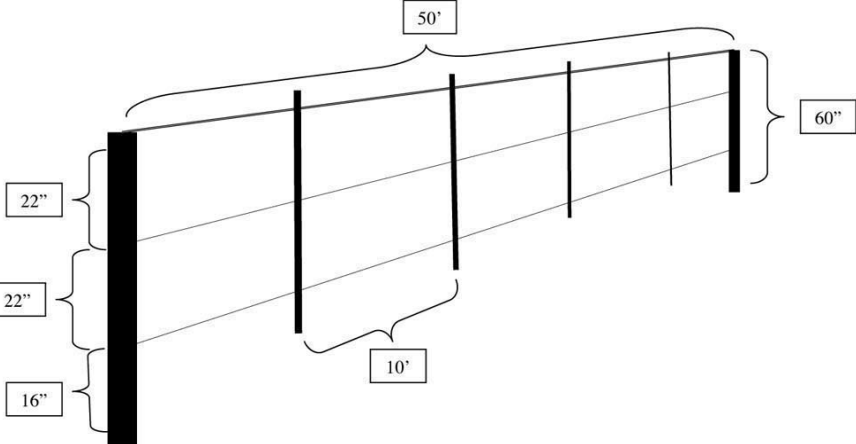
- Droppers:** - spaced at 10 feet

- Height:** - 60 inches

- Braces:** - (not shown) one set per 1,320 running feet (maximum separation)

- Tensioners:** - (not shown) one set of three (one each strand) per brace section

- Installation:** - *experienced, professional ONLY*



Detail of Signs

KEEP OUT
NO TRESPASSING
Sensitive Environmental Resources
Access Restricted by Conservation Easement
Unauthorized entry is prohibited.
INFORMATION:
contact Habitat Manager,
[TBD]
www.willowroadconservationbank.com

*This property contains California Gnatcatchers,
a species protected by the Federal Endangered Species Act.
The penalty for harming or killing a protected species
can be a maximum fine of up to \$50,000
or imprisonment for one year, or both.*

Signs shall be placed at 100 ft intervals where fencing is proposed and at 300 foot intervals for the remaining unfenced limits of the Willow Road Conservation Bank.

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Table 2. Interim Management Schedule

Management Requirement	Responsible Party	Report Deadline	Frequency	Report To
Initial Site clean-up	Owners and Bank Sponsor	Within 90 days of WRCB approval and prior to recordation of easement	One time only	FLC, IRT
Baseline Inventory	Bank Manager	Part of first Annual Report	One time only	FLC, IRT Owners and Bank Sponsor
Annual Monitoring Report & Work Plan	Bank Manager	For period from July 1 through June 30 of the following year. Reports due by August 15	Annual in perpetuity ¹	FLC, IRT Owners and Bank Sponsor
Credit Sales Report	Bank Sponsor	Include Credit Sales Report in Annual Report	Annual until all credits sold	FLC, IRT Owners
Five Year Monitoring & Work Plan ²	Bank Manager	For period from July 1 through June 30 of the following year. Reports due by August 15	Every five years in perpetuity	FLC, IRT Owners and Bank Sponsor
Palmer's Goldenbush Survey, Gnatcatcher Protocol Survey ³	Bank Manager (CDFW-permitted biologist)	For period from July 1 through June 30 of the following year. Reports due by August 15	Every three years in perpetuity	FLC, IRT Owners, Bank Sponsor and Bank Manager,
Invasive Monitoring	Bank Manager	Include control activities in Annual Report	Monitoring activity to occur three times a year in perpetuity	FLC, IRT Owners Bank Sponsor
Litter Removal	Bank Manager	Include control activities in Annual Report	Remove litter annually as needed in perpetuity	FLC, IRT Owner Bank Sponsor
Annual Monitoring Letter	FLC	For period from July 1 through June 30 of the following year. Reports due by August 15	Annual	IRT, Owners, Bank Sponsor, Bank Manager

¹ Reporting under the Interim Management Plan terminates three years after sale of last credits. Thereafter, all on-going reporting will take place under the provisions of the Long-term Management Plan (Exhibit C-5).

² A natural disaster that affects the site will trigger a new report and five year reporting cycle.

³ Additional protocol surveys may be added as a result monitoring activity. For example the listing of a species found on site may trigger additional surveys. Specific survey requirements will be determined at that time.

LONG-TERM MANAGEMENT PLAN

FOR THE

Willow Road Conservation Bank

Lakeside, California

PREPARED FOR

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October 2015

Table of Contents

I	Introduction	1
A	Purpose of Establishment	1
B	Purpose of this Long-term Management Plan	1
C	Bank Manager and Responsibilities	1
II	Property Description	2
A	Setting and Location	2
B	History and Land Use	2
C	Cultural Resources	2
D	Hydrology and Topography	2
E	Soils	3
F	Existing Easements	3
G	Adjacent Land Uses	3
III	Habitat and Species Descriptions	4
A	Biological Resources Survey of Bank	4
B	Endangered and Threatened Species	4
C	Rare Species and Species of Special Concern	4
IV	Management and Monitoring	5
A	Biological Resources	5
	Element A.1 Covered Habitat	6
	Element A.2 Gnatcatcher Species Monitoring	6
	Element A.3 Palmer's Goldenbush Monitoring	7
	Element A.4 Other Covered Species Surveys	7
	Element A.5 Non-native Invasive Species	8
B	Security, Safety, and Public Access	9
	Element B.1 Trash and Trespass	10
	Element B.2 Fire Hazard Reduction	10
C	Infrastructure and Facilities	10
	Element C.1 Fences and Gates	10
D	Reporting and Administration	11
	Element D.1 Reporting	11
	Element D.2 Administration	11

V	Transfer, Replacement, Amendments, and Notices	12
A	Transfer	12
B	Replacement.....	12
C	Amendments	12
D	Notices	13
VI	Funding and Task Prioritization	14
A	Funding	14
B	Task Prioritization.....	14

Tables

1. Flora and Fauna Detected – Willow Road Conservation Bank
2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost
3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost

Long-Term Management Plan

I. Introduction

A. Purpose of Establishment

The Willow Road Conservation Bank (“Bank”) was established by the Conservation Bank Enabling Instrument (“CBEI”) to compensate for unavoidable impacts to, and to conserve and to protect covered species and covered habitat. The Bank property consists of 71.06 acres and includes 70.00 acres of covered habitat, of which 57.2 acres consists of California Gnatcatcher/Diegan Coastal Sage Scrub habitat. The 0.9 acres of Disturbed land and 0.16 acres of an existing easement and fire clearing area have been excluded. The CBEI Signatory Agencies are the California Department of Fish and Wildlife (“CDFW”), South Coast Region (Region 5), and the U.S. Fish and Wildlife Service (USFWS), Carlsbad Field Office. These agencies comprise and are referred to jointly as the Interagency Review Team (“IRT”). The San Diego River Conservancy (SDRC) is the Conservation Easement (CE) holder. Terms used in this management plan have the same meaning as defined in the CBEI.

B. Purpose of this Long-term Management Plan

The purpose of this long-term management plan is to ensure the Bank is managed, monitored, and maintained in perpetuity. This management plan establishes objectives, priorities, and tasks to monitor, manage, maintain, and report on the covered species and covered habitat on the Bank. This management plan is a binding and enforceable instrument, implemented by the conservation easement covering the Bank property.

C. Bank Manager and Responsibilities

The Bank Manager, and subsequent Bank Managers upon transfer, shall implement this long-term management plan, managing and monitoring the bank property in perpetuity to preserve its habitat and conservation values in accordance with the Bank’s CBEI, the conservation easement, and the long-term management plan. Long-term management tasks shall be funded through the Endowment Fund. The Bank Manager shall be responsible for providing an annual report to the IRT and SDRC detailing the time period covered, an itemized account of the management tasks

and total amount expended. Reporting details are provided in Section IV, Management and Monitoring.

II. Property Description

A. Setting and Location

The Bank is located at Willow Road, within the unincorporated area of San Diego County, roughly between the communities of Lakeside on the southwest and Blossom Valley on the south, State of California, designated Assessor's Parcel No. 391-060-05 & -07. The Property is shown on the general vicinity map (Figure 1) and the bank property map (Figure 2). The general vicinity map shows the Bank location in relation to cities, towns, or major roads, and other distinguishable landmarks. The Bank property map shows the Bank property boundaries on a topographic map.

B. History and Land Use

There is little evidence that the site has been used in the past, with the exception of the narrow access road and a small disturbed area in the southeast corner of the property. The land in the general area of the Bank site is currently undeveloped. The site is bordered by undeveloped land in all directions, with the exception of houses on the southeast and southwest of the site in a narrow band along Willow Road. A large open space area is located offsite approximately 600 feet to the northeast. The San Diego River runs adjacent to the site on the south.

C. Cultural Resources

There are no structures on the property with the exception of a 20 foot metal container that will be removed prior to implementing the Bank. The structure is not an historical resource pursuant to Executive Order W-26-93, or the California Environmental Quality Act (CEQA).

The site was reviewed for known cultural resources and none were found. A record search found no resources within a quarter mile of the site. Refer to Exhibit H for the cultural resources survey report on the site.

D. Hydrology and Topography

The site supports several drainages, the largest of which runs through the center of the site from northeast to southwest. This main drainage supports occasional hydrophytes, such as Mule Fat and

others. Several lateral drainages, which drain the northern and southern slopes of the site, intersect the main drainage at various places along its length. The western-most lateral drainage supports a small area of Southern Willow Scrub (SWS) vegetation. Portions, or all, of the onsite drainages likely qualify as “waters of the state”, “waters of the U.S.”, and state (California Department of Fish and Wildlife) wetlands. These drainages appear to be driven by surface flow, although the area mapped as Freshwater Seep is driven from groundwater leakage from fractured rock. The seep area likely also qualifies as “waters of the state”, “waters of the U.S.”, and state wetlands. It is possible that the SWS and Freshwater Seep area also qualify as U.S. (Army Corps of Engineers) wetlands, although the xeric conditions of the site suggest otherwise. Average precipitation varies from 0.02 inches (August) to 2.68 inches (February).

E. Soils

Soils on the site are primarily Friant Fine Sandy Loam 30-70% Slopes (FxG) up to the center of the site and Cieneba-Fallbrook Rocky Sandy Loam 30-65% Slopes Eroded (CnG2) at the highest areas of the site. A small area of Tujunga Sand 0-5% Slopes (TuB) is located at the southeast corner of the site.

F. Existing Easements

There are two easements relevant to the property. One road easement in favor of the La Mesa and Spring Valley Irrigation District, now Helix Water District, refers to Willow Road which runs parallel to the project frontage of the easterly of the two parcels and is off-site. A second access easement to an individual, Vermillion, refers to a 15-foot wide strip that is also a part of Willow Road. To be conservative, the 15 foot easement has been assumed to be on the property, and its total area, 0.15 acres, has been deducted from the total credits available in the WRCB. Details and a map are provided in the Property Assessment and Warranty (Exhibit D-2).

G. Adjacent Land Uses

Surrounding land uses consist primarily of undeveloped land, residential parcels greater than four acres and some agricultural uses. Residential housing is located adjacent to the southwest and southeast corners of the property. South of the site is Willow Road, which runs parallel to the southern property boundary. The WRCB will preserve connectivity with existing undeveloped and preserved area off site. Figure 2 shows the range of land uses in the area surrounding the project.

III. Habitat and Species Descriptions

A. Biological Resources Survey of Bank

The Biological Resources Survey, Exhibit G in the CBEI, includes a general description of geographic location and features, topography, soils, vegetation (assessment of native vs. exotic species), species present and potentially present, habitat requirements of each species and a qualitative assessment of all habitat types. Generally, the 71.6-acre site is long and narrow, and extends from the San Diego River valley on the south to the crest of the river's foothills on the north. The site was burned in the Cedar Fire of 2003 but onsite habitats are regrowing. Key habitats consist primarily of Chamise Chaparral, Diegan Coastal Sage Scrub, and Coastal Sage—Chaparral Scrub, with small areas of Southern Willow Scrub, Freshwater Seep, Non-native Grassland, and Disturbed Habitat. The site supports several drainages, the larger of which runs through the center of the site. One sensitive plant, the Palmer's Goldenbush, and six sensitive animal species were detected on the site. Sensitive animals consist of California Gnatcatcher, San Diego Coast Horned Lizard, Southern California Rufous-crowned Sparrow, Golden Eagle, Mule Deer, and Granite Night Lizard.

B. Endangered and Threatened Species

One federally threatened species was detected on the Bank. The initial detection of the California Gnatcatcher on the Bank occurred on July 12, 2010. This consisted of vocalizations which were heard near the southeastern end of the property. In 2012, a single mature male California Gnatcatcher was observed the Bank in approximately the same area as the 2010 occurrence. A map is provided in the Biological Resources Survey Report, Attachment B, California Gnatcatcher Survey Report, showing their location.

C. Rare Species and Species of Special Concern

One sensitive plant species, Palmer's Goldenbush (*Ericameria palmeri*), was detected onsite during the updated biology survey. An unusual population of this very rare plant was detected above the main drainage near the western end of the property. All specimens in this population lack ray flowers.

The site supports a variety of wildlife species, functioning as both a local and regional wildlife corridor that facilitates wildlife movement along the creek. Six sensitive animal species were observed onsite. These are California Gnatcatcher (*Polioptila californica*), San Diego Coast Horned Lizard (*Phrynosoma coronatum blainvillei*), Southern California Rufous-crowned

Sparrow (*Aimophila ruficeps canescens*), Golden Eagle (*Aquila chrysaetos*), Mule Deer (*Odocoileus hemionus*), and Granite Night Lizard (*Xantusia henshawi henshawi*). Additional sensitive species are highly likely to occur onsite. These should be searched for during the spring and at other times of the year using different survey techniques. Discovery of additional species would be reported and incorporated into survey and management protocols as noted in Element A.4.below. For a complete list of plants and animals detected onsite, see Table 1.

IV. Management and Monitoring

The overall goal of long-term management is to foster the long-term viability of the Bank site's waters of the U.S., covered species, and covered habitats. Covered species are defined as those animal and plant species that fall under U.S. Fish and Wildlife Service and California Department of Fish and Wildlife protections. Covered species currently occurring on the site are enumerated in Section III C above and are discussed in detail in the biological report (Exhibit G). Additional covered species may be identified in subsequent surveys, in which case they will be included in the survey and management protocols as noted in Section IV A below. Covered habitats are defined as those habitats of concern or habitat upon which the covered species depend for their continued viability, as listed in Section III A. Specifically these are Chamise Chaparral, Diegan Coastal Sage Scrub, and Coastal Sage—Chaparral Scrub, Southern Willow Scrub, Freshwater Seep, and Non-native Grassland. These habitats are also discussed in detail in Exhibit G. Routine monitoring and maintenance tasks are intended to assure the viability of the Bank site in perpetuity.

A. Biological Resources

The approach to the long-term management of the Bank site's biological resources is to conduct annual site examinations and monitoring of selected characteristics to determine stability and ongoing trends of the covered species and covered habitats. Annual monitoring will assess the Bank's condition, degree of erosion, invasion of exotic or deleterious (e.g., thatch producing) species, water quality, fire hazard, and/or other aspects that may warrant management actions. While it is not anticipated that major management actions will be needed, an objective of this long-term 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 means an approach to natural resource management which incorporates

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

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

Element A.1 Covered Habitat

Objective 1: Monitor, conserve, and maintain the Bank site's covered habitat to maintain a minimum of 57.2 acres of Diegan coastal sage scrub on the site.

Task 1: Biological survey will provide re-mapping of vegetation communities every five years. Establish reference sites for photographs and prepare a site map showing the reference sites for the Bank file. Alternatively, utilize photographic reference sites, if any, developed during interim bank management period. Reference photographs will be taken of the overall habitat mosaic at least every five years from the beginning of the long-term management, with selected reference photos taken on the ground annually.

Task 2: Assess overall site conditions, note surrounding off-site activities, and impact, if any, on covered habitats. All covered habitats will be examined for extent, density, recruitment, and senescence. any changes, current condition or pending needs. Any necessary tasks will be identified, prioritized, and implemented. Note if action(s) cited in the previous report as related to covered habitats have been addressed.

Task 3; Note invasion of exotic or deleterious (e.g., thatch producing) species, water quality, fire hazard, and/or other aspects that may be detrimental to covered habitats.

Element A.2 Gnatcatcher Species Monitoring

Objective 1: Monitor population status and trends.

Task 1: Conduct a formal protocol presence/absence survey for the California Gnatcatcher or use other methodology acceptable to U.S. Fish and Wildlife. Surveys will take place at least once every three years.

Objective 2: Manage to maintain habitat for the California Gnatcatcher

Task 1: Assess habitat upon which the species depends as part of the annual survey. Maintain habitat at 100 percent of baseline, 57.2 acres, allowing for natural fluctuations in extent and habitat conditions.

Element A.3 Palmer's Goldenbush Monitoring

Objective 1: Monitor population status and trends.

Task 1: Monitor status every three years by conducting population assessment surveys. The survey dates will be selected during the appropriate blooming period and will generally occur from September through November depending on the timing of the blooming period each year. Occupied habitat will be mapped and numbered to allow repeatable data collection over subsequent survey years. Recruitment and senescence will be assessed. Abundance will be assessed semi-quantitatively using broad abundance categories, i.e., 1-20, 21-50, 50-100, > 100

Objective 2: Manage to maintain habitat for Palmer's Goldenbush

Task 1: Visually observe for changes to occupied habitat, such as changed hydrology (erosion, scour, siltation, etc) or vegetation composition. Record any observed changes.

Task 2: Identify and monitor important habitat characteristics (slope, aspect, hydrology, soils, etc). Prioritize any management tools needed to reverse negative trends (e.g.: removal of any new invasives directly threatening the Palmer's Goldenbush on this site.

Element A.4 Other Covered Species Surveys

Objective 1: Conduct general surveys and make recommendations to conserve and maintain the Bank site's non-target (not Palmer's Goldenbush or California Gnatcatcher) species (covered species), as enumerated in Section III C above

Task 1: Conduct an annual biological walking survey of the site to: (a) assess the status of known covered species in terms of extent, recruitment, and senescence; (b) identify any new covered species and assess extent, location, and general conditions.

Task 2; Assess overall site conditions, note surrounding off-site activities, and impacts, if any, on covered species. Note if action(s) cited in the previous annual report as related to covered species have been addressed.

Task 3: Assess any new covered species. Assessment to include mapping, extent, density, and recruitment, and senescence characteristics.

Task 4 Assessment will focus on: (a) work necessary to implement protections for covered species, such as invasives removal, fence repair, as enumerated in Element A.5. Any necessary tasks will be identified, prioritized and implemented; (b) assessment and inclusion of any new covered species, and (c) recording and reporting of data as enumerated in Element D.1.

Element A.5 Non-native Invasive Species

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

Objective 1: 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 Bank Manager shall consult the following sources for guidance on what species may threaten the site and on management of those species. The California Department of Food and Agriculture (CDFA) list of "noxious weeds" that are subject to regulation or quarantine by county agricultural departments; the California Department of Food and Agriculture's Integrated Pest Control Branch; the California Native Plant Council (Cal-IPC)'s "Invasive Plant Inventory;" and the University of California State Integrated Pest Management Program list of "Exotic and invasive pests and diseases that threaten California's agricultural, urban, or natural areas."

Any noxious exotics that become established in the mitigation bank must be

manually removed immediately after they are observed. These include (but are not limited to), Giant Wild Reed (*Arundo donax*), Castor Bean (*Ricinus communis*), Salt Cedar (*Tamarix* sp.), Mexican Fan Palm (*Washingtonia robusta*), Pampas Grass (*Cortaderia* sp.), Brazilian Peppertree (*Schinus terebinthifolius*), Hottentot Fig (*Mesembryanthemum edule*), African Fountain Grass (*Pennisetum setaceum*), seedling *Eucalyptus*, *Acacia*, and any other woody plants ranked as “high” priority species in the California Invasive Plant Inventory prepared by the California Invasive Plant Council (Cal-IPC, 2006)..

Task 1: Mapping of non-native invasive species cover or presence shall occur during the first five years of bank management, to establish a baseline. Mapping shall be accomplished through use of available technologies, such as GIS and aerial photography.

Task 2: Walk-through surveys (or a supplemental survey) will be conducted at least four times a year and will include a qualitative assessment (e.g. visual estimate of cover) of potential or observed noxious weeds or other non-native species invasions, primarily in or around the wetlands, and assess erosion. Erosion control measures appropriate to the setting such as the use of straw wattles, will be employed if needed to address erosion issues. Additional actions to control invasive species will be evaluated and prioritized. Task 3: Arrange and monitor removal of non-native invasives in accordance with Task 2. Use hand removal techniques to avoid disturbance to covered habitats and species.

B. Security, Safety, and Public Access

The Bank will be fenced and shall 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 site as deemed appropriate by the IRT, but are not specifically funded or a part of this long-term management plan.

Potential mosquito abatement issues will be addressed through the development of a plan by the Bank Manager and the mosquito and vector control district in coordination with and approved by the IRT.

Potential wildfire fuels will be reduced as needed by mowing in areas where approved by the IRT.

Element B.1 Trash and Trespass

Objective 1: Monitor sources of trash and trespass.

Task 1: Visit site at least four times a year to assess site conditions.

Task 2: During each site visit, record occurrences of trash and/or trespass. Record type, location, and management mitigation recommendations to avoid, minimize, or rectify a trash and/or trespass impact.

Objective 2: Collect and remove trash, repair vandalized structures, and rectify trespass impacts.

Task 1: At least once yearly collect and remove as much trash.

Task 2: Repair and rectify vandalism and trespass impacts when noted.

Element B.2 Fire Hazard Reduction

Objective 1: Maintain the site as required for fire control while limiting impacts to biological values.

Task 1: Mow or graze to reduce vegetation in areas required by authority agency(ies), and as approved by the IRT, for fire control. Fire regulations can require up to 20 feet of fire clearing along Willow Road (County of San Diego, 2011 Consolidated Fire Code, Section 4907.2.1 Fuel modification of combustible vegetation from sides of roadways). This area has been deducted from the habitat credit area.

C. Infrastructure and Facilities

Element C.1 Fences and Gates

Objective 1: Monitor condition of fences and gates.

Objective 2: Maintain fences and gates to prevent casual trespass and allow necessary access.

Task 1: During each site visit, record condition of fences and gates. Record location, type, and recommendations to implement fence and/or gate repair or replacement, if applicable.

Task 2: Maintain fences and gates as necessary by replacing posts, wire, and/or gates but at a minimum once a year. Replace fences and/or gates, as necessary but at least all fencing every 25 years and the gate every 10 years.

D. Reporting and Administration

Element D.1 Reporting

Objective 1: Provide annual report on all management tasks conducted and general site conditions to IRT and any other appropriate parties.

Task 1: Prepare annual report and any other additional documentation. Include (1) a review of the status of the Endowment Fund, (2) proposed work plan for the coming year, (3) photo documentation, and (4) a summary. Complete and circulate to the IRT and other parties by August 15 of each year.

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

Objective 2: Provide five year report summarizing previous five years of survey work with summary of management tasks conducted and general site conditions to IRT and any other appropriate parties.

Task 1: Make recommendations with regard to (1) long term enhancement measures deemed to be warranted, (2) any long-term issues than have occurred (e.g., change in overall site conditions, changes to land uses near the site), (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date, and (4) evaluate status of MSCP listed species on the site.

Element D.2 Administration

Objective 1: Provide for efficient and effective administrative structure from year to year.

Task 1: Budget for possible legal, accounting, and insurance requirements.

Task 2: Allow for contingencies in the annual budget.

V. Transfer, Replacement, Amendments, and Notices

A. Transfer

Any subsequent transfer of responsibilities under this long-term management plan to a different Bank Manager shall be requested by the Bank Manager in writing to the IRT and Conservation Easement Holder, and shall require written approval by the IRT and Conservation Easement Holder, and shall be incorporated into this long-term management plan by amendment. Any subsequent Property Owner assumes Bank Manager responsibilities described in this long-term management plan and as required in the Conservation Easement, unless otherwise amended in writing by the IRT.

B. Replacement

If the Bank Manager fails to implement the tasks described in this long-term management plan and is notified of such failure in writing by IRT, the Bank Manager shall have 90 days to cure such failure. If failure is not cured within 90 days, Bank Manager may request a meeting with the concerned parties to resolve the failure. Such meeting shall occur within 30 days or a longer period if approved by the IRT. Based on the outcome of the meeting, or if no meeting is requested, the IRT may designate a replacement Bank Manager in writing by amendment of this long-term management plan. If the Bank Manager fails to designate a replacement Bank Manager, then such public or private land or resource management organization acceptable to and as directed by the IRT may enter onto the Bank property in order to fulfill the purposes of this long-term management plan.

C. Amendments

The property owner, Bank Manager, and the IRT may meet and confer from time to time, upon the request of any one of them, to revise the long-term management plan to better meet management objectives and preserve the habitat and conservation values of the Bank property. Any proposed changes to the long-term management plan shall be discussed with the IRT and the Bank Manager. Any proposed changes will be designed with input from all parties. Amendments to the long-term management plan shall be approved by the IRT in writing and shall be implemented by the Bank Manager.

If the IRT determines, in writing, that continued implementation of the long-term management plan would jeopardize the continued existence of a state or federally listed species, any written amendment to this long-term management plan, determined by the IRT as necessary to avoid jeopardy, shall be a required management component and shall be implemented by the Bank Manager.

D. Notices

Any notices regarding this long-term management plan shall be directed as follows:

Bank Manager (name, address, telephone and e-mail):

Vince Scheidt, Certified Biological Consultant
3158 Occidental Street
San Diego, CA 92122-3205
Telephone: (858) 457-3873
E-mail: vince@san.rr.com

Property Owner and Owner Representative (name, address, telephone, e-mail, and FAX):

Paul L. Bertram
12443 Woodside Ave.
Lakeside, CA 92040
Telephone: 619-851-3777
E-mail: pastbertram@aol.com

CBEI Signatory Agency:

California Department of Fish and Wildlife
Region 5 – South Coast Region
3883 Ruffin Road
Attn: David Lawhead
Telephone: 858-467-4201
Fax: 858-467-4299

California Department of Fish and Wildlife
Habitat Conservation Branch

1416 Ninth Street, 12th Floor
Sacramento, CA 95814
Attn: Branch Chief
Telephone: 916-653-4875
Fax: 916-653-2588

VI. Funding and Task Prioritization

A. Funding

Table 1 summarizes the anticipated costs of long-term management for the Bank. These costs include estimates of time and funding needed to conduct the basic monitoring site visits and reporting, weed mowing, trash removal, fence repair, and a prorated calculation of funding needed to fully replace the fences every 25 years. The total annual funding requirement anticipated is approximately \$ 17,250, to be generated by two endowments. The Long-Term Management Endowment and the Conservation Easement Endowment. The San Diego Foundation (SDF) is anticipated to hold the endowment principal. SDF confirmed their goal is an average 7% return per annum with 2% going back into the principal to account for inflation, 0.75% going to SDF for management, and 4.25% going toward Bank management. The total endowment amount required will be \$ 414,710.

The San Diego Foundation (SDF) or other state authorized trustee shall hold the endowment principal and interest monies as required by law in the Special Deposit Fund, or a subsequent state authorized trustee fund, which consists of monies that are paid into it in trust pursuant to law, and is appropriated to fulfill the purposes for which payments into it are made. These interest monies will fund the long-term management, enhancement, and monitoring activities on habitat lands in a manner consistent with this long-term management plan.

The Bank Manager shall consult with the IRT on a year-to-year basis to determine the amount of funding available for management and monitoring activities. Following annual management activities, the Bank Manager may invoice the appropriate entity for management activities following the invoicing instructions provided by CDFW.

B. Task Prioritization

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

Table 1. Flora and Fauna detected – Willow Road Conservation Bank

<u>Scientific Name</u>	<u>Common Name</u>
<u>Plants</u>	
<i>Amsinckia intermedia</i>	Fiddleneck
<i>Antirrhinum nuttallianum</i>	Nuttall's Snapdragon
<i>Artemisia californica</i>	California Sagebrush
<i>Avena barbata</i> *	Slender Wild Oat
<i>Avena fatua</i> *	Wild Oat
<i>Baccharis glutinosa</i>	Mule Fat
<i>Baccharis sarothroides</i>	Broom Baccharis
<i>Brassica geniculata</i> *	Perennial Mustard
<i>Brassica nigra</i> *	Black Mustard
<i>Brassica tournefortii</i> *	Saharan Mustard
<i>Brickellia californica</i>	California Brickellbush
<i>Bromus diandrus</i> *	Ripgut Brome
<i>Bromus mollis</i> *	Soft Brome
<i>Bromus rubens</i> *	Foxtail Brome
<i>Calystegia macrostegia</i>	Morning Glory
<i>Camissonia bistorta</i>	Southern Sun Cup
<i>Camissonia californica</i>	False Mustard
<i>Carya illinoensis</i>	Pecan
<i>Caulanthus heterophyllus</i>	Slender-pod Mustard
<i>Ceanothus leucodermis</i>	Buck-brush Lilac
<i>Centaurea melitensis</i> *	Tocalote
<i>Chaenactis artemisiaefolia</i>	White Pincushion
<i>Chaenactis glabriuscula</i>	Yellow Pincushion
<i>Chamaesyce albomarginata</i>	Rattlesnake Spurge
<i>Cheilanthes newberryi</i>	Cotton Fern
<i>Chenopodium murale</i> *	Goosefoot
<i>Chrysanthemum</i> sp.*	Chrysanthemum
<i>Clematis</i> sp.	Clematis
<i>Collinsia heterophylla</i>	Chinese Houses
<i>Conyza canadensis</i> *	Common Horseweed
<i>Cryptantha intermedia</i>	Common Cryptantha
<i>Cucurbita foetidissima</i>	Stinking Gourd
<i>Cuscuta</i> sp.	Dodder
<i>Cynodon dactylon</i> *	Bermuda Grass
<i>Datura meteloides</i> *	Jimsonweed
<i>Daucus pusillus</i>	Rattlesnake Weed
<i>Descurainia</i> sp.	Tansy Mustard
<i>Dichelostemma pulchellum</i>	Blue Dicks
<i>Distichlis spicata</i>	Desert Salt Grass
<i>Dudleya pulverulenta</i>	Chalk Live-forever
<i>Eremocarpus setigerus</i>	Dove Weed
<i>Ericameria palmeri</i>	Palmer's Goldenbush
<i>Eriogonum fasciculatum</i>	Flat-top Buckwheat
<i>Eriophyllum confertiflorum</i>	Golden Yarrow

Table 1. Flora and Fauna detected – Willow Road Conservation Bank

<u>Scientific Name</u>	<u>Common Name</u>
<i>Erodium botrys</i> *	Long-beaked Stork's-bill
<i>Erodium cicutarium</i> *	Red-stem Stork's-bill
<i>Erodium</i> sp.	Stork's-bill
<i>Eucalyptus camaldulensis</i> *	Murray Red Gum
<i>Festuca megalura</i> *	Foxtail Fescue
<i>Filago californica</i>	California Filago
<i>Filago gallica</i> *	Narrow-leaf Filago
<i>Galium angustifolium</i>	Narrow-leaf Bedstraw
<i>Gastridium ventricosum</i> *	Nitgrass
<i>Gnaphalium bicolor</i>	Bicolor Cudweed
<i>Grevillea robusta</i> *	Silk Oak
<i>Gutierrezia</i> sp.	Matchweed
<i>Hazardia squarrosa</i>	Hazardia
<i>Helianthemum scoparium</i>	Rock Rose
<i>Helianthus annuus</i> *	Common Sunflower
<i>Helianthus gracilentus</i>	Slender Sunflower
<i>Heterotheca grandiflora</i>	Telegraph Weed
<i>Hordeum murinum</i> *	Wild Barley
<i>Hypochaeris glabra</i> *	Smooth Cat's-tongue
<i>Isocoma menziesii</i>	Coastal Goldenbush
<i>Juglans</i> sp.	Walnut
<i>Lactuca serriola</i> *	Wild Lettuce
<i>Lamarckia aurea</i> *	Goldentop
<i>Lathyrus laetiflorus</i>	Chaparral Pea
<i>Lepidium</i> sp.	Peppergrass
<i>Lepidospartum squamatum</i>	Scale-broom
<i>Lotus hamatus</i>	Grab Lotus
<i>Lotus scoparius</i>	Deerweed
<i>Lotus strigosus</i> var. <i>strigosus</i>	Bishop's Lotus
<i>Lupinus bicolor</i>	Bicolor Lupine
<i>Lupinus hirsutissimus</i>	Stinging Lupine
<i>Lupinus truncatus</i>	Collar Lupine
<i>Malacothamnus densiflorus</i>	Bush Mallow
<i>Malosma laurina</i>	Laurel Sumac
<i>Malva parviflora</i> *	Cheeseweed
<i>Marah macrocarpus</i>	Man Root
<i>Marrubium vulgare</i> *	Horehound
<i>Melica frutescens</i>	Tall Melic
<i>Mirabilis californicus</i>	Wishbone Bush
<i>Muhlenbergia microsperma</i>	Small-seed Muhly
<i>Muhlenbergia rigens</i>	Deer Grass
<i>Nemophila</i> sp.	Blue-eyes
<i>Nicotiana glauca</i> *	Tree Tobacco
<i>Opuntia littoralis</i>	Prickly Pear
<i>Pellaea andromedifolia</i>	Coffee Fern

Table 1. Flora and Fauna detected – Willow Road Conservation Bank

<u>Scientific Name</u>	<u>Common Name</u>
<i>Pennisetum setaceum</i> *	African Fountain Grass
<i>Penstemon spectabilis</i>	Showy Penstemon
<i>Phacelia cicutaria hispida</i>	Caterpillar Phacelia
<i>Phacelia parryi</i>	Parry's Phacelia
<i>Phacelia ramosissima</i>	Phacelia
<i>Pholistoma</i> sp.	Fiesta Flower
<i>Polypogon monspeliensis</i> *	Rabbitfoot Grass
<i>Porophyllum gracile</i>	Odora
<i>Quercus agrifolia</i>	Coast Live Oak
<i>Quercus berberidifolia</i>	Interior Scrub Oak
<i>Rhamnus pilosa</i>	Interior Redberry
<i>Salix gooddingii</i>	Southwestern Willow
<i>Salsola pestifer</i> *	Russian Thistle
<i>Salvia apiana</i>	White Sage
<i>Salvia columbariae</i>	Chia
<i>Sambucus mexicanus</i>	Elderberry
<i>Schinus molle</i> *	Peruvian Peppertree
<i>Schismus barbatus</i> *	Schismus
<i>Scrophularia californica</i>	Bee Plant
<i>Selaginella bigelovii</i>	Bigelow's Spikemoss
<i>Silene gallica</i> *	Common Catchfly
<i>Silene</i> sp.	Catchfly
<i>Sisymbrium altissimum</i> *	Tumble Mustard
<i>Sonchus asper</i> *	Sow Thistle
<i>Sonchus oleraceus</i> *	Sow Thistle
<i>Stachys rigida</i>	Stachys
<i>Stephanomeria virgata</i>	Stephanomeria
<i>Stipa pulchra</i>	Purple Stipa
<i>Trichostema lanceolatum</i>	Vinegar Weed
<i>Trifolium</i> sp. *	Clover
<i>Typha angustifolia</i>	Cattails
<i>Urtica urens</i> *	Dwarf Nettle
<i>Vicia</i> sp.	Vetch
<i>Xylococcus bicolor</i>	Mission Manzanita
<i>Yucca whipplei</i>	Our Lord's Candle

Birds

<i>Aimophila ruficeps canescens</i>	S. California Rufous-crowned Sparrow
<i>Ammodramus sandwichensis</i>	Savannah Sparrow
<i>Aquila chrysaetos</i>	Golden Eagle
<i>Archilochus anna</i>	Anna's Hummingbird
<i>Buteo jamaicensis</i>	Red-tailed Hawk
<i>Carduelis psaltria</i>	Lesser Goldfinch
<i>Carpodacus mexicanus</i>	Housefinch
<i>Columbia livia</i>	Rock Dove

Table 1. Flora and Fauna detected – Willow Road Conservation Bank

<u>Scientific Name</u>	<u>Common Name</u>
<i>Corvus corax</i>	Common Raven
<i>Pipilo crissalis</i>	California Towhee
<i>Polioptila caerulea</i>	Blue-gray Gnatcatcher
<i>Polioptila californica</i>	California Gnatcatcher
<i>Thryomanes bewickii</i>	Bewick's Wren
<u>Mammals</u>	
<i>Canis latrans</i>	Coyote
<i>Lynx rufus</i>	Bobcat
<i>Neotoma</i> sp.	Woodrat
<i>Odocoileus hemionus</i>	Mule Deer
<i>Spermophilus beecheyi</i>	California Ground Squirrel
<i>Sylvilagus audubonii</i>	Desert Cottontail Rabbit
<i>Thomomys bottae</i>	Valley Pocket Gopher
<i>Urocyon cinereoargenteus</i>	Gray Fox
<u>Butterflies</u>	
<i>Apodemia mormo virgulti</i>	Behr's Metalmark
<i>Brephidium exile</i>	Pygmy Blue
<i>Icaricia acmon</i>	Acmon Blue
<i>Pontia protodice</i>	Common White
<i>Strymon melinus</i>	Gray Hairstreak
<u>Reptiles</u>	
<i>Phrynosoma coronatum blainvillei</i>	San Diego Coast Horned Lizard
<i>Uta stansburiana</i>	Side-blotched Lizard
<i>Xantusia henshawi henshawi</i>	Granite Night Lizard

* denotes non-native taxon

bold denotes special status taxon

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) (Sheet 1/4)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit (s) ¹	Cost	Frequency	Schedule	Annual Cost
1	<i>Element A.1 Covered Habitat</i>							
2	Monitor covered habitat	Annually mapping, assess extent, density, recruitment, senescence. Take reference photos	1 survey	2500	2500	Every 5 years	April/May	500
3	<i>Elements A.2 Threatened/Endangered Plant Species Monitoring—Palmer's Goldenbush</i>							
4	Monitor species	Review factors such as extent, density, recruitment, senescence	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330
5	<i>Element A.3 Threatened/Endangered Animal Species Monitoring – California Gnatcatcher</i>							
6	Monitor species	Protocol presence/absence survey or survey otherwise agreed to with Wildlife Agencies required to verify “occupancy” of the habitat.	1 survey	4000	4000	Every 3 years	As specified by Agencies	1330
7	<i>Element A.4 Other Covered Species</i>							
8	Monitor covered species	Walking survey, mapping, photos, notes	1 survey ¹	2000	2000	Every 5 years	April/May	400

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 2/4)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
9	<i>Element A.5 Assess Invasive Species, Trespass, and Fence</i>							
10	Monitor invasives growth, presence of trash, trespass, gate and fence conditions	Walking survey. Map and designate areas for attention. Coordinate activities to correct deficiencies.	8	50	400	11	Spring/Fall Summer	1600
11	Invasives removal	Hand labor—landscape tender	36	30	1140	Annually	Spring/Summer	1140
12	Trash removal, clean-up	Hand labor—laborer 1	14	50	700	Annually	As needed	700
13	Repair fences	Hand labor—fence builder	8	50	400	Annually	As needed	400
14	<i>Element B.1 Fire Hazard Reduction</i>							
15	Fire hazard assessment and contracting	Survey, contract, supervise	3	60	180	Annually	As needed	180
16	Contract cutting to trim, remove vegetation along Willow Road	Hand labor	8	40	320	Annually	As needed	320
17	<i>Element C.1 Fences and Gates</i>							
18	Replace fencing	Materials and labor	2300 feet	2	4600	25	On-going	180
19	Gate replacement	Materials and labor	800	800	800	10	On-going	80

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 3/4)

#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
20	<i>Element D.1 Reporting</i>							
21	Annual Report	Organize and analyze data. Include mapping, photos. Format into annual report	10	50	500	Annually	Due March 15 for previous year	500
22	Five Year Report	Evaluate attainment of long term objectives, recommend changes to monitoring. Report on status of MSCP-protected species	6	50	300	Every 5 years	Due March for previous 5 years	60
23	Vehicles and supplies	Drive to and from site	120 miles	1	120	Annually	As needed	120
24	<i>Element D.2 Administration</i>							
25	Accounting	Data entry, bookkeeping, process paperwork	28	40	1120	Annually	As needed	1120
26	Community outreach	Respond to public inquiries, attend meetings	4	50	200	Annually	As needed	200
27	Audit	Accounting review	1	900	900	Every 3 years	As needed	300
28	Legal assistance	Consultation, document review	1	500	500	Annually	As needed	500
29	Liability insurance	Indemnify accidents	1	1200	1200	Annually	As needed	1200
Sub-total								13,900

Table 2. Bank Management and Monitoring Activities, Level of Effort, Frequency and Cost (In Dollars) – Continued (Sheet 4/4)								
#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
30	Contingency for recovery from fire	Site visit and assessment. Undertake invasives control, infrastructure repair, as needed	1	6900	6900	Every 15 years	As needed	460
31	Contingency for other unanticipated expenses	Expenses over and above budget amounts allocated above. Additional expenses not foreseen	10% of subtotalled budget	1520	1520	Annually	As needed	1390
Total								15,750
Current Capitalization Rate 4.25%								
Total Endowment for Long Term Management								370,590

¹ Prevailing wage data from State of California, Department of Industrial Relations, Director's General Prevailing Wage Determinations: 2015-1 General Prevailing Wage Determinations menu (journeyman). See dir.ca.gov/oprl/DPreWageDetermination.htm. Classifications used in this report are: Landscape Tender, Laborer Group 1, and Fence Builder (Carpenter) Note: for repair only. Fence replacement is inclusive of labor.

<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>	<i>Row #</i>	<i>Note</i>
3,4,6	Estimates by project biological for surveys noted.	10	4 hours per visit, hourly rate to cover professional services and developing locational information for clearing, repair	11	Hand labor to remove invasives includes removal from site. Assumes two workers at 2 8-hour days.
12	Hand labor to remove trash, Includes removal from site. Assumes two workers at 1 7-hour day.	13	Assumes semi-skilled labor to repair fences. Includes 1 8-hour day. Overall fence replacement covered under item 16	15	Assumes 3 management hours to assess and mark area along Willow road needed for removal, plus time to contract for work
16	Hand labor to clear marked areas along Willow Road. 2 persons for 4 hours	18	Fencing costs for high tensile wire, based on April 2015 assessment of fencing costs (installed) using web resources	19	Gate replacement for chain link based on April 2015 use of pricing resources on web
21	Ten hours to collect data from the year and organize into a report format.	22	Six hours to review previous annual data, summarize and organize into report format. Compensation based on skilled administrative position	23	Based on 20 mile round trip to site four times a year.
25	Basic bookkeeping based on 4 hours per quarter.	26	Time allocated to answering inquiries about the site, attending one meeting a year as needed	27	Contingency for audit if required, or periodically assess book keeping.
28	Contingency for legal review of documents such as sales agreements, consultation as needed	29	Liability insurance based on April 2015 estimate from local insurance agency	30	Contingency to fund evaluation and clean-up, re-fencing of property in the event of a fire. Frequency assumed to be 15 years.
31	Contingency to fund unanticipated expenses or higher expenses in already defined categories.				

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (1/2)

#	General Bank Monitoring and Reporting	Description	Level of Effort (Hrs or as noted)	Cost per Unit (s) ¹	Cost	Frequency	Schedule	Annual Cost
1	Operations¹							
2	Monitoring	Monitoring conservation easement on annual basis	6	45	270	Annually	April/May	270
3	Photo documentation	Photos from established photo points for inclusion in reports and to establish record of site conditions	2	45	90	Annually	During site visit	90
4	Audit	CPA audit	1	45	45	Annually	April/May	45
5	Insurance	General liability	1 % of FLC coverage	36	36	Annually	As required	36
6	Insurance	Professional liability	1 % of FLC coverage	35	35	Annually	As required	35
7	Conservation Easement Defense Fund	Terrafirma Risk Retention Group insurance	Annual fee	60	60	Annually	As required	60
8	Project Accounting	Book keeping	2	45	90	Annually	As required	90
9	Travel	Mileage to and from site	130 miles	0.60	78	Annually	As needed	78
Sub-total								704

Table 3. Bank Conservation Easement Site Visit and Reporting Budget, Activities, Level of Effort, Frequency, Cost (In Dollars) (2/2)								
#	General Bank Management & Monitoring Activities	Description	Level of Effort (Hrs or as noted)	Cost per Unit	Cost	Frequency	Schedule	Annual Cost
10	Reporting¹							
11	Annual Report	Summary of site visit, photo documentation and recommendations	8	60	480	Annually	As needed	480
12	Database Management	Data input	4	45	180	Annually	As needed	180
13	Sub-total							660
14	Management contingency	Account for unanticipated expenses of expenses greater than budgeted				Annually	As needed	136
15	TOTAL							1500
Estimated endowment		Calculated at 0.034 % interest						44,120

¹ Based on date provided by the Fallbrook Land Conservancy

Exhibit C-6:
Willow Road Conservation Bank:
Bank Closure Plan

The following plan describes the long-term management obligations and proposals for the following entities involved with the Willow Road Conservation Bank (WRCB):

Bank Sponsor: Reverend Paul Bertram is the Bank Sponsor. Pre-bank closure responsibilities include, but are not limited to: posting the performance securities, funding the endowment, and ensuring credit sales are in compliance with the Conservation Bank Enabling Instrument (CBEI) and are reported to the California Department of Fish and Wildlife (CDFW). Upon closure of the WRCB, the Bank Sponsor's WRCB management responsibilities will end.

Property Owner/Fee-title Owner: Reverend Paul Bertram, Connie Bertram, and the Faith Mountain Pentecostal Church are the property owners and fee-title holders of the WRCB and are the grantors of the Conservation Easement (CE) to the Fallbrook Land Conservancy (FLC) and will be responsible for complying with the terms and obligations of the easement. Upon closure of the WRCB, the Owners will retain a Habitat Manager that will be responsible for ensuring that activities on the WRCB are conducted in compliance with the CE and that prohibited activities are excluded from the WRCB.

Habitat Manager: Upon closure of the WRCB, the Owners will retain a Habitat Manager that will be responsible for continuing or implementing the Long-Term Management Plan (LTMP, Exhibit C-5 of the CBEI). The Habitat Manager will oversee the reporting and communication functions of the WRCB, coordination with the Owners, and other parties. The Habitat Manager will hire qualified individuals to carry out the biological monitoring, patrolling, and related operational functions for the WRCB, as needed. The Habitat Manager will be responsible for preparing annual reports for the Conservation Easement Grantee and the Service describing the status of the WRCB and actions taken on the WRCB in the preceding year. In addition, the Habitat Manager will coordinate with the FLC (Conservation Easement Grantee) and the CDFW to ensure the WRCB remains in compliance with the CE. The Habitat Manager will coordinate with the San Diego Foundation (SDF, Endowment Holder) on an ongoing basis to secure release of endowment funds to implement maintenance, management, and monitoring activities on the Bank.

Conservation Easement Grantee: FLC will be the grantee for the CE. Prior to WRCB closure, the Grantee will be responsible for ensuring the CE is recorded on the WRCB, and the WRCB is in good standing with the terms and conditions of the CE. After bank closure, the Grantee will be responsible for verifying that the Habitat Manager has complied with all of the requirements of the Interim Management Plan (Exhibit C-4 of the CBEI), the LTMP, and the CE. The Grantee will be responsible for preparing an annual monitoring report (in relation to FLCs annual site visit) to CDFW confirming that the WRCB is in compliance with the requirements of the LTMP and CE. The Grantee will be responsible for coordinating with the Property Owner and the Habitat Manager on an annual basis to discuss the status of the WRCB and compliance with the CE.

Endowment Holder and Beneficiaries: The San Diego Foundation or other CDFW-approved entity will be the Endowment Holder for the WRCB. The San Diego Foundation or other approved entity will be responsible for verifying that the Endowment is fully funded prior to the closure of the WRCB, and provide this verification to the Service. Long-term responsibilities will include prudent investing of the endowment per state and federal regulations, coordinating with the Habitat Manager on an annual basis to ensure annual distribution of funds from the endowment account, and coordinating with the appropriate resource agencies to ensure the bank is in compliance with the terms of the CE.

Actions Required: The following actions are required to close the WRCB:

- Submit to the CDFW a final sales ledger indicating that either: a) no remaining credits are available, or b) the total amount of credits to be extinguished upon the closure of the WRCB.
- Provide verification to the CDFW that the performance criteria have been achieved for habitat preservation as approved in the CDFW.
- Provide verification to the CDFW that the CE has been recorded with the FLC as to the form approved in the CBEI.

Conditions of approval and long-term responsibilities related to transfer in ownership of the property, change in Habitat Manager, and long-term distributions from the endowment will be specified in the CBEI and CE.