



Midpeninsula Regional
Open Space District

R-19-137
Meeting 19-27
October 23, 2019

AGENDA ITEM 6

AGENDA ITEM

Lone Madrone Ranch (formally McDonald Ranch) Grazing Lease in La Honda Creek Open Space Preserve

GENERAL MANAGER'S RECOMMENDATION *deur*

Adopt a resolution authorizing the General Manager to enter into a new, two-year grazing lease with an option for a one-year extension at Lone Madrone Ranch in La Honda Creek Open Space Preserve with current Lessee, Erik and Doniga Markegard.

SUMMARY

In February 2014, the Midpeninsula Regional Open Space District (District) entered into a grazing lease with Erik & Doniga Markegard (Lessee) at Lone Madrone Ranch in La Honda Creek Open Space Preserve. This lease expires on October 31, 2019 unless extended or amended. In May 2019, the District informed the Lessee that the District would offer a two-year lease with an option to extend for an additional year in lieu of the five-year extension contemplated in the Lease based on prior Lessee performance in meeting District objectives and Lease requirements. The shorter lease term provides the Lessee a discreet window of time to demonstrate adherence to the Lease requirements before the District considers whether to extend the Lease any further.

DISCUSSION

The Board of Directors (Board) approved the selection of a grazing tenant for the 1,030-acre Lone Madrone Ranch (Ranch) at La Honda Creek Open Space Preserve (Preserve) on November 13, 2013 after a competitive request for proposals process (R-13-103). In February 2014, the District entered into a five-year lease (Lease) with the Lessee. The Lease expires on October 31, 2019 unless the District opts to extend the lease for an additional five-years.

In March of 2019, District staff met with the Lessee to discuss the lease. District staff expressed concerns regarding Lessee capacity to maintain and improve the ranch infrastructure and Lessee capacity to maintain and monitor livestock health according to good husbandry practices. District staff informed them that the District was considering not exercising the five-year option on the current Lease and proposed a new two-year lease with the option to extend for one additional year to evaluate Lessee capacity to meet Lease requirements prior to considering an additional Lease extension. On May 1, 2019, a letter (Attachment 3) was sent to the Lessee advising them the District would not exercise the five-year option on the current Lease but was willing to negotiate a two-year lease given past Lessee performance.

The proposed two-year lease allows the District to observe the Lessee's operation over the next two grazing seasons to ensure that grazing management objectives and Lessee requirements are met for the property. For example, there is an express requirement for the Lessee to submit monthly stocking reports so that the location and health of the cattle is frequently monitored. The Lease also contains a work plan outlining the infrastructure projects that the Lessee has agreed to implement during each year of the Lease, such as trough and spring repairs. District staff anticipates a series of regular site visits in order to monitor milestones in the Lease, including annual stocking and workplans, annual rangeland health inspections, and inspections for the completion of infrastructure improvement projects. After two years, the General Manager will determine whether to extend the lease for an additional year in the District's sole discretion. While the Lessee would prefer a five-year lease, they have agreed to a two-year lease in the hopes that a five-year lease can be negotiated at the end of two years.

FISCAL IMPACT

Over the last two grazing seasons, this Lease has provided an average annual grazing rent per season of \$8,635. The Lessee would continue to pay an annual grazing rent to the District estimated at \$8,500 per year. Annual grazing rent can vary depending upon the average selling price of beef cattle as well as the quantity and age of the cattle grazing on the property.

BOARD COMMITTEE REVIEW

A Board Committee did not previously review this item.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

A resource grazing plan for Lone Madrone Ranch (previously known as McDonald Ranch) and subsequent Mitigated Negative Declaration were completed to satisfy CEQA requirements and were approved as part of the La Honda Creek Preserve Master Plan in 2012 (see R-12-83).

NEXT STEPS

If approved, the General Manager would execute a two-year Lease with an option to extend for one additional year in the District's sole discretion with Erik and Doniga Markegard (Lessee) provided the Lessee has met all District requirements, including appropriate insurance certificates and endorsements.

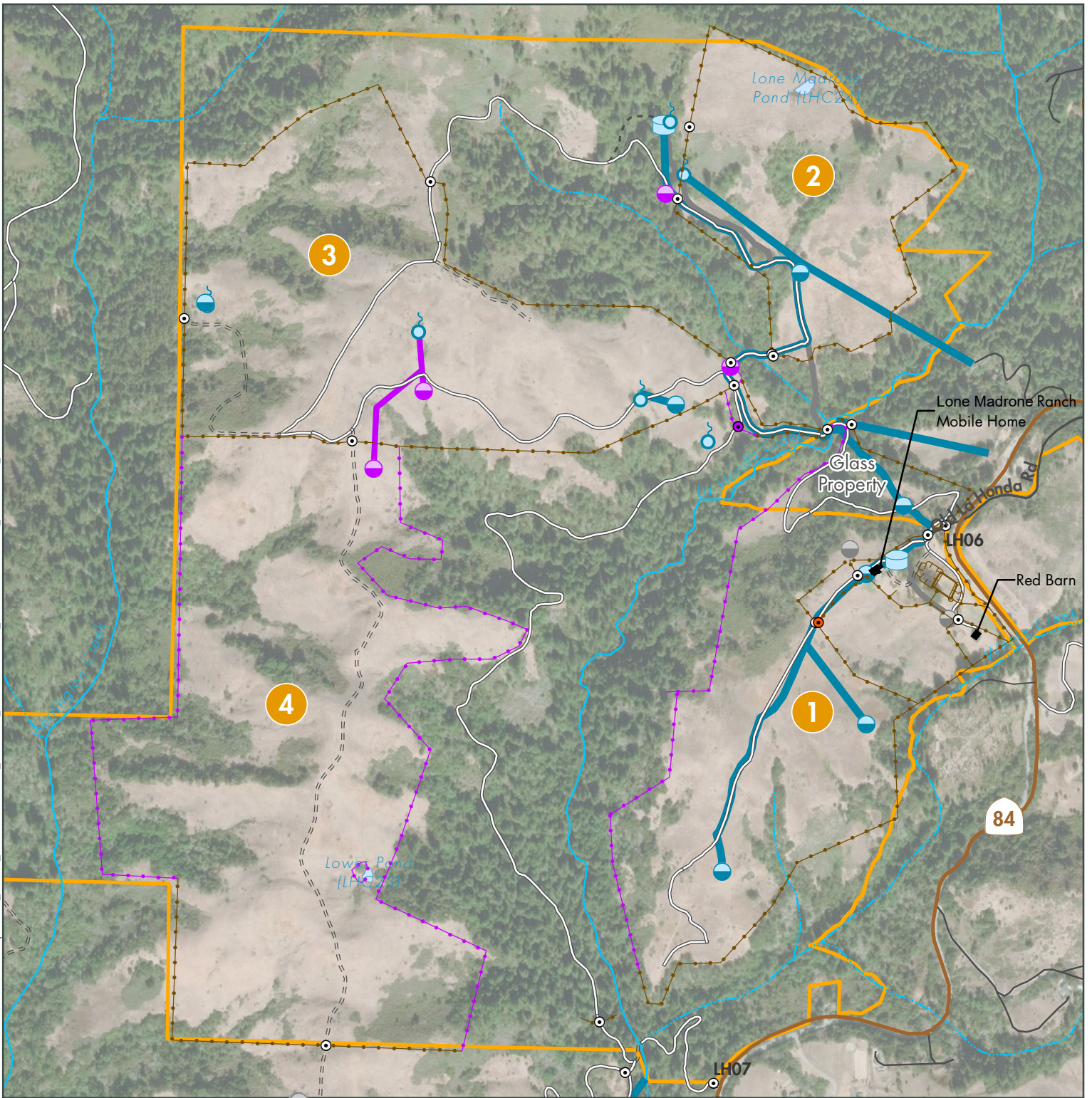
Attachments:

1. Lone Madrone Location Map
2. Resolution Approving Award of Grazing Lease to Erik and Doniga Markegard (Lone Madrone Ranch, La Honda Creek Open Space Preserve)
3. District Letter (May 1, 2019)
4. Lone Madrone Grazing Lease

Responsible Department Head / Prepared by / Contact person:

Michael Jurich, Land and Facilities Services Manager

Graphics prepared by:
Jamie Hawk, GIS Program Administrator



Lone Madrone Ranch Grazing Infrastructure

- | | | | |
|-------------------------------|------------------|-------------------------|-----------------------|
| Lone Madrone Ranch | Gate - Other | Water Trough - Other | Water Line - Other |
| Paved Road | Gate - Present | Water Trough - Active | Water Line - Active |
| Unpaved Road | Gate - Proposed | Water Trough - Proposed | Water Line - Proposed |
| Abandoned / Unmaintained Road | Fence - Existing | Spring - Active | |
| Trail | Fence - Proposed | Water Tank - Active | |



Midpeninsula Regional
Open Space District
(MROSD)
March 2019

ATTACHMENT 1



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

RESOLUTION 19-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING THE AWARD OF A GRAZING LEASE TO ERIK AND DONIGA MARKEGARD (LONE MADRONE RANCH, LA HONDA CREEK OPEN SPACE PRESERVE)

WHEREAS, the Midpeninsula Regional Open Space District (District) may, under the provisions of California Public Resources Code section 5540, lease property owned by the District; and

WHEREAS, the lease of the Lone Madrone Ranch for grazing and range management purposes is compatible with park and open space purposes, and the lease of such premises is in the public interest; and

WHEREAS, the District wishes to lease the Lone Madrone Ranch to Erik and Doniga Markegard on the terms set forth in the attached report.

NOW, THEREFORE, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. The Grazing Lease between the Midpeninsula Regional Open Space District and Erik and Doniga Markegard, a copy of which is attached hereto and incorporated herein by this reference, is approved.
2. The General Manager is authorized to execute the Grazing Lease on behalf of the District. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the Grazing Lease that do not materially amend the terms and conditions thereof.
3. The General Manager is authorized to grant an extension of the Grazing Lease on the terms and conditions set forth in the Grazing Lease. The General Manager shall report any such extension of the Grazing Lease to the Board of Directors at the Board meeting immediately following the granting of the extension. The General Manager or designee is further authorized to sign and approve all other documents necessary or appropriate to entering into the Grazing Lease.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2019, at a regular meeting thereof, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk



Midpeninsula Regional
OpenSpace

Midpeninsula Regional Open Space District

GENERAL MANAGER
Ana M. Ruiz

BOARD OF DIRECTORS
Pete Siemens
Yoriko Kishimoto
Jed Cyr
Curt Riffle
Karen Holman
Larry Hassett
Zoe Kersteen-Tucker

May 1, 2019

Doniga & Erik Markegard
20080 Cabrillo Highway South
Half Moon Bay, CA 94019

Dear Doniga & Erik,

As you are aware, your grazing lease for McDonald Ranch will expire on October 31, 2019.

This letter is to advise you that the District is not going to exercise the 5-year extension of your current lease. However, the General Manager has directed me to negotiate a 2-year lease with you, including some possible options for an extension, I would like to meet with you to discuss the terms of this new lease.

I will contact you soon to schedule a meeting for this discussion.

Thank you,

Michael Jurich

Land and Facilities Manager



GRAZING LEASE

between

MIDPENINSULA REGIONAL

OPEN SPACE DISTRICT

Erik Markegard

And

Doniga Markegard

With respect to the following property

LONE MADRONE RANCH

A portion of

LA HONDA CREEK OPEN SPACE PRESERVE

Effective
November 1, 2019

**GRAZING LEASE
LONE MADRONE RANCH
LA HONDA CREEK OPEN SPACE PRESERVE**

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SUMMARY OF GRAZING LEASE TERMS

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

| | |
|---------------------------------|---|
| Landlord: | Midpeninsula Regional Open Space District |
| Acres: | <u>2072</u> Acres as referenced in Exhibit B. [List exception only if applicable]. |
| Tenant: | Erik and Doniga Markegard |
| Term: | Two (2) year Initial Term commencing November 1, 2019 (“Commencement Date”) |
| Grazing Season: | November 1 st through October 31 st (Annual adjustments pursuant to Section 6) |
| Grazing Capacity: | 85 AUMs (Annual adjustments pursuant to Section 6) |
| Permitted Use: | Cattle grazing and authorized adjunct activities as specified in the attached Rangeland Management Plan |
| Initial AUM Rental Rate: | \$15.50 (Annual adjustments thereafter pursuant to Section 4 of the Grazing Lease). |
| Rent Payment Dates: | Bi-annual payments on January 2 nd and July 1 st |

District Contact Information:

Primary Contact: Property Management

Specialist II

Tel: (650) 691-1200

Email: pm@openspace.org

Alternate: Rangeland Ecologist

Tel: (650) 691-1200

Email: pm@openspace.org

Notice Addresses of District:

Midpeninsula Regional Open Space District

Attn: Property Management Specialist II

330 Distel Circle

Los Altos, CA 94022

Tenant Contact Information:

Primary Contact: Erik Markegard

Tel: 650-245-4557

Email: erik@markegardfamily.com

Alternate Contact: Doniga Markegard

Tel: 650-670-7984

Email: doniga@markegardfamily.com

Notice Address of Tenant:

Markegard Family Grass-Fed

20080 Cabrillo Highway South

Half Moon Bay, CA 94019

GRAZING LEASE

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

1. RANGELAND MANAGEMENT PLAN

District has prepared a grazing management plan for the Premises (“Rangeland Management Plan”), incorporated herein by this reference as Exhibit A, and has provided Tenant with a copy of said Rangeland Management Plan. Tenant hereby acknowledges receipt thereof. District and Tenant expressly acknowledge and agree that the District’s purpose in entering into this Lease is to achieve its objectives set forth in the Rangeland Management Plan. The Rangeland Management Plan is a management tool for developing and implementing range activities in accordance with and complementary to the District’s overall land management, resource administration, public use, and other open space policies, guidelines and goals. The Rangeland Management Plan may be amended by District from time to time, with Tenant’s input, and any such amendment by District shall be effective upon thirty (30) days written notice to Tenant thereof.

2. PREMISES

- (a) **Premises.** District leases to Tenant, and Tenant leases from District, upon the terms and conditions herein, **2,072** gross acres less cited exceptions located in the [List name] Creek Open Space Preserve, San Mateo County, CA (“Premises”) as depicted in Exhibit B attached hereto.
- (b) **Reserved Rights.** Tenant's use of the Premises is subject to all existing easements, servitudes, leases and rights of way for ditches, levees, roads, public utilities, pipelines and any other purposes, whether of record or not, and including the right of District to authorize its directors, officers, employees, agents, and volunteers to use the Premises for District purposes. District reserves the right to use the Premises for all public open space purposes, including but not limited to, natural resource restoration and management, natural resource monitoring, road grading, mowing, plowing, seeding, fertilizing, prescribed burning and performing any other appropriate or customary seasonal work. District further specifically reserves the right to make use of all roads and trails on the Premises for patrol, maintenance and such other uses as District may reasonably desire to make of such roads or trails. District also reserves the right to make the Premises open to the general public for low intensity open space recreation, subject to reasonable restrictions as determined by District, and including the right to construct trails, public trailhead facilities, and other facilities for such public use purposes.
- (c) **As Is Condition of Premises.** District makes no warranties or representations to Tenant concerning the suitability of the Premises for grazing purposes. Tenant represents and warrants that Tenant has conducted a thorough and diligent inspection and investigation of the Premises and the suitability of the Premises for Tenant’s intended use. Tenant is fully aware of the needs of its grazing operations and has determined, based solely on its own inspection, that the Premises are suitable for its operations and intended use. Tenant acknowledges, agrees to, and hereby accepts, the Premises in their present condition, “AS IS, WITH ALL FAULTS”, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, rules and regulations governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Tenant acknowledges and agrees that District,

including without limitation its directors, officers, employees and agents, has not made, and District hereby disclaims making, any representations or warranties, express or implied, concerning (i) any title or survey matters affecting the Premises; (ii) the physical, geological or environmental condition of the Premises including without limitation, and notwithstanding any provisions of the Rangeland Management Plan, the availability, suitability, sufficiency, or existence of any sources of water, livestock watering system, or water rights of any kind; (iii) the present or future capacity or suitability of the Premises for livestock grazing; (iv) the feasibility, cost or legality of constructing any improvements on the Premises if required for Tenant's use as permitted under this Lease; (v) the condition of any fences, roads, gates or range improvements; or (vi) any other matter whatsoever relating to the Premises or its use, including, without limitation, any implied warranties of fitness for a particular purpose.

- (d) **Withdrawal of Premises.** Pursuant to California Public Resources Code Section 5563, District hereby reserves the right, at any time, to reduce the size of the Premises leased hereunder, in whole or by any portion thereof. Should the District Board of Directors ("Board") determine to use such lands for park, open space or other District purpose inconsistent with Tenant's use, the Lease shall terminate as to those lands so identified. District will notify Tenant of the tentative scheduling of any agenda item for Board consideration to act under Public Resources Code Section 5563, as to the Premises, no less than sixty (60) days in advance of the meeting proposed for consideration of such an item. Should less than the entire Premises be removed from the Lease pursuant to this Section, the animal unit months ("AUM"), as hereinafter defined, and as permitted hereunder, and the corresponding rental amount, shall be reduced proportionate to the reduction in the area, based on acreage and grazing capacity, subject to the Lease. In the alternative, Tenant may elect to terminate the Lease in its entirety and shall have no further rights or obligation hereunder except as to those matters specifically identified as surviving such termination.

3. TERM

- (a) **Term.** The Premises are leased for an initial two (2) year term ("Initial Term") beginning **November 1, 2019** ("Commencement Date") and expiring on October 31st of the second year, unless extended as provided for herein. Provided Tenant is in compliance with the terms, covenants, and provisions of this Lease (including the Rangeland Management Plan), District may in its sole discretion elect to extend the Lease for one additional one (1) year period ("Subsequent Term"), for a maximum total Term of no more than three (3) years, unless the Lease is terminated by District or Tenant as otherwise provided for herein. The Subsequent Term shall expire on October 31st of the third year. Collectively, the Initial Term and Subsequent Term, if any, are referred to herein as the "Lease Term".
- (b) **Grazing Capacity and Grazing Season.** The definition of the "Grazing Capacity" and the "Grazing Season" for all purposes of this Lease is that set forth in Section 6 of this Lease. Tenant will graze the Premises only during the Grazing Season and in compliance at all times with the authorized Grazing Capacity. Tenant may go on to the Premises during other times of the year (the "Off-Season") to conduct activities reasonably related to permitted grazing, including infrastructure maintenance and repair and related to such new leasehold improvements as may be authorized in writing by District.
- (c) **Termination of Lease at End of Term.** District or Tenant may terminate this Lease at the end of the Initial Term, or at the end of any Subsequent Term, if District or Tenant gives written notice to the other party at least ninety (90) days prior to the Expiration Date of the then effective Term. This right of termination is in addition to any and all rights of termination by

District or Tenant as set out herein.

- (d) **Possession.** Tenant agrees that in the event of the inability of District to deliver possession of the Premises at the Commencement Date, District shall not be liable for any damage caused thereby nor shall this Lease be void or voidable, but Tenant shall not be liable for Rent (as described hereunder) until such time as District offers to deliver possession of the Premises to Tenant. The Term of the Lease shall not be extended by any such delay.

4. RENT

- (a) **Lease Year Rent.** Each year during the Term, Tenant shall pay to District annual rent (“Rent”) as payment for grazing on the Premises. Rent shall be adjusted each lease year thereafter (“Annual Adjustment of Rent”) as set forth below. Rent shall be payable in two lump sum payments for the actual livestock use that occurs over the Grazing Season, and shall be paid on or before the dates set forth in the Summary (“Rent Payment Date”) at the address shown for District in the Summary.
- (b) **Annual Adjustment of Rent.** Rent shall be adjusted upward or downward for each lease year depending upon the actual livestock use and per AUM rental rate. Tenant shall be notified by the District on or before July 15th of each current lease year of the new per AUM rental rate for the next Grazing Season. Rent Adjustments will be calculated pursuant to the formula set forth in the Calculation of Annual Grazing Rent, attached hereto and incorporated herein as Exhibit C of this Lease. Rent shall be due immediately following the District’s notification of total amount due.
- (c) **Performance of Work as a Contractor.** Tenant may request permission from District to improve grazing infrastructure and/or promote resource protection (“Work”) on the Premises for direct compensation as a contractor by the following procedures outlined above in section 4(c) except as noted below.
- (i) Prior to commencing any such Work, Tenant shall submit a written proposal and schedule for completion of Work to District for approval and shall provide an estimate of the value of such Work itemizing the estimated cost for outside contractors, materials, labor, and equipment (Exhibit E).
 - (ii) The construction and installation of the improvements shall be in accordance with District’s specifications and instructions. A biological monitor may be required by District in its sole discretion to monitor Work in areas where sensitive species may be affected.
 - (i) District shall review such Tenant proposal and value estimate, and may elect, in its sole discretion, to authorize the performance of such Work, or may counter the offer of Tenant, either as to the scope of Work or valuation thereof.
 - (ii) For performance of Work for compensation, Tenant is required to sign a contract for the Work proposed with the District after the Work proposal has been approved.
 - (iii) Tenant is required to provide any additional insurance as specified.
 - (iv) Tenant shall notify District upon completion of the authorized Work and shall arrange for inspection of such Work by District. If District determines that the Work has not been fully or correctly performed, it shall notify Tenant of the deficiencies and Tenant shall have a reasonable period of time to correct the identified deficiencies. Tenant shall thereafter notify District and request further inspection.
 - (v) Tenant shall not accept any federal cost-sharing payments, grants, or donations

for conservation practices that would result in a duplicate payment.

- (vi) In any agreement entered into between Tenant and outside contractor(s), said contractor shall act as an independent professional and not as an agent of the District, and nothing contained in this agreement or any contractor agreement shall create a contractual relationship between any contractor or subcontractor and the District. Tenant shall obtain written permission from District prior to retaining any contractor to perform Work at the Premises. Tenant shall: 1) require contractor to pay prevailing wages as required by law; 2) ensure that the contractor is licensed under state law (if applicable); and 3) require the contractor to hold appropriate insurance coverages for work on District land. Tenant shall notify the District at least seven (7) days prior to the commencement of said approved Work and immediately upon completion.
 - (vii) Compensation for said Work will be directly paid to the Tenant instead of in lieu of all or a portion of Rent.
 - (viii) Tenant acknowledges that any Work to be performed by Tenant for compensation may trigger reporting requirements by the District under federal and state tax law. Tenant will be required to submit a W9 to the District. Tenant agrees that Tenant is solely responsible for all tax obligations, if any, arising from such payments or offsets, to whatever degree required by state or federal law.
 - (ix) Nothing contained herein shall be construed to make Tenant an employee or agent of District and Tenant shall be and remain an independent contractor.
- (d) **Performance of Work for Rent Credit.** Tenant may request permission from District to improve grazing infrastructure and/or promote resource protection (“Work”) on the Premises, in lieu of all or a portion of the Tenant’s annual Rent by the following procedures and subject to the following conditions:
- (i) Only Work that qualifies for Rent Credit as outlined in Exhibit D may be submitted.
 - (ii) Prior to commencing any such Work, Tenant shall submit a written proposal and schedule for completion of Work to District for approval and shall provide an estimate of the value of such Work itemizing the estimated cost for outside contractors, materials, labor, and equipment (Exhibit E).
 - (iii) The construction and installation of the improvements shall be in accordance with District’s specifications and instructions. A biological monitor may be required by District in its sole discretion to monitor Work in areas where sensitive species may be affected.
 - (iv) District shall review such Tenant proposal and value estimate, and may elect, in its sole discretion, to authorize the performance of such Work, or may counter the offer of Tenant, either as to the scope of Work or valuation thereof. If acceptable to Tenant, District and Tenant may agree that such Work be performed in lieu of all or a portion of Rent in the agreed-upon amount. Any such authorization shall be in writing and signed by a duly authorized District representative or shall be of no force and effect.
 - (v) In the event District approves specific Work to be performed by Tenant in lieu of all or a portion of Rent, all such Work shall be performed in a timely and professional manner, to the reasonable satisfaction of District.
 - (vi) Tenant acknowledges that any Work to be performed by Tenant in lieu of all

or a portion of Rent may trigger reporting requirements by the District under federal and state tax law. Tenant agrees that Tenant is solely responsible for all tax obligations, if any, arising from such payments or offsets, to whatever degree required by state or federal law.

- (vii) Tenant shall notify District upon completion of the authorized Work and shall arrange for inspection of such Work by District. If District, after inspection, accepts the Work as fully and correctly performed, it shall authorize, in writing, that such Work be either substituted for all or a portion of Tenant's Rent obligations for the agreed upon amount. If District determines that the Work has not been fully or correctly performed, it shall notify Tenant of the deficiencies and Tenant shall have a reasonable period of time to correct the identified deficiencies. Tenant shall thereafter notify District and request further inspection. The District reserves the right to withhold compensation for work that fails to meet agreed upon specifications.
 - (viii) Tenant shall not accept any federal cost-sharing payments, grants, or donations for conservation practices that would result in a duplicate payment.
 - (ix) In any agreement entered into between Tenant and outside contractor(s), said contractor shall act as an independent professional and not as an agent of the District, and nothing contained in this agreement or any contractor agreement shall create a contractual relationship between any contractor or subcontractor and the District. Tenant shall obtain written permission from District prior to retaining any contractor to perform Work at the Premises. Tenant shall: 1) require contractor to pay prevailing wages as required by law; 2) ensure that the contractor is licensed under state law (if applicable); and 3) require the contractor to hold appropriate insurance coverages for work on District land. Tenant shall notify the District at least seven (7) days prior to the commencement of said approved Work and immediately upon completion.
 - (x) In no event shall credit for Work performed in lieu of Rent exceed the amount of Rent due for the remainder of the then current Grazing Season and any excess claimed may not be carried over or otherwise applied to rental obligations arising thereafter. Should District terminate this Lease for any reason permitted hereunder, District shall, prior to the full application of any such credit to Rent due, reimburse Tenant for Work that was approved by District and correctly performed by Tenant, provided that District's termination of this Lease is not due to a material default or breach of Tenant.
- (e) **Challenge to Rent Adjustment.** Tenant acknowledges that the Rent is adjusted annually based upon the good faith calculations of the District based upon the information provided or referred to herein. Tenant agrees that it has no more than one year from the date of being informed of the new Rent amount to challenge the calculation of rent amount. Errors or discrepancies in calculation of Rent alleged by Tenant after one year has elapsed are waived by Tenant, as a knowing waiver due to the complexity of rental calculation and the Tenant's ability to independently determine if the calculations were performed correctly.
 - (f) **Late Charge.** Any Rent received by District five (5) or more days past the Payment Date on which such amount was due, shall be subject to a penalty of 10% of the amount due to District, and Tenant shall pay such additional sum concurrently with the late Rent payment.
 - (g) **Livestock Lien.** Tenant hereby acknowledges that all Rent not paid on a Payment Date set

herein shall become a lien on any and all livestock located on the Premises as authorized by California Civil Code §3080, *et seq.*, and District shall have the right to take possession and retain all such livestock, without resort to additional legal proceeding, until all unpaid amounts are satisfied in full.

- (h) **External Funding of Work.** District shall review any proposal for Work that may be partially funded by federal cost-sharing payments, grants, or donations ex. EQIP grants (National Resources Conservation Services) to ensure District resource and management goals are met. Tenant is required to obtain written permission from the District before proceeding with the Work proposal. Additionally, if the Tenant seeks partial funding of the Work proposal from the District, District Board approval may be required depending cost of the District's share of the Work proposal.

5. TAXES

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

Tenant acknowledges that any rent offsets or compensation paid by other means for work done on the property may trigger reporting requirements by the District under federal and state tax law, regarding such payments or offsets credited to the Tenant. Tenant agrees to provide any information required about the business structure under which Tenant operates to assist the District in determining its tax reporting obligations. Tenant agrees that Tenant is solely responsible for all tax obligations, if any, arising from such payments or offsets, to whatever degree required by state or federal law.

6. ANNUAL GRAZING CAPACITY AND GRAZING SEASON DETERMINATION

- (a) **Definition of Grazing Capacity.** Grazing Capacity, for all purposes herein, is the level of livestock use allowed on the Premises consistent with forage production, resource conservation, and open space preservation objectives (the "Grazing Capacity"). The unit of measure of Grazing Capacity shall be the animal unit month ("AUM"), defined herein as the amount of forage, equivalent to 1,000 pounds of dry, herbaceous plant material, necessary to sustain a mature cow for a period of one month. District shall regulate the kind and number of livestock and the amount of time the Premises are grazed by same, to assure conformity to Grazing Capacity estimates.
- (b) **Definition of Grazing Season.** Grazing Season, for all purposes herein, is that portion of the year during which grazing is feasible. It may be a whole year or a partial year and is normally a function of available forage, the type of livestock grazed, conservation grazing goals, and climate. Generally, the annual Grazing Season begins November 1st and ends October 31st unless otherwise established. The District shall regulate the length of the Grazing Season as needed to achieve its conservation grazing goals.
- (c) **Procedure for Establishing Annual Grazing Capacity and Grazing Season.** The Grazing Capacity and Grazing Season for the Premises for the first lease year is that set forth in the Summary. The procedure for establishing the Grazing Capacity and Grazing Season thereafter shall be:

- (i) District shall conduct an annual range assessment of the Premises to identify areas District considers suitable for grazing and to estimate the available forage production for the forthcoming lease year. Tenant will be provided an opportunity to participate in this annual range assessment.
 - (ii) Residual Dry Matter (RDM) targets described in Section 6(f) herein shall be subtracted from the estimated total amount of available forage within the Premises to determine how much forage is available for livestock to consume in an average year, a wet year, and a dry year. The District's determination of Grazing Capacity and corresponding Grazing Season for the Premises shall be based upon the estimated forage production in an average rainfall year and may be subject to change by District.
 - (iii) Prior to November 15th of each year, District shall notify Tenant in writing of the authorized Grazing Capacity and Grazing Season for the Premises for the forthcoming lease year. The notice shall set forth any required changes to Tenant's range management methods or grazing practices in accordance with the Rangeland Management Plan, and shall also list any natural resource management or other range or open space management activities appropriate for the Premises during the forthcoming lease year from which Tenant may propose to do Work, as defined in Section 4(c) and 4(d).
 - (iv) Subject to the provisions of Section 6(c) through 6(e) below, the authorized Grazing Capacity for the Premises shall remain the same throughout the lease year.
- (d) **District as Sole Judge of Grazing Capacity and Grazing Season.** At all times District shall be the sole judge as to the Grazing Capacity and Grazing Season of the Premises and any pasture thereof. In determining the Grazing Capacity and Grazing Season of the Premises or any pasture thereof, District may take into account, by way of example only and without limitation thereby, such factors as erosion control, re-forestation, native and invasive vegetation, water quality, fisheries, wildlife, recreation or any other conditions that may affect the use, operation, and conservation of the District's lands for open space purposes.
- (e) **Emergency Reduction of Grazing Capacity.** At any time and from time to time, District may reduce the authorized Grazing Capacity or Grazing Season or impose a full or partial grazing moratorium in the District's discretion when such action is necessary or appropriate due to an emergency that poses a threat to the physical or environmental condition of the Premises. Written notice of any such reduction will be given by District to Tenant, who shall have ten (10) days in which to implement the reduction. In implementing such reduction, Tenant may either (i) reduce animal numbers, or (ii) feed weed-free hay of good quality at the equivalent of three (3) AUMs per ton fed. In the event Tenant desires to use option (ii), Tenant shall first obtain District's written approval. In giving such approval, District may require Tenant to concentrate all or part of the livestock into selected areas for feeding and control. In the event of such reduction, the Rent shall be adjusted pursuant to Section 4(b) hereof.
- (f) **Exceeding Grazing Capacity without Authorization.** Tenant shall limit the number of livestock to be grazed upon the Premises and the period of use so that the authorized number of AUMs is not exceeded. Should the Premises, or any portion thereof, unintentionally be grazed in excess of the authorized number of AUMs, Tenant shall immediately remove all or such number of livestock as are necessary to comply with the Grazing Capacity authorized by District. In addition to all other rights which District may have or exercise under this Lease, in the event that Tenant grazes the Premises in excess of the authorized Grazing Capacity, the

charge per AUM shall be three (3) times the annual Rent provided for in this Lease for each AUM or portion thereof grazed in excess of said authorized number, for any length of time, such amount being hereby agreed upon as the liquidated minimum damages to District from such excess usage and District shall be entitled to prove and be awarded any greater damage amount, or other relief sought, by a court of competent jurisdiction. Tenant shall pay such amount to District promptly upon demand.

- (g) **Residual Dry Matter (RDM) Requirements.** Residual dry matter (“RDM”), as used herein, is a measure of the amount of dry vegetation left on the ground, typically measured at the end of summer or in the fall, prior to rainfall. The height in inches of standing vegetation remaining on the ground is a general indicator of RDM levels; however, the pounds per acre measurement shall be used for the purposes of monitoring and enforcing minimum RDM requirements. The District has set the following RDM requirements for the Premises depending upon average slope:

Minimum:

- 1) On 0% to 30% slopes, the average minimum RDM shall be 800 – 1,000 pounds per acre, or approximately 2 to 3 inches of standing vegetation.
- 2) On slopes greater than 30%, the average minimum RDM shall be 1,200 pounds per acre, or approximately 3 to 4 inches of standing vegetation.

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

While it is ideal to graze pastures to at or near prescribed RDM levels, it may be difficult to obtain these results annually based on natural climatic factors. Grazing operators should manage grazing livestock to remove, at a minimum, forty percent (40%) of the annual forage produced. For example, if annual forage production in a pasture is 5,000 pounds per acre, the grazing operator should manage livestock to reduce, at a minimum, 2,000 pounds of forage per acre resulting in Fall RDM measurements around 3,000 pounds per acre. If final RDM levels exceed sixty percent (60) of total annual production, District shall notify Tenant, and Tenant along with the District’s Rangeland Ecologist will discuss increasing the grazing pressure by increased stocking rate, adjusting season of use/timing, adding a water source in the area, and/or placing cattle supplement in the area as an attractant.

7. ANNUAL STOCKING AND WORK PROGRAM

Tenant shall prepare an annual stocking and work plan (“Stocking and Work Program”) prior to the beginning of each Grazing Season. No later than **December 1st** of each year, Tenant shall deliver to District a proposed Stocking and Work Program, in a form substantially similar to the example attached hereto as Exhibit F that shall include information on the number and type of all livestock proposed to be grazed upon the Premises during the forthcoming Grazing Season. The Stocking and Work Program shall set forth the number of AUMs to be stocked based on current forage conditions and the Grazing Capacity and the

forthcoming Grazing Season established by District, and shall specify all proposed management activities related to invasive removal, infrastructure maintenance, and/or the development of range resources that may be warranted for the conditions and circumstances on the Premises. The range management work proposed by Tenant shall be in full conformance with the Rangeland Management Plan. Within twenty (20) working days of receipt of the Stocking and Work Program, District shall notify Tenant in writing whether it is acceptable. If unacceptable, District shall state in its notice all changes to be made to the Stocking and Work Program. Tenant shall incorporate all changes into the Stocking and Work Program and resubmit it to District for approval. For the length of the Grazing Season, **Tenant is required to submit monthly stocking reports as outlined in Exhibit G.**

8. LIVESTOCK

- (a) **Health of Livestock.** Tenant covenants and warrants that all livestock on the Premises shall be in general good health and physical condition and that they have been inoculated with all appropriate vaccinations according to good husbandry practice.
- (b) **Outbreaks of Disease.** Tenant shall immediately (within 24 hours) report to District and all proper governmental authorities any case of infectious animal disease appearing in livestock on the Premise, and shall, at Tenant's sole cost, take all steps required to isolate, control, and eliminate any such disease in consultation with a licensed and reputable veterinarian retained by Tenant. Livestock exhibiting symptoms of disease communicable to humans shall be immediately removed from the Premise.
- (c) **Livestock Identification.** All livestock and their offspring shall be branded or marked with the brand or mark of the Tenant. The District, under certain conditions, may require Tenant to identify livestock with distinctive ear tags for to facilitate public or District personnel reporting of any problem or aggressive livestock.
- (d) **Disposal of Livestock Carcasses.** Tenant shall immediately notify District upon discovering any dead livestock on or near the Premises. Tenant shall promptly remove or dispose of livestock carcasses on the Premises. District may in its sole discretion grant Tenant's request to bury livestock carcasses on District land. Burial shall not occur without District's prior written approval.

9. USE OF PREMISES

- (a) **Tenant's Permitted Use.** Tenant may use the Premises for the uses specified in the Rangeland Management Plan, and for no other purpose or use without the prior written consent of District, the exercise of which shall be in its sole discretion. Livestock grazed on the Premises must be either owned by the Tenant or grazed under the direct supervision of Tenant.
- (b) **Grazing Within Premises.** Tenant shall, at all times, prevent livestock from trespassing onto lands on which Tenant is not authorized to graze and adjacent third-party lands, whether private or public. Notwithstanding the foregoing, nothing in this subsection (c) shall be construed to require Tenant to install additional fencing on the Premises beyond that required elsewhere in this Lease or by the Rangeland Management Plan.
- (c) **Supplemental Feeding.** Subject to verbal authorization from the District's Rangeland Ecologist or other authorized District representative, Tenant may provide supplemental feed to maintain the health and vitality of permitted livestock. Tenant may not conduct supplemental feeding on the Premises to prolong grazing use in areas where the forage levels specified in the approved annual Stocking and Work Program have been reached or exceeded. Any

supplemental feed shall be certified to be free of non-native, invasive plant materials, commonly known as “weed free” feed or forage.

- (d) **Motorized Vehicles and Heavy Equipment.** Tenant acknowledges that use of roads and vehicle accessible trails and areas of the Premises, both during and immediately following wet weather carries the potential for serious degradation of road and ground surfaces, including but not limited to, rutting and erosion. Tenant shall refrain, to the maximum extent feasible consistent with reasonable grazing practices, from using motorized vehicles on the Premises during wet conditions. All motorized vehicle use by Tenant during wet conditions is restricted to the use of balloon-tired, all-terrain vehicles. All motorized vehicles and equipment used by Tenant on the Premises must be outfitted with appropriate spark arrestors and mufflers. No heavy equipment, including, but not limited to bulldozers, backhoes, excavators, or trenchers is allowed to cross or operate on the Premises without District’s prior written consent. District may, in its sole discretion, close any or all roads, or promulgate and enforce use restrictions on road use for resource management, erosion control, law enforcement purposes, or other purposes necessary or appropriate for the sound management of the Premises, by providing Tenant with prior written notice thereof.
- (e) **Weed and Pest Control.** Except as set forth in Section 9(d) above, District will have the right, but not the obligation, at its sole cost and expense, and in its sole discretion as to the manner, time or extent of such efforts, for the control of noxious weeds and animal pests on the Premises. Tenant shall fully cooperate with District in any programs designed to control or eradicate weed and pest populations, including relocation of livestock if necessary. District shall provide Tenant with at least 48 hours’ notice, verbal or written, prior to the commencement of such control programs. Tenant shall not introduce any noxious vegetation onto or about the Premises. In no event shall District be liable to Tenant for the presence or introduction of noxious vegetation or animal pests on the Premises.
- (f) **Integrated Pest Management Program.** Tenant, and any pest management contractors operating on the leased property, shall comply with all requirements of the District’s Integrated Pest Management (IPM) Program. These requirements include, but are not limited to: using the least harmful method(s) to control identified pests, using only pesticides on the current District Pesticide List, posting notifications of all pesticide applications one day before treatment, leaving these postings for three days after treatment, and reporting all pesticide use by staff or contractors. Tenant must obtain prior written authorization from District before using any pesticide on the Premises.
- (g) **Hazardous Substances.** Tenant is absolutely prohibited from transporting, mixing, generating, applying, storing, or disposing of pesticides (including herbicides or rodenticides) or any hazardous substances, except for equipment and vehicle fuel and fueling operations typical for use in grazing operations, upon the Premises without the prior express written consent of District. Fuel will be kept in properly sealed containers, suitable for the substance, and all fuel transfer operations will be conducted with sufficient care and diligence to prevent contamination of or on the Premises.
- (h) **Events.** Tenant shall obtain a permit pursuant to District’s permit process for any event held on the Premises for twenty (20) attendees or above. Events shall be approved at the sole discretion of the District.
- (i) **Unforeseen Circumstances.** At any time, District may require Tenant to temporarily relocate livestock, and/or temporarily cease grazing activities on a portion of the Premises if, in the District’s discretion, such action is necessary or appropriate due to unforeseen circumstances

which pose a threat to the physical or environmental condition of the Premises. District will notify Tenant at least seventy-two (72) hours previous to an action. In the event of such reduction, the Rent shall be adjusted pursuant to Section 4(b) hereof.

- (j) **Cannabis Prohibited.** Cannabis shall not be cultivated, stored, transported, packaged or possessed on District Premises notwithstanding legality of cannabis within the local jurisdiction.

10. MAINTENANCE OF IMPROVEMENTS

- (a) **Routine Maintenance.** Tenant responsibilities for maintenance are outlined in Exhibit D. Please refer to Section 4(c & d) for a full description of the requirements for either performance of work for rent credit or direct compensation where applicable.
- (b) **Emergency Road Repairs.** Tenant may perform limited emergency repairs to any road that is impassable for uses authorized hereunder. Tenant must make a reasonable, good faith effort to notify District prior to commencing emergency work undertaken pursuant to this section. "Emergency" for purposes of this section shall mean imminent danger to the health or safety of humans, the natural resource values of the Premises, water bodies or structures, or to livestock permitted on the Premises hereunder. All emergency work undertaken pursuant to this section shall be performed, to the maximum extent feasible, in a manner consistent with District road repair standards. No material may be permitted to enter waterways. Tenant shall be responsible for remediation of any emergency road repair work, as such may be ordered by District or by lawful regulatory authority, including proper permitting, associated fees and charges and for any fines levied. Tenant shall not be entitled to reimbursement or rent credit for any such emergency repairs.

11. ALTERATIONS

Tenant agrees to obtain and fully comply with all applicable permits, authorizations, laws, ordinances, and regulations, and to obtain the prior written consent of District before making any alterations of, changes in, or additions to the Premises. All alterations, additions and improvements made in, to, or on the Premises, except unattached, movable fixtures, are the property of the District and will remain upon, and be surrendered with, the Premises upon termination of this Lease.

12. ENTRY AND INSPECTION BY DISTRICT

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

13. COMPLIANCE WITH LAW

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

hereunder.

b. Tenant shall not conduct predator control or harassment unless in coordination with the District and at all times in accordance to District, local and state regulations. A violation of state or local laws including District Land Use Regulations caused by Tenant or Tenant's agents on the Premises, breach of the reporting procedure described herein, or conducting predator control/deterrence without District written permission constitutes a material breach of the Lease. Tenant shall report evidence of wildlife interfering with livestock operations to the District both by telephone and in writing, using the following phone numbers and address:

District Contact Information:

Primary Contact: Rangeland Ecologist
330 Distel Circle, Los Altos, CA 94022
Tel: (650) 691-1200

Alternate: Skyline Area Superintendent
Tel: (650) 949-1848

Afterhours District Dispatch - Mountain View Communications
Tel: (650) 903-6395 ask for dispatch to contact Area Superintendent

14. DISTRICT RIGHT TO TERMINATION FOR BREACH OR DEFAULT

- (a) **District Right to Terminate.** District shall have the right to terminate this Lease at any time upon default of this Lease by Tenant.
- (b) In the event of termination by District, Tenant shall be allowed thirty (30) days following District's issuance of written notice of termination during which to vacate the Premises. .
- (c) **Default.** The occurrence of any of the following shall constitute a material default under and breach of this Lease by Tenant:
 - (i) Any failure by Tenant to pay the Rent or any other monetary sums required to be paid hereunder (where such failure continues for three (3) business days after written notice to quit or pay rent by District to Tenant).
 - (ii) The abandonment of the Premises by Tenant.
 - (iii) A failure by Tenant to observe and perform any provision of this Lease, including but not limited to overgrazing of the Premises; any use of the Premises in a manner inconsistent with the Rangeland Management Plan or other provisions of this Lease; failure to adhere to District's predator control policies; or use of the Premises for any unlawful or prohibited purpose..
 - (iv) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy; the appointment of trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease; or, the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease. Tenant agrees that in the event of the occurrence of any of the above-specified circumstances, this Lease, or any interest in or to the Premises, shall not become an asset in any of such proceedings.
- (d) **Remedies.** In the event of any material default or breach by Tenant, District may take any of the

following actions in its sole discretion, at any time thereafter, and without thereby limiting District in the exercise of any right or remedy, at law or in equity, that District may have by reason of such default or breach:

- (i) Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether or not Tenant has abandoned the Premises. In the event District elects not to terminate the Lease, District shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as District deems reasonable and necessary without being deemed to have elected to terminate the Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises, notwithstanding failure by District to elect to terminate the Lease initially. District at any time during the Term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.
- (ii) Place Tenant on probation, in which case the District will provide written notice to Tenant of Tenant's default, stating the reason(s) for which probation is given. If after one year from the initiation of probation Tenant fails to remedy all deficiencies previously described by written notice to the satisfaction of District in its sole discretion, District may proceed with termination of this Lease as provided in this section.
- (iii) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to District. In such event District shall be entitled to recover from Tenant all damages incurred by District by reason of Tenant's default, including without limitation thereto, the following: (a) the worth at the time of award of any unpaid Rent which has been earned at the time of such termination; plus (b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (c) any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform any obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; plus (d) at District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. Upon any such re-entry District shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which District, in its sole discretion, deems reasonable and necessary. As used in (a) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum from the date of default. As used in (b), the "worth at the time of award" is computed by discounting such amount at the discount rate of the U.S. Federal Reserve Bank at the time of award plus one percent (1%). The term "Rent," as used in this Section, shall be deemed to be and to mean the Rent to be paid pursuant to Section 4 hereof and all other monetary sums required to be paid by Tenant pursuant to the terms of this Lease.

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

15. TENANT'S RIGHT TO TERMINATE

If, after reviewing the average selling price of beef cattle for the month of June as reported in in CattleFAX Feeder Cattle Prices (West & Northwest), Tenant determines that the Rent for the subsequent lease year will not enable Tenant to conduct an economically viable grazing operation, Tenant shall have the right to terminate this Lease, effective at the conclusion of the Grazing Season, by providing written notice to District at the address shown on the Summary on or before August 15th of any lease year. In the event of such earlier termination by Tenant, Tenant shall be allowed ninety (90) days following the conclusion of the Grazing Season in which to vacate the Premises in conformity with this Lease. In the event of such early termination, Tenant's sole claim against District shall be payment for any completed contract Work.

16. SURRENDER OF PREMISES

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

17. ASSIGNMENT AND SUBLETTING

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

18. INDEMNIFICATION

Tenant agrees to indemnify, protect, defend, and hold District harmless from and against any and all claims, losses, damages, demands, liabilities, suits, penalties, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims and/or judgments arising out of or arising in connection with any injury or damage to any person or property including, without limitation, District and its directors, officers,

employees, agents volunteers, and guests from any cause or causes whatsoever while in, upon or in any way connected with this Lease, the Premises, or its appurtenances during the Term of the Lease.

19. INSURANCE

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

20. WAIVER OF RELOCATION BENEFITS

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

21. UTILITIES

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

22. NO RIGHT TO REPAIR AND DEDUCT

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

23. GENERAL PROVISIONS

- (a) **Amendments; Entire Agreement.** Neither this Lease nor any term or provision hereof may be changed, waived, amended, discharged or terminated except by a written instrument signed by the Parties hereto or as otherwise permitted hereunder. This Lease, including the Exhibits

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

- (f) **Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- (g) **Time.** Time is of the essence to every term and condition hereof to which time is a material factor.
- (h) **Governing Law and Venue.** This Lease shall be construed pursuant to California law and proper venue for all purposes shall be in the Superior Court for the County of San Mateo.
- (i) **Attorneys' Fees; Costs of Suit.** If legal action shall be brought by either of the parties, the party prevailing in said action shall be entitled to recover from the party not prevailing shall bear the costs of the suit and reasonable attorney's fees. For purposes of this Lease, reasonable fees of attorneys employed by District shall be based on the fees regularly charged by private attorneys with an equivalent number of years of experience in the subject matter area of the law and actively practicing within the jurisdiction of District.
- (j) **Holding Over.** Tenant specifically waives the provisions of Code of Civil Procedure §1161(2). Any holding over after expiration of the Term with the express written consent of District shall be construed to automatically extend the Term of this Lease only on a month-to-month basis. All other terms, conditions and covenants of the Lease shall remain in effect during the hold over period so far as applicable.
- (k) **Notices.** Wherever this Lease provides for notices between the parties, or wherever the law requires or gives the right of serving a notice, the same shall be in writing and either served personally or sent by registered or certified mail, postage prepaid and addressed to the appropriate party as shown in the Summary. District and Tenant may at any time, in the manner provided herein, change the place or person designated for receiving notice.

IN WITNESS WHEREOF the parties hereto subscribe their names.

TENANT 1:

TENANT 2:

[List Name]

[List Name]

Date: _____

Date: _____

DISTRICT:

Ana M. Ruiz, General Manager

Date: _____

Approved as to form:

Attest:

Hilary Stevenson, General Counsel

Jennifer Woodworth, District Clerk

Date: _____

Date: _____

EXHIBIT A – RANGELAND MANAGEMENT PLAN (SEPARATE COVER)

EXHIBIT B - GRAZING LEASE PREMISES

EXHIBIT C- CALCULATION OF ANNUAL GRAZING RENT

Annually, grazing Rent shall be adjusted upward or downward based upon two factors:

- 1) The Grazing Capacity in AUMs authorized by District for the current Grazing Season.
- 2) An increase or decrease in the per AUM rental rate as outlined below. Any increase or decrease in the per AUM rental rate shall not exceed 50 percent (50%) of the previous grazing season's per AUM rental rate.

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

The per AUM rental rate shall be determined through the use of the Grazing Rental Adjustment Table included with this Exhibit, within which the average selling price of beef cattle per hundred-weight shall be matched with the appropriate price range found in Column 1 of said table to determine the corresponding rental rate found opposite this entry in Column 2

Example for calculating the annual grazing rent:

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

Ranch A - 40 AUMs per month for 12 months (month - month) = 480 AUMS

Total Grazing Capacity = 480 AUMS

Per AUM Rent = \$16.50

Rent for first lease year = 480 AUM X \$16.50 = \$7,920.00

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

| <u>Type of Livestock</u> | <u>Animal Unit Months (AUMs)</u> |
|---|----------------------------------|
| Adult Cow with Calf up to 6 months old | 1.00 |
| Heifer or Steer, 2 years & older (1,000 lbs. or more) | 1.00 |
| Yearling to 2-year-old (750 to 1,000 lbs.) | 0.75 |
| Weaned Calf to Short Yearling (up to 750 lbs.) | 0.50 |
| Bull | 1.50 |
| Horse | 1.25 |
| Sheep | 0.20 |
| Goats | 0.20 |

Tenant shall use the Premises only for grazing the type of livestock permitted under the Rangeland Management Plan for that grazing property.

Midpeninsula Regional Open Space District

Grazing Rental Adjustment Table

| Column 1 | | Column 2 | | Column 1 | | Column 2 | |
|---|----|--------------|----------|---|-----------|--------------|--|
| Average Price/cwt Steers\Heifers 500-800 lbs. | | Rate per AUM | | Average Price/cwt Steers\Heifers 500-800 lbs. | | Rate per AUM | |
| \$ 92.01 | to | \$ 92.50 | \$ 12.60 | \$ 176.51 | \$ 177.00 | \$ 19.05 | |
| \$ 92.51 | to | \$ 93.00 | \$ 12.65 | \$ 177.01 | \$ 177.50 | \$ 19.10 | |
| \$ 93.01 | to | \$ 93.50 | \$ 12.70 | \$ 177.51 | \$ 178.00 | \$ 19.15 | |
| \$ 93.51 | to | \$ 94.00 | \$ 12.75 | \$ 178.01 | \$ 178.50 | \$ 19.20 | |
| \$ 94.01 | to | \$ 94.50 | \$ 12.80 | \$ 178.51 | \$ 179.00 | \$ 19.25 | |
| \$ 94.51 | to | \$ 95.00 | \$ 12.85 | \$ 179.01 | \$ 179.50 | \$ 19.30 | |
| \$ 95.01 | to | \$ 95.50 | \$ 12.90 | \$ 179.51 | \$ 180.00 | \$ 19.35 | |
| \$ 95.51 | to | \$ 96.00 | \$ 12.95 | \$ 180.01 | \$ 180.50 | \$ 19.40 | |
| \$ 96.01 | to | \$ 96.50 | \$ 13.00 | \$ 180.51 | \$ 181.00 | \$ 19.45 | |
| \$ 96.51 | to | \$ 97.00 | \$ 13.05 | \$ 181.01 | \$ 181.50 | \$ 19.50 | |
| \$ 97.01 | to | \$ 97.50 | \$ 13.10 | \$ 181.51 | \$ 182.00 | \$ 19.55 | |
| \$ 97.51 | to | \$ 98.00 | \$ 13.15 | \$ 182.01 | \$ 182.50 | \$ 19.60 | |
| \$ 98.01 | to | \$ 98.50 | \$ 13.20 | \$ 182.51 | \$ 183.00 | \$ 19.65 | |
| \$ 98.51 | to | \$ 99.00 | \$ 13.25 | \$ 183.01 | \$ 183.50 | \$ 19.70 | |
| \$ 99.01 | to | \$ 99.50 | \$ 13.30 | \$ 183.51 | \$ 184.00 | \$ 19.75 | |
| \$ 99.51 | to | \$ 100.00 | \$ 13.35 | \$ 184.01 | \$ 184.50 | \$ 19.80 | |
| \$ 100.01 | to | \$ 100.50 | \$ 13.40 | \$ 184.51 | \$ 185.00 | \$ 19.85 | |
| \$ 100.51 | to | \$ 101.00 | \$ 13.45 | \$ 185.01 | \$ 185.50 | \$ 19.90 | |
| \$ 101.01 | to | \$ 101.50 | \$ 13.50 | \$ 185.51 | \$ 186.00 | \$ 19.95 | |
| \$ 101.51 | to | \$ 102.00 | \$ 13.55 | \$ 186.01 | \$ 186.50 | \$ 20.00 | |
| \$ 102.01 | to | \$ 102.50 | \$ 13.60 | \$ 186.51 | \$ 187.00 | \$ 20.05 | |
| \$ 102.51 | to | \$ 103.00 | \$ 13.65 | \$ 187.01 | \$ 187.50 | \$ 20.10 | |
| \$ 103.01 | to | \$ 103.50 | \$ 13.70 | \$ 187.51 | \$ 188.00 | \$ 20.15 | |
| \$ 103.51 | to | \$ 104.00 | \$ 13.75 | \$ 188.01 | \$ 188.50 | \$ 20.20 | |
| \$ 104.01 | to | \$ 104.50 | \$ 13.80 | \$ 188.51 | \$ 189.00 | \$ 20.25 | |
| \$ 104.51 | to | \$ 105.00 | \$ 13.85 | \$ 189.01 | \$ 189.50 | \$ 20.30 | |
| \$ 105.01 | to | \$ 105.50 | \$ 13.90 | \$ 189.51 | \$ 190.00 | \$ 20.35 | |
| \$ 105.51 | to | \$ 106.00 | \$ 13.95 | \$ 190.01 | \$ 190.50 | \$ 20.40 | |
| \$ 106.01 | to | \$ 106.50 | \$ 14.00 | \$ 190.51 | \$ 191.00 | \$ 20.45 | |
| \$ 106.51 | to | \$ 107.00 | \$ 14.05 | \$ 191.01 | \$ 191.50 | \$ 20.50 | |
| \$ 107.01 | to | \$ 107.50 | \$ 14.10 | \$ 191.51 | \$ 192.00 | \$ 20.55 | |
| \$ 107.51 | to | \$ 108.00 | \$ 14.15 | \$ 192.01 | \$ 192.50 | \$ 20.60 | |
| \$ 108.01 | to | \$ 108.50 | \$ 14.20 | \$ 192.51 | \$ 193.00 | \$ 20.65 | |
| \$ 108.51 | to | \$ 109.00 | \$ 14.25 | \$ 193.01 | \$ 193.50 | \$ 20.70 | |
| \$ 109.01 | to | \$ 109.50 | \$ 14.30 | \$ 193.51 | \$ 194.00 | \$ 20.75 | |
| \$ 109.51 | to | \$ 110.00 | \$ 14.35 | \$ 194.01 | \$ 194.50 | \$ 20.80 | |
| \$ 110.01 | to | \$ 110.50 | \$ 14.40 | \$ 194.51 | \$ 195.00 | \$ 20.85 | |
| \$ 110.51 | to | \$ 111.00 | \$ 14.45 | \$ 195.01 | \$ 195.50 | \$ 20.90 | |
| \$ 111.01 | to | \$ 111.50 | \$ 14.50 | \$ 195.51 | \$ 196.00 | \$ 20.95 | |
| \$ 111.51 | to | \$ 112.00 | \$ 14.55 | \$ 196.01 | \$ 196.50 | \$ 21.00 | |
| \$ 112.01 | to | \$ 112.50 | \$ 14.60 | \$ 196.51 | \$ 197.00 | \$ 21.05 | |
| \$ 112.51 | to | \$ 113.00 | \$ 14.65 | \$ 197.01 | \$ 197.50 | \$ 21.10 | |
| \$ 113.01 | to | \$ 113.50 | \$ 14.70 | \$ 197.51 | \$ 198.00 | \$ 21.15 | |
| \$ 113.51 | to | \$ 114.00 | \$ 14.75 | \$ 198.01 | \$ 198.50 | \$ 21.20 | |
| \$ 114.01 | to | \$ 114.50 | \$ 14.80 | \$ 198.51 | \$ 199.00 | \$ 21.25 | |

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| \$ 114.51 | to | \$ 115.00 | \$ 14.85 |
| \$ 115.01 | to | \$ 115.50 | \$ 14.90 |
| \$ 115.51 | to | \$ 116.00 | \$ 12.95 |
| \$ 116.01 | to | \$ 116.50 | \$ 13.00 |
| \$ 116.51 | to | \$ 117.00 | \$ 13.05 |
| \$ 117.01 | to | \$ 117.50 | \$ 13.10 |
| \$ 117.51 | to | \$ 118.00 | \$ 13.15 |
| \$ 118.01 | to | \$ 118.50 | \$ 13.20 |
| \$ 118.51 | to | \$ 119.00 | \$ 13.25 |
| \$ 119.01 | to | \$ 119.50 | \$ 13.30 |
| \$ 119.51 | to | \$ 120.00 | \$ 13.35 |
| \$ 120.01 | to | \$ 120.50 | \$ 13.40 |
| \$ 120.51 | to | \$ 121.00 | \$ 13.45 |
| \$ 121.01 | to | \$ 121.50 | \$ 13.50 |
| \$ 121.51 | to | \$ 122.00 | \$ 13.55 |
| \$ 122.01 | to | \$ 122.50 | \$ 13.60 |
| \$ 122.51 | to | \$ 123.00 | \$ 13.65 |
| \$ 123.01 | to | \$ 123.50 | \$ 13.70 |
| \$ 123.51 | to | \$ 124.00 | \$ 13.75 |
| \$ 124.01 | to | \$ 124.50 | \$ 13.80 |
| \$ 124.51 | to | \$ 125.00 | \$ 13.85 |
| \$ 125.01 | to | \$ 125.50 | \$ 13.90 |
| \$ 125.51 | to | \$ 126.00 | \$ 13.95 |
| \$ 126.01 | to | \$ 126.50 | \$ 14.00 |
| \$ 126.51 | to | \$ 127.00 | \$ 14.05 |
| \$ 127.01 | to | \$ 127.50 | \$ 14.10 |
| \$ 127.51 | to | \$ 128.00 | \$ 14.15 |
| \$ 128.01 | to | \$ 128.50 | \$ 14.20 |
| \$ 128.51 | to | \$ 129.00 | \$ 14.25 |
| \$ 129.01 | to | \$ 129.50 | \$ 14.30 |
| \$ 129.51 | to | \$ 130.00 | \$ 14.35 |
| \$ 130.01 | to | \$ 130.50 | \$ 14.40 |
| \$ 130.51 | to | \$ 131.00 | \$ 14.45 |
| \$ 131.01 | to | \$ 131.50 | \$ 14.50 |
| \$ 131.51 | to | \$ 132.00 | \$ 14.55 |
| \$ 132.01 | to | \$ 132.50 | \$ 14.60 |
| \$ 132.51 | to | \$ 133.00 | \$ 14.65 |
| \$ 133.01 | to | \$ 133.50 | \$ 14.70 |
| \$ 133.51 | to | \$ 134.00 | \$ 14.75 |
| \$ 134.01 | to | \$ 134.50 | \$ 14.80 |
| \$ 134.51 | to | \$ 135.00 | \$ 14.85 |
| \$ 135.01 | to | \$ 135.50 | \$ 14.90 |
| \$ 135.51 | to | \$ 136.00 | \$ 14.95 |
| \$ 136.01 | to | \$ 136.50 | \$ 15.00 |
| \$ 136.51 | to | \$ 137.00 | \$ 15.05 |
| \$ 137.01 | to | \$ 137.50 | \$ 15.10 |
| \$ 137.51 | to | \$ 138.00 | \$ 15.15 |
| \$ 138.01 | to | \$ 138.50 | \$ 15.20 |
| \$ 138.51 | to | \$ 139.00 | \$ 15.25 |
| \$ 139.01 | to | \$ 139.50 | \$ 15.30 |
| \$ 139.51 | to | \$ 140.00 | \$ 15.35 |

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| \$ 199.01 | \$ 199.50 | \$ 21.30 |
| \$ 199.51 | \$ 200.00 | \$ 21.35 |
| \$ 200.01 | \$ 200.50 | \$ 21.40 |
| \$ 200.51 | \$ 201.00 | \$ 21.45 |
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| \$ 201.51 | \$ 202.00 | \$ 21.55 |
| \$ 202.01 | \$ 202.50 | \$ 21.60 |
| \$ 202.51 | \$ 203.00 | \$ 21.65 |
| \$ 203.01 | \$ 203.50 | \$ 21.70 |
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| \$ 204.01 | \$ 204.50 | \$ 21.80 |
| \$ 204.51 | \$ 205.00 | \$ 21.85 |
| \$ 205.01 | \$ 205.50 | \$ 21.90 |
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| \$ 218.51 | \$ 219.00 | \$ 23.25 |
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| \$ 219.51 | \$ 220.00 | \$ 23.35 |
| \$ 220.01 | \$ 220.50 | \$ 23.40 |
| \$ 220.51 | \$ 221.00 | \$ 23.45 |
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| \$ 221.51 | \$ 222.00 | \$ 23.55 |
| \$ 222.01 | \$ 222.50 | \$ 23.60 |
| \$ 222.51 | \$ 223.00 | \$ 23.65 |
| \$ 223.01 | \$ 223.50 | \$ 23.70 |
| \$ 223.51 | \$ 224.00 | \$ 23.75 |
| \$ 224.01 | \$ 224.50 | \$ 23.80 |

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| \$ 143.01 | to | \$ 143.50 | \$ 15.70 |
| \$ 143.51 | to | \$ 144.00 | \$ 15.75 |
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| \$ 147.01 | to | \$ 147.50 | \$ 16.10 |
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| \$ 153.01 | to | \$ 153.50 | \$ 16.70 |
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| \$ 160.51 | | \$ 161.00 | \$ 17.45 |
| \$ 161.01 | | \$ 161.50 | \$ 17.50 |
| \$ 161.51 | | \$ 162.00 | \$ 17.55 |
| \$ 162.01 | | \$ 162.50 | \$ 17.60 |
| \$ 162.51 | | \$ 163.00 | \$ 17.65 |
| \$ 163.01 | | \$ 163.50 | \$ 17.70 |
| \$ 163.51 | | \$ 164.00 | \$ 17.75 |
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| \$ 224.51 | | \$ 225.00 | \$ 23.85 |
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| \$ 165.51 | \$ 166.00 | \$ 17.95 |
| \$ 166.01 | \$ 166.50 | \$ 18.00 |
| \$ 166.51 | \$ 167.00 | \$ 18.05 |
| \$ 167.01 | \$ 167.50 | \$ 18.10 |
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| \$ 172.01 | \$ 172.50 | \$ 18.60 |
| \$ 172.51 | \$ 173.00 | \$ 18.65 |
| \$ 173.01 | \$ 173.50 | \$ 18.70 |
| \$ 173.51 | \$ 174.00 | \$ 18.75 |
| \$ 174.01 | \$ 174.50 | \$ 18.80 |
| \$ 174.51 | \$ 175.00 | \$ 18.85 |
| \$ 175.01 | \$ 175.50 | \$ 18.90 |
| \$ 175.51 | \$ 176.00 | \$ 18.95 |
| \$ 176.01 | \$ 176.50 | \$ 19.00 |

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| \$ 250.01 | \$ 250.50 | \$ 26.40 |
| \$ 250.51 | \$ 251.00 | \$ 26.45 |
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| \$ 253.01 | \$ 253.50 | \$ 26.70 |
| \$ 253.51 | \$ 254.00 | \$ 26.75 |
| \$ 254.01 | \$ 254.50 | \$ 26.80 |
| \$ 254.51 | \$ 255.00 | \$ 26.85 |
| \$ 255.01 | \$ 255.50 | \$ 26.90 |
| \$ 255.51 | \$ 256.00 | \$ 26.95 |
| \$ 256.01 | \$ 256.50 | \$ 27.00 |
| \$ 256.51 | \$ 257.00 | \$ 27.05 |
| \$ 257.01 | \$ 257.50 | \$ 27.10 |
| \$ 257.51 | \$ 258.00 | \$ 27.15 |
| \$ 258.01 | \$ 258.50 | \$ 27.20 |
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| \$ 259.51 | \$ 260.00 | \$ 27.35 |
| \$ 260.01 | \$ 260.50 | \$ 27.40 |
| \$ 260.51 | \$ 261.00 | \$ 27.45 |

EXHIBIT D - RANGELAND MNGMNT. ACTIVITIES AND RESPONSIBILITIES*

| Rangeland Management Activities & Responsibilities: | Primary Benefits: | | Responsible Party: | | |
|--|-------------------|----------------------|--------------------|---------------------|-------------------------------|
| | Conservation | Livestock Production | Landowner | Livestock Operator | |
| | | | | Standard Lease Term | Potential Rent Credit Or Comp |
| A. Infrastructure for Grazing Management, Grazing Operations, and Related Stewardship | | | | | |
| Essential infrastructure: Access roads, culverts and road drainage, related parking and turnaround areas, livestock handling and staging facilities, fencing, gates, cattle-guards, and watering system/facilities: stock ponds, spring-boxes, wells, pumps, tanks, troughs and hardware, foundations/armoring of tank/trough sites, wildlife escape ramps | | | | | |
| 1. Develop (new or replace) essential infrastructure (see above) of adequate quality for a viable grazing operation following the Rangeland Management Plan (Repeat such development when each element has exceeded its expected lifespan) | X | X | X | | X |
| 2. Maintain and clean existing essential infrastructure of adequate quality – example: All fences should be cattle tight including perimeter, riparian, and special status species. | | X | | X | |
| 3. Maintain stock ponds for both watering and habitat | X | X | X | | X |
| 4. Clear blocked culverts and drainage dips on dirt access roads. | X | X | | X | |
| 5. Grade primary and other useful dirt access roads | X | X | X | | X |
| 6. Replace or repair minor infrastructure damaged due to vehicle accidents and vandalism. | X | X | | X | |
| 7. Replace or repair all damage to infrastructure caused by livestock. | | X | | X | |
| B. Grazing Management and Operations | | | | | |
| 1. Maintain health of livestock, remove individual animals deemed “problems” or diseased livestock | X | X | | X | |
| 2. Supervise Livestock Operator's employees and subcontractors | | X | | X | |
| 3. Gather and handle livestock | | X | | X | |
| 4. Rotate livestock to achieve the specified grazing objectives. | X | | | X | |
| 5. Inspect, assess and respond to infrastructure and | X | X | | X | |

| Rangeland Management Activities & Responsibilities: | Primary Benefits: | | Responsible Party: | | |
|--|-------------------|----------------------|--------------------|---------------------|-------------------------------|
| | Conservation | Livestock Production | Landowner | Livestock Operator | |
| | | | | Standard Lease Term | Potential Rent Credit Or Comp |
| resource conditions and livestock escapes | | | | | |
| 8. Be available and conduct rapid response to emergency requests for assistance and maintenance, or general visitor assistance | X | | X | X | |
| 9. Patrol for site security, notify Skyline Area Superintendent of trespass activity | X | X | X | X | |

C. Conservation Services (for general land care, support of the land’s “ecosystem services,” and conservation purposes)

| | | | | | |
|---|---|---|---|---|---|
| 1. Remove/clean-up abandoned fence, equipment, trash, and debris | X | X | | | X |
| 2. Conduct targeted grazing or exclusion for maintenance and enhancement of special habitats (special-status plants or animals, riparian woodland, ponds, wetlands, native grasses, or oaks). | X | X | | X | |
| 3. Control of invasive plant, reduction of fire hazards, and other special resource projects; activities might include herbicide application, construction, manual work, and specialized equipment work | X | X | X | | X |
| 4. Conduct other activities not part of a “normal” grazing lease for regular or one-time purposes (construction, manual work, and specialized equipment work) | X | X | | | X |
| 5. Participate in educational events and visitor relations organized by the Landowner | X | X | X | X | |

D. Monitoring

| | | | | | |
|--|---|---|---|---|--|
| 1. Monthly Stocking Reports | | | | X | |
| 2. Work assigned to Landowner (per Grazing Management Plan) | X | X | X | | |
| 3. Make general “naturalist” observations of sightings of unusual animals (including predators), plants, natural events (weather, wildflower displays, wildfires, new pest plant infestations, insect infestations, landslides, tree-falls, high/low streamflow, etc.) or other things of interest, and provide periodic reports | X | | X | X | |

E. Administration and Coordination

| | | | | | |
|---|--|---|---|---|--|
| 1. Manage lease and operations activity | | X | X | X | |
| 2. Maintain appropriate insurance for liability and | | X | | X | |

| Rangeland Management Activities & Responsibilities: | Primary Benefits: | | Responsible Party: | | |
|--|-------------------|----------------------|--------------------|---------------------|-------------------------------|
| | Conservation | Livestock Production | Landowner | Livestock Operator | |
| | | | | Standard Lease Term | Potential Rent Credit Or Comp |
| workers compensation | | | | | |
| 3. Manage Livestock Operator personnel | | X | | X | |
| 4. Coordinate with Landowner representative | X | X | X | X | |
| 5. Propose stewardship activities as either contracted work or work for rental credit; prepare and review annual and monthly stewardship work plans and stocking reports | X | X | X | X | |
| 6. Project management and contract administration | X | X | X | X | |
| 7. Participate in administrative meetings with Landowner to review monitoring results, including compliance with lease and Landowner management plans; review and recommend minor adjustments to management activities as well as adaptations to the formal management plans; plan subsequent year; and complete required reports and other communications | X | X | X | X | |
| 8. Consult to Landowner as requested on grazing management, operations, infrastructure, planning, monitoring, and conservation issues | X | X | | X | |

* Thanks to Larry Ford and Sheila Barry (with contributions from D. Sweet, P. Van Hoorn, and M. Swisher) for the foundation information for this Rangeland Management Activities and Responsibilities table as originally noted in their "Rangeland Management Activities by Livestock Operators and Landowners for Grazing Leases of Conservation Lands" work.

EXHIBIT E - PROPOSED WORK FOR RENTAL CREDIT OR AS A CONTRACTOR

| | |
|---|---|
| Date Submitted: | Proposed Date of Completion: (please attach a schedule) |
| Rental Credit: <input type="checkbox"/> | Contract: <input type="checkbox"/> |
| Tenant: | |
| Grazing Property (ex. Big Dipper): | |
| Project Description: | |
| Outside Contractor(s) (a copy of the contractor's bid): | |
| Total Estimated Contractor Costs: | |
| Materials (include itemized list of materials needed to complete the project and their cost; attach additional page(s), if necessary): | |
| Total Estimated Materials Costs: | |
| Labor (include name(s) of person(s) contributing labor, their estimated time involved in the project, and their cost per hour per day): | |
| Total Estimated Labor Cost: | |
| Rental Equipment (include type of equipment needed, estimated rental time, and cost per hour or day, include hourly rate of equipment operator if this is a separate expense): | |
| Total Estimated Rental Equipment Cost: | |

Total Estimated Project Cost: _____

EXHIBIT F – ANNUAL WORK PLAN

Location:

Tenant:

Grazing Season:

Grazing Capacity:

ANNUAL STOCKING PLAN:

Current Stocking Rate:

Proposed Stocking Rate:

Grassland Goals given annual District RDM report:

Integrated Pest Management Goals

ANNUAL WORK PLAN:

Proposed Projects for Rental Credit:

Proposed Projects for Compensation:

Proposed Projects for NRCS funding:

Requested Projects for District funding:

Proposed Schedule for Improvements:

GRAZING SEASON CHALLENGES:

EXHIBIT G – MONTHLY STOCKING REPORT

Reporting Period:

Grazing Season AUM Rate:

Date in Date out No. of Livestock Type of Livestock Days on Pasture

Totals

Livestock Inspection Dates:

Date Location (Pasture) No. of Livestock Observed Condition

Livestock Inoculation Dates:

Date No. of Livestock Type of Inoculation

Any Observed Unusual Activity:

EXHIBIT H - GRAZING INFRASTRUCTURE IMPLEMENTATION PLAN

These grazing infrastructure projects will be included as part of the Work Plan (**Exhibit F**) as outlined in this grazing lease for each of the grazing seasons as outlined below. The project will be completed by an agreed upon date or the last day of the designated grazing season. The tenant will notify District in writing if there is a delay in the scheduled completion due to unforeseen circumstances.

Grazing Season 2020 (GS 2020) - November 1, 2019 – October 31, 2020 Tenant Projects

- a. Pasture 2 additional new upper water trough
- b. Pasture 3 Harrington Spring repair / new trough
 - *Pending approval from District to clear/maintain old ranch road to access work site*
 - *Will need a schedule of when work will be completed by tenant to coordinate biomonitoring & pre surveys*

Grazing Season 2021 (GS 2021) - November 1, 2020 – October 31, 2021 Tenant Projects

- a. Repair / replace Driscoll Boundary Fence