

STATE OF CALIFORNIA

DEPARTMENT OF PARKS AND RECREATION
ACQUISITIONS AND REAL PROPERTY SERVICES DIVISION**PRESCRIPTIVE GRAZING LEASE**

Location of Leased Premises:

HOLLISTER HILLS SVRACounty: **SAN BENITO**

SITE: Hollister Hills SVRA

LEASE #: 250-2020-039

LESSEE: T.O. Cattle Company, LLC

THIS LEASE, dated for reference purposes only, July 31, 2020, is made by and between the State of California, acting by and through the Department of Parks and Recreation (CDPR), hereinafter referred to as "State", and T.O. Cattle Company, LLC, a California limited liability company, hereinafter referred to as "Lessee". State and Lessee may also be referred to as "Party" or "Parties".

RECITALS

WHEREAS, California Department of Parks and Recreation has under its jurisdiction certain real property located in the County of San Benito, State of California, commonly known as Hollister Hills SVRA; and

WHEREAS, California Department of Parks and Recreation, pursuant to 5069.3 and 5003.17 of the California Public Resources Code, is authorized to grant a lease for the use of State property with the approval of the Department of General Services if required; and

WHEREAS, Pursuant to Chapter 300, Natural Resources of the Department Operations Manual, Section 0317.2.4.1 Livestock Grazing Policy states: The Chief of Natural Resources Division and appropriate Field Division Chief will approve any grazing contracts, leases or agreements deemed beneficial to the State Park System prior to execution. It is the policy of California Department of Parks and Recreation that livestock grazing may be permitted only under the following circumstances:

- a. When directly contributing to historic interpretation approved in a unit's General Plan; or
- b. When necessary for a specific natural resource restoration purpose, which normally does not include fuels reduction or an alternative to extirpated ungulate grazing; or
- c. When it is a necessary component to an acquisition agreement, including scaled-down grazing to improve natural resources; and

WHEREAS, PRC 5090.43(a) requires that State Vehicular Recreation Areas shall be developed, managed, and operated for the purpose of providing the fullest appropriate public use of the vehicular recreational opportunities present, in accordance with the requirements of this chapter, while providing for the conservation of cultural resources and the conservation and improvement of natural resource values over time; and

WHEREAS, This Lease is executed based on previous and neighboring land uses and is being undertaken for a short term concurrent with studies to determine the efficacy of continued grazing and its alignment with the policies of California Department of Parks and Recreation; and

WHEREAS, STATE's primary goal for managing native grasslands is the restoration of native ecological complexes which often requires the implementation of a resource management

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program. One tool being utilized is a prescriptive grazing regime designed to enhance native grassland and oak woodland habitats, while inhibiting the spread of annual exotics; and

WHEREAS, it is in the best interests of STATE that such a lease, hereinafter referred to as Lease, be consummated between STATE and LESSEE on the terms and conditions herein contained.

NOW THEREFORE, the parties agree to the provisions of the Lease set forth herein as follows:

Section 1: Site Specific Provisions
Section 2: Building Specific Provisions
Section 3: Standard Provisions

WITNESSETH:

PROPERTY DESCRIPTION

1. STATE does hereby lease to LESSEE, and LESSEE hereby hires from STATE approximately 1,400 acres of land at Hollister Hills SVRA Park located south of Highway 152 and Highway 25, 6 miles south of Hollister, San Benito County, hereinafter referred to as Premises and as depicted on Exhibit A, "Grazing Paddocks and Acreage", attached hereto and made part hereof.

TERM

2. The term of this Lease shall be five (5) years commencing October 1, 2020 and terminating September 30, 2025. The grazing season will be variable and will be determined by State.

If seasonal conditions allow, STATE may, at its sole discretion, extended or shorten the grazing season as long as said modification does not extend beyond the Lease termination date.

AUM DEFINED

3. "AUM" (ANIMAL UNIT MONTH) DEFINED: The words Animal Unit Month, hereinafter abbreviated AUM, as used in this lease shall be defined as the amount of forage required by an "animal unit" for a period of one month.

Animal Unit (AU) values are as follows:

Mature Cow (with calf)	1.0 AU
Weaned Calf	0.6 AU
Yearling 12-17 months	0.7 AU
Yearling 18-22 months	0.75 AU

USE

4. The Premises shall be used by Lessee during the Term hereof for the purpose of prescriptive grazing of livestock to restore and enhance the native grassland community consistent with Clause 20 and 21 of this Lease and for no other purposes. The possessory interest herein given to LESSEE does not exclude the general public from the Premises; however, the use by the general public is limited by the terms and conditions of the possessory interest given herein. This lease is not intended to confer third party beneficiary status to any member of the public who is benefited by the terms of this lease.

RENT PAYMENTS AND IN-LIEU CREDIT

5. State has determined the monthly "Fair Market Rent" for the use of the Premises to be in the sum of:

Eighteen (\$18.00) and No/100 Dollars per AUM.

Lessee's payments shall display State's Lease # 250-2020-039 and shall be mailed to the following address:

Hollister Hills SVRA
ATTN: District Superintendent
7800 Cienega Road
Hollister, California 95023

Lessee acknowledges that rent and past due rent shall be due and payable to State whether or not an actual invoice is sent by State or received by Lessee.

LESSEE agrees to perform specific projects mutually agreed upon each year and may vary depending on the operational needs of the park. Projects will include, but not limited to, goat grazing to target Yellowstar Thistle, specialized herding in Medusahead patches, barn and corral maintenance, water infrastructure work, recreational trail fencing, and educational outreach. Said contributions are offsets to rent and are considered to benefit by providing resource management at Hollister Hills SVRA.

All work done will be recorded in the "Work Trade Worksheet", Exhibit B, consisting of two (2) pages, attached hereto and made part hereof. This report will include estimated costs of work done and will include Lease rate AUMs used.

If at any time during the term of this Lease, State shall discover that Lessee has failed to provide their contribution as defined, said failure shall constitute a forfeiture by Lessee of said "In-Lieu Credit". Upon written notice by State of forfeiture, Lessee shall pay a monthly rent equivalent to the monthly rental value identified above, or the profit made by Lessee during the term of the Lease, whichever amount is determined to be greater.

UTILITIES

5. LESSEE agrees to pay any applicable water, electric, gas and other utility charges or any other charges payable in connection with LESSEE'S use of Premises during the term of this Lease. Except as stated in Clause 16 of this Lease, no utilities will be provided by STATE and STATE assumes no liability for the existence or nonexistence of said utilities.

State shall not be liable to Lessee or third parties for failure to provide electricity due to rolling blackouts or other causes beyond State's control. Lessee shall comply with energy conservation measures, Governor's Executive Orders, other orders required by law, or reasonably required by State as the result of a crisis of any kind. In the event any utility service to the building is interrupted, State shall use its best efforts to restore such utility service within 24 hours.

**EARLY
TERMINATION**

6. State and Lessee agree that either party may terminate this Lease at any time during the term hereof by giving written notice to the other party thirty (30) days prior to the date when such termination shall become effective. State reserves the right to terminate this Lease immediately if safety and security are at risk and mutual resolution cannot be agreed upon.

NOTICES

7. All notices or other communications required or permitted hereunder shall be in writing, with **Lease # 250-2020-039** referenced, and sent by overnight courier, registered mail, certified mail, or postage prepaid mail to the addresses set forth below. All such notices shall be deemed received on the date of delivery receipt or rejection to the address of the person to receive such notice if received Monday through Friday during business hours, so long as such day is not a State or Federal holiday or Saturday or Sunday then such notice shall be effective on the following business day.

Lessee: **T.O. Cattle Company, LLC**
C/O Joseph Morris
500 Mission Vineyard Road
San Juan Bautista, CA 95045
(831) 801-3798

State: **California Department of Parks and Recreation**
Hollister Hills SVRA
Attn: Senior Environmental Scientist
Cc: District Services Manager
Cc: District Superintendent 7800 Cienega Road
Hollister, California 95023
(831) 636-2016

Copy to: **California Department of Parks and Recreation**
Acquisition and Real Property Services Division
One Capitol Mall, Suite 410
Sacramento, CA 95814
(916) 327-7302

Notice of change of address or telephone number shall be given by written notice in the manner described in this section. Lessee is obligated to notice all State offices listed above and the failure to provide notice to all State offices shall constitute a lack of notice. Nothing contained herein shall preclude the giving of any such notice by personal service.

**PROPERTY
INSPECTIONS**

8. LESSEE has visited and inspected said Premises and it is agreed that the acreage stated herein and depicted on Exhibit A is only approximate and STATE does not hereby warrant or guarantee the actual acreage included hereunder.

**HOLDING OVER &
LEASE RENEWAL**

9. Any holding over after the expiration of the term of this Lease with the consent of the State, expressed or implied, shall be deemed to be a tenancy only from month-to-month. During hold over, Lessee's rental rate shall, at the option of State, be adjusted to be consistent with the most current established rental rate for the premises, payable on a monthly basis in advance. Said month-to-month tenancy shall be otherwise subject to all the terms and conditions of this Lease insofar as applicable.

State offers and Lessee accepts no assurance that the Premises or any other comparable space or facilities at the site described herein will be made available to Lessee beyond the term stated above or as said term is reduced as provided herein.

**ACCESS TO
PREMISES**

10. Only the Lessee, its properly qualified and authorized agents, employees, contractors, and Permitted Users shall have the right of ingress to and egress from said Premises.

**BURNING
PROHIBITION**

11. No burning is allowed on the Premises for any purpose without the prior written consent of STATE. LESSEE shall reimburse STATE for all firefighting costs incurred by STATE for extinguishing any fire resulting from use of said Premises by LESSEE or any of its servants, employees, or invitees.

HUNTING

12. No hunting or discharge of firearms is permitted on the Premises except as provided for in Clause 26.

RECREATION

13. LESSEE acknowledges the Premises contains a system of non-motorized recreational trails for hiking, biking and horseback riding as depicted on Exhibit C, "Trails and Gates Map", attached hereto and made part hereof. All grazing operations must be performed in a manner consistent with providing safe and sustainable recreational use. STATE reserves the right to modify trails, fences, and gates as necessary to ensure its recreational objectives are achieved.

IMPROVEMENTS

14. All improvements, including surface topography or construction of facilities, placed in, upon or under the Premises must have prior written approval of STATE. STATE, at STATE's sole discretion, may agree to reimburse LESSEE for the cost of said improvements by offsetting rent during term of the Lease. It is agreed and understood that LESSEE shall provide all labor, materials, and applicable permits for the installation of any STATE approved improvements.

Upon expiration or termination of the Lease, all improvements, including fencing, will become the sole property of STATE. Should STATE choose not to retain ownership of any or all said improvement(s), STATE shall demand said improvements be removed by LESSEE at LESSEE's sole cost and expense within 30 days of demand by STATE.

In the event this Lease is terminated by STATE pursuant to the terms and conditions outlined in Clause 6, of this Lease, STATE shall reimburse LESSEE for any improvement costs that STATE agreed to reimburse through rent offset and for which LESSEE has not received the rent offset.

**DISPOSITION OF
PERSONAL
PROPERTY**

15. a. During the term of this Lease, all personal property placed in, upon, or under the Premises by LESSEE shall remain the property of LESSEE and shall be removed by LESSEE, at its sole cost and expense within thirty (30) days after expiration or termination of LESSEE's tenancy. STATE does not accept any responsibility for any damage to any personal property stored on the leased Premises.
- b. Should LESSEE fail to remove said personal property within thirty (30) days after expiration or termination of the Lease, STATE may do so at the risk of LESSEE. Upon written demand by STATE, LESSEE shall immediately pay all costs and expenses of the removal of LESSEE's personal property and equipment.
- c. LESSEE may, however, with written consent of STATE, abandon in place any and all of LESSEE's equipment and personal property, whereupon, as abandoned, title to said property will vest in STATE.

**WATER
SYSTEMS
AND DELIVERY**

16. It is understood and agreed between the parties hereto that STATE does not guarantee the availability, quality, or quantity of water on the Premises. LESSEE shall install float valves in water troughs, where applicable, to prevent water loss. Water from Lower Ranch wells will be provided by STATE to LESSEE, if available, for the Payne/Sharkey water systems. See Exhibit A for locations of water troughs. The Lower Ranch wells are maintained by STATE without cost to LESSEE, and supply

water to Hollister Hills SVRA. LESSEE will be responsible at his/her own cost for the maintenance and pumping costs (electricity) of the Bird Creek (Hudner) water system. The Bird Creek water system only supplies water to the cattle. Additionally, LESSEE will be responsible at his/her own expense to ensure the integrity of the Payne/Sharkey water system at each water trough beginning at the anti-siphon/shutoff valve. In the event of a reduction in available current water to the Payne/Sharkey water system due to drought or other unanticipated events, the applicant will be responsible at his/her own expense to either provide additional water supply or reduce the numbers of cattle sufficiently in order to maintain a sustainable water supply for the remaining cattle.

LESSEE agrees that all mineral supplements be placed upon disturbed areas and located at least ¼ mile or greater from water.

It is further agreed that the water supply from Lower Ranch wells may be terminated by STATE by giving LESSEE notice in writing at least thirty (30) days prior to the date when any such termination shall become effective.

LESSEE shall maintain all ditches, troughs, pipelines, and equipment connected with the water systems which supply the cattle. If there is any deficiency or repairs needed at the time of the lease, LESSEE will be responsible for these repairs if there is intended use of said system.

- PEST CONTROL** 17. All pest control activities, chemical or non-chemical, shall be approved by STATE prior to any action performed by LESSEE, LESSEE's employees, agents, or contractors. LESSEE, or a pest control contractor acting on behalf of LESSEE, shall submit a pest control recommendation on a form approved by STATE to the District Superintendent for approval. STATE shall have fourteen (14) days to approve or deny the request. LESSEE, or the pest control contractor acting on behalf of LESSEE, shall submit a report of completed work for each pest management action to the District Superintendent no later than seven (7) days after performance of the work. LESSEE and/or LESSEE's employees, agents, or contractors shall prevent the inadvertent transport of pest species into or out of STATE's park unit.

LESSEE shall have a written training program for LESSEE's employees who handle pesticides. This program shall comply with California Code of Regulations Title 3, Section 6724. Any pest control contractor hired by LESSEE shall comply with all applicable laws and regulations.

- CORRALS** 18. Any portable corrals assembled at the site are considered personal property of LESSEE.

- PUBLIC USE** 19. LESSEE shall not restrict or inhibit public use of the trails and gates as depicted on Exhibit C. All electric fencing shall be approved by STATE and be prominently labeled as such to inform the public.

**GRAZING
PROGRAM
& CAPACITY**

20. STATE's prime goal for managing native grasslands is the restoration of native ecological complexes through a prescriptive grazing regime designed to enhance native grassland and oak woodland habitats, while inhibiting the spread of annual exotics. For the purpose of this Lease, prescriptive grazing is defined as an operation where cattle are run in high-density herds with short duration grazing and long rest periods through the creation of a number of pastures or paddocks. The goal is to mimic the beneficial effects of migratory herds that were present during the evolution of area grasslands, while minimizing any negative impacts associated with continuous grazing.

The prescriptive grazing plan shall time the grazing and animal impact to the recovery needs of the perennial plants. The primary tool of the program is the utilization of controlled livestock grazing to enhance and restore the health, diversity, and productivity of native grassland communities. This includes all aspects of the grassland community, such as plant community stability and diversity, fish and wildlife, aquatic and riparian habitat, water quality and quantity, and the human community. It is a holistic or whole-system approach to grazing management.

STATE shall be the sole judge as to the grazing capacity of the Premises and any part thereof, and the determination of STATE as to the number of AUM's available for use by LESSEE shall be binding upon all parties to this Lease. The maximum and minimum grazing capacity and pastures to be utilized shall be determined prior to each grazing season as outlined in the annual grazing plan.

The parties recognize that adjustments in animal movements (pasture grazing frequencies, duration, intensities) and animal numbers (kind and class) will be necessary as rainfall, temperature and soil conditions can greatly influence grassland primary productivity. These changes to the grazing capacity will be coordinated and approved by STATE in advance of any modification by LESSEE. Due to lack of forage as the result of drought, fire or other catastrophic event, LESSEE shall remove all or a portion of the cattle from the Premises within twenty (20) days of receiving written notification from STATE.

LESSEE will divide the area into individual pastures (paddocks) as outlined in the annual grazing plan. Pastures will be rested for a minimum of 30 to 50 days between grazing events during the peak winter and spring growing periods (January through May).

In the event LESSEE's grazing capacity is reduced, LESSEE and STATE agree to adjust the annual rent proportionate with the percentage reduction of cattle on the property.

The following provisions shall be adhered to by Lessee:

- a. Lessee shall provide cattle with certified weed-free forage for a minimum of four days prior to bringing cattle onto the Premises.
- b. Cattle shall be moved frequently to simulate natural herds in the wild. Lessee shall be responsible for avoiding over-grazing to maintain good vegetative soil coverage at all times in all areas of the paddocks. Grasses shall not be grazed shorter than three (3) inches. Special care shall be taken during the rainy season to ensure soil is not

compacted or allowed to become muddy. Should barren areas occur, Lessee shall notify STATE Environmental Scientist at the address listed herein for notices to the

Hollister Hills SVRA. Lessee shall be responsible for the cost of restoring native grasses.

c. Blue Oak seedlings and saplings shall be protected. Protective measures shall include the use of Tubex tree shelters, wood stakes or t-posts, and wire mesh or hardware cloth. Additional plant species may require protection as to be determined by STATE Environmental Scientist.

GRAZING PLAN

21. LESSEE shall develop an Annual Grazing Plan prior to and for each grazing season, and the Annual Grazing Plan, Exhibit D, attached hereto and made a part hereof upon approval by STATE. This plan shall set forth: (1) the number, location, and configuration of pastures or paddocks; (2) the numbers and kinds of livestock (including total AUMs); (3) the dates and duration (days) of grazing in each pasture; (4) how LESSEE proposes to monitor the grazing effects throughout the grazing season to insure the resource goals are being met; (5) how LESSEE plans to verify the number and age of cattle on the land; and (6) any additional responsibilities that are warranted by the conditions or circumstances deemed significant by mutual agreement of the STATE and LESSEE. The plan, after approval by the STATE, shall be placed and maintained in operation by the LESSEE and shall be reviewed by the STATE and LESSEE.

FAILURE TO PERFORM

22. In the event LESSEE is unable, neglects, or refuses to make immediate repairs to facilities, restore livestock to the approved grazing area(s), or to perform any work, take any action or fulfill any obligation of LESSEE provided for in this Lease or required by law to be done and performed by LESSEE, STATE shall, at its sole discretion, take whatever action is necessary to remedy LESSEE's failure to perform. LESSEE shall bear all cost and expense of such action by STATE, with labor rate calculated at the hourly rate of the involved employee(s), plus benefits. STATE may recover such costs from LESSEE's performance bond and/or may separately bill LESSEE for same or any costs in excess of the amount recovered by STATE under the performance bond. All costs and expenses of STATE shall be immediately due and payable to STATE upon notice by STATE.

SEPARATE RECORDS

23. LESSEE shall keep separate, complete, and accurate grazing records for the Premises. The records shall include: (1) number by kind and class of livestock; (2) grazing locations; (3) dates of animal movements, and (4) Lease payment records. These records shall be provided to STATE upon delivery of the animals to the Premises and with each lease payment.

INSURANCE

24. LESSEE shall furnish STATE a certificate of insurance with STATE's Lease Number 250-2020-039 indicated on the face of said certificate issued to STATE with evidence of insurance as follows:

COMMERCIAL GENERAL LIABILITY

LESSEE shall maintain general liability with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of Premises,

operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to LESSEE's limit of liability.

The policy must include State of California, Department of Parks and Recreation and their officers, agents, and employees as additional insured, but only insofar as the operations under the Lease are concerned. The additional insured endorsement must be provided with the certificate of insurance.

AUTOMOBILE LIABILITY

LESSEE shall maintain motor vehicle liability with limits of not less than \$1,000,000 combined single limit per accident for bodily injury and property damage. The State of California and Department of Parks and Recreation are to be additional insured with respect to liability arising out of all vehicles owned, hired and non-owned. The additional insured endorsement must be provided with the certificate of insurance.

WORKERS' COMPENSATION

LESSEE shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Lease, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 shall be required, and the policy shall include a waiver of subrogation in favor of the State of California. The waiver of subrogation endorsement must be provided with the certificate of insurance.

GENERAL INSURANCE REQUIREMENTS

LESSEE shall ensure that the following general requirements are met:

- a. Insurance Companies must be acceptable to Department of General Services, Office of Risk and Insurance Management.
- b. LESSEE shall provide STATE with evidence of the policy in place providing coverage for General Liability required to be carried by this Lease, including the endorsements affecting the additional insured status and waiver of subrogation, is in full force and effect and that premiums therefore have been paid. Such evidence may, at State's discretion, be in the form of a Certificate of Insurance.
- c. Coverage needs to be in-force for complete term of this Lease. If insurance expires during the term of the Lease, LESSEE shall provide a new certificate to STATE within thirty (30) days of the expiration date of the existing policy. This new insurance must still meet the terms of the original contract.
- d. Lessee shall notify STATE within five business days of Lessee's receipt of any notice of cancellation or non-renewal of any insurance required by this lease.
- e. LESSEE is responsible for any deductible or self-insured retention contained within the insurance program. All insurance required by this contract must allow STATE to pay and/or act as the contractor's agent in satisfying any self-insured

retention (SIR). The choice to pay and/or act as the contractor's agent in satisfying any SIR is at STATE's discretion.

f. In the event LESSEE fails to keep in effect at all times the specified insurance coverage, STATE may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event, subject to the provisions of this Lease.

g. Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by STATE.

h. If LESSEE is self-insured in whole or in part as to any of the above described types and levels of coverage, LESSEE shall provide STATE with written acknowledgment of this fact at the time of the execution of this Lease. STATE may require financial information to justify LESSEE's self-insured status. If, at any time after the execution of this Lease, LESSEE abandons its self-insured status, LESSEE shall immediately notify STATE of this fact and shall comply with all of the terms and conditions of this Insurance clause pertaining to policies of insurance in regard to those types and levels of insurance.

i. Any required endorsements requested by STATE must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

j. All coverage and limits available to the contractor shall also be available and applicable to STATE.

k. In the case of Contractor and/or Permittee's utilization of subcontractors to complete the contracted scope of work, contractor and/or Permittee shall include all subcontractors as insured's under Contractor and/or Permittee's insurance or supply evidence of insurance to STATE equal to policies, coverages and limits required of Contractor and/or Permittee.

**TAXES AND
ASSESSMENTS**

25. LESSEE agrees to pay all lawful taxes, assessments, or charges which at any time may be levied upon interest in this agreement. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of County taxes levied on such interest.

**ANIMAL LOSS
OR DISEASE**

26. All livestock brought or kept on the Premises shall be free from disease. LESSEE agrees to immediately remove any livestock which may be sick, injured or dead from within 300 feet of a road or watering source and disposed of in an appropriate manner (i.e. not buried) within Two (2) days of discovery or, if this is not practicable, such reasonable time as accepted to STATE authorized staff. Carcasses found further than 300 feet from road or watering source shall remain unless determined to be a hazard for reasons of health and safety. In the event LESSEE is unable to remove the animal, LESSEE may, at STATE's sole discretion and with STATE's prior approval, utilize a firearm to euthanize said animal. LESSEE is to use non-lead ammunition to carry out said euthanasia. LESSEE is solely responsible for any animal loss.

**GRAZING
PRACTICES**

27. LESSEE shall exercise good grazing practices to avoid overgrazing of the Premises. The number of animals permitted on the Premises is restricted to that which can be supported by available forage and water, taking into consideration forage and water reserved for necessary wildlife use. The actual capacity may vary over the term of this Lease due to climatic conditions or other natural phenomena.

STATE may, at any time, make an analysis of forage conditions, utilizing range management techniques. Such analysis will indicate overgrazed or undergrazed conditions and may include a determination of forage levels at various times during the yearly grazing period. STATE shall have the right to require LESSEE to move cattle to or from any area within the Premises, should State find an overgrazing or undergrazing situation exists, for a period of time consistent with the analysis.

At the commencement of this Lease, information will be supplied to STATE by LESSEE, concerning the size and character of the herd. This information will be updated upon request by STATE and/or whenever changes occur in the herd.

FENCING

- 28.** LESSEE shall at its sole cost and expense, provide and maintain in good repair at all times, boundary and interior fences to prevent trespass of livestock to adjacent property and resting paddocks. STATE does not warrant the existence of required fences in and around the Premises. LESSEE may, with prior approval of STATE and at LESSEE's sole cost and expense, provide other fencing not inconsistent with STATE use of the Premises and/or adjacent lands. Such other fences so installed by LESSEE shall remain the property of LESSEE and shall be removed by LESSEE upon termination of this Lease, or with prior approval of STATE, such fences may remain in place, and shall become the property of STATE upon termination of this Lease.

As deemed necessary, STATE may from time to time require LESSEE to provide additional fencing, gates, cattle guards, and /or pedestrian access ways, to protect riparian and other sensitive areas. The fences shall be of a type specified by STATE and installed in locations to be designated by STATE. Within 30 days notification by STATE, LESSEE shall submit plans for such work, together with an estimate of expected material and labor costs. Upon approval by STATE, LESSEE shall install the fencing in an expeditious manner. Upon completion of the work, LESSEE shall present to STATE invoices, paid bills, or other records of payment, for actual labor and material costs. Upon acceptance of the work by STATE, and submission of invoices and records, LESSEE shall be given a rental credit for such additional fencing requested by STATE in the amount of the actual labor and material cost, not to exceed the approved estimate. STATE shall not require work to be performed if the total value of which exceeds six month's rental payments in any one calendar year, unless mutually agreed to by STATE and LESSEE: STATE shall have no liability or responsibility for any costs or expenses exceeding an approved estimate.

COMPLIANCE WITH LAW

- 29.** LESSEE shall at its sole cost and expense comply with all the statutes, laws, ordinances and regulations of all municipal, state, federal authorities and State Park rules and regulations now in force or which may hereafter be in force pertaining to the Premises and use of the Premises as provided for in this Lease.

CONDITION OF PREMISES

- 30.** (a) LESSEE is aware of the current condition of the Premises and accepts the Premises as being in good order, condition, and repair, unless otherwise specified herein.

(b) LESSEE shall keep any appurtenances or improvements in good order and condition at its own expense.

VACATING THE PREMISES

- 31.** LESSEE shall, on the last day of the term or upon the sooner termination of this Lease, peaceably and quietly leave and surrender to STATE the Premises, along with

any appurtenances or improvements thereon or therein, in the same condition as, or better than, when received, reasonable use and wear thereof and damage by acts of nature excepted.

LESSEE will schedule and perform a walkthrough with the Park District Manager to be sure the Premises is left in acceptable condition.

MAINTENANCE 32. LESSEE shall operate the Premises during the term hereof in a first-class business-like manner and provide all labor, material, and equipment necessary to comply with legal requirements, local ordinances, or instructions by STATE. LESSEE shall not introduce invasive weeds to the Premises.

LESSEE agrees, at his sole cost and expense, to repair and to maintain in good operating condition all water, pipelines, troughs and drainage ditches, fencing, gates, signs, corrals, watering facilities or other improvements existing on the Premises to the satisfaction of STATE. No alterations or additions are to commence without first being approved by the District Superintendent or outlined in the approved Annual Grazing Plan.

LESSEE agrees that in no event shall STATE be required to perform any maintenance on or make repairs or alterations to the Premises of any nature whatsoever. LESSEE does hereby waive all rights to make repairs at the expense of STATE as provided in Sections 1941 and 1942 of the Civil Code.

RIGHT TO ENTER 33. During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of its agencies, contractors, agents, employees, representatives or licensees, the right at any and all times, and any and all places, to temporarily enter upon said Premises to inspect the Premises and the operations of LESSEE or for survey or any other lawful STATE purposes.

EASEMENTS AND RIGHTS OF WAY 34. This Lease is subject to all existing easements, servitudes, licenses and rights of way, including, but not limited to, those for canals, ditches, levees, roads, highways, telegraph, telephone and electric power lines, railroads, pipelines and other purposes, whether recorded or not, and rights of others under any existing oil, gas and mineral Lease, or Leases affecting the Premises or any portion thereof, whether recorded or not. STATE further reserves the right to grant additional public utility easements as may be necessary and LESSEE hereby consents to the granting of any such easement. The public utility will be required to reimburse LESSEE and/or STATE for any damages caused by the construction work on the easement area.

MINERAL RIGHTS 35. LESSEE agrees not to interfere, in any way, with the interests of any person or persons that may presently, or in the future, hold oil gas, or other mineral interests upon or under said Premises; nor shall LESSEE, in any way, interfere with the rights of ingress and egress of said interest holders.

ASSIGNMENT, SUBLET, CHANGE IN USE 36. Lessee shall not assign this Lease in any event and shall not sublet the Premises or any part thereof and will not permit the use of the Premises by anyone other than the Lessee.

RECOVERY OF LEGAL FEES 37. If action is brought by STATE for the recovery of any rent due under the provisions hereof or for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of said Premises, or to protect any rights given to STATE against LESSEE, and if STATE shall prevail in such action, LESSEE

shall pay to STATE such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.

**PARTNERSHIP
DISCLAIMER**

38. LESSEE and any and all agents and employees of LESSEE shall act in an independent capacity and not as officers or employees of STATE. Nothing herein contained shall be construed as constituting the parties herein as partners.

**HOLD
HARMLESS**

39. This Lease is made upon the express condition that the State of California is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon, or in any way connected with the Premises, LESSEE's occupancy thereof, and/or LESSEE's exercise or implementation of the Lease during the term of this Lease, any holdover periods or any other occupancy of the Premises by LESSEE, except those arising out of the sole active negligence of STATE.

LESSEE agrees to defend, indemnify, and hold harmless State from all liability, loss, cost, or obligation on account of or arising out of any such injury or loss, however occurring.

**NON-
DISCRIMINATION**

40. a. In the performance of this Lease, LESSEE shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition, age (over 40), marital status, sex, sexual orientation, use of family care leave, or any other Federal, State or local laws. LESSEE shall insure that the evaluation and treatment of its employees and applicants for employment are free from discrimination and harassment.

b. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

c. LESSEE shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section "12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, and Section 7285 et seq.).

The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section "12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of its obligations under this clause to any labor organizations with which they have a collective bargaining or other agreement.

Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment Practices Section (GC Section 12920-12994).

Remedies for willful violations by LESSEE:

- (1) STATE may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgment having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.
- (2) STATE shall have the right to terminate this lease agreement and any loss or damage sustained by STATE by reason thereof shall be borne and paid for by LESSEE.

**AMERICANS
WITH
DISABILITIES
ACT**

41. LESSEE shall comply with all federal requirements established under 28 Code of Regulations, Part 36, Americans with Disabilities Act, and with all California State requirements established under Civil Code section 51 et seq., Unruh Civil Rights Act and Civil Code section 54 et seq., Disabled Persons Act, in order to make programs accessible to all participants and to provide equally effective communications.

By signing this Lease, LESSEE assures State it complies with the Federal and State statutes described above, prohibiting discrimination on the basis of disability. LESSEE also assures State it complies with any applicable regulations and guidelines issued pursuant to the Federal and State statutes described above.

LOSSES

43. State will not be responsible for losses or damage to personal property, equipment or materials of Lessee and all losses shall be reported to State immediately upon discovery.

**DEBT LIABILITY
DISCLAIMER**

44. STATE, including but not limited to STATE's General Fund or any special self-insurance programs, shall not be liable for any debts, liabilities, settlements, liens or any other obligations of LESSEE or its heirs, successors or assigns. STATE and its agencies, departments and divisions will not be liable for and will be held harmless by LESSEE for any claims or damages associated with any contract, tort, action or inaction, error in judgment, act of negligence, intentional tort, mistakes, or other acts taken or not taken by LESSEE, its employees, agents, servants, invitees, guests or anyone acting in concert with or on behalf of LESSEE. STATE has no obligation to defend or undertake the defense on behalf of LESSEE or its heirs, successors or assigns.

**HAZARDOUS
SUBSTANCES**

45. LESSEE agrees that it shall comply with all applicable laws, either federal, state, or local, existing during the term of this Lease and any holdover or renewal, pertaining to the use, storage, transportation and disposal of any hazardous substance as that term is defined in such applicable law.

a. In the event STATE or any of its affiliates, successors, principals, employees or agents should incur any liability, cost or expense, including attorney's fees, as a result of LESSEE'S illegal or alleged illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, LESSEE shall indemnify, defend, and hold harmless any of these individuals against such liability.

b. Where LESSEE is found to be in breach of this clause due to the issuance of a government order directing LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by LESSEE or any person acting under LESSEE'S direct control and

authority, LESSEE shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by STATE in connection with or in response to such government order.

c. In the event a government order is issued naming LESSEE, or LESSEE incurs any liability during or after the term of the Lease, in connection with contamination which pre-existed LESSEE'S obligations and occupancy under this Lease or which were not caused by LESSEE, its agents, employees or contractors, STATE will hold harmless, indemnify, and defend LESSEE in connection therewith and shall be solely responsible as between LESSEE and STATE for all efforts and expenses therefore.

**PROHIBITED
USES**

46. LESSEE shall not commit, suffer or permit any waste or nuisance on the Premises or on State property or any acts to be done thereon in violation of any laws or ordinances, and shall not use or permit the use of the Premises for any illegal or immoral purposes. No dumping of refuse or storage of abandoned and/or inoperable motorized equipment or vehicles is permitted on the Premises. LESSEE agrees not to cut or remove any trees or brush thereon except as approved in writing in advance by State. LESSEE agrees not to introduce invasive weeds.

LESSEE agrees that it shall always exercise due diligence in the protection of the Premises and STATE's property against damage or destruction by fire or other cause.

Since the Premises are part of a State Park, LESSEE shall comply with all rules and regulations applicable to said State Park. No article or material which STATE considers as being contraband, shall be brought on the Premises. Any willful violation of said rules and regulations or of the terms of this Lease will be grounds for immediate cancellation of this Lease and removal of LESSEE.

WELLS

47. STATE reserves the right to drill and operate wells on the Premises.

LIENS

48. LESSEE shall keep the Premises free from all liens and claims of mechanics, material suppliers, and others from work done and material furnished at the request of LESSEE. Should any lien or claim of lien be filed or notice be given, LESSEE shall cause the same to be immediately canceled and removed, and if so removed, LESSEE shall not be in default under the terms of this Lease.

DEFAULT

49. LESSEE shall make all payments to STATE without deduction (except for offsets explicitly allowed hereunder), default or delay. In the event of the failure of LESSEE to do so, or in the event of a breach of any of the other terms, covenants or conditions herein contained on the part of LESSEE or State to be kept and performed, and if such default continues for a period of thirty (30) days after receipt of written notice from the non-defaulting party to the defaulting party of such default, this Lease may, at the non-defaulting party's sole discretion, be terminated.

Notwithstanding the foregoing, if a non-monetary default may not be reasonably cured within such thirty (30) day period and the defaulting party commences to cure such default within the thirty (30) day period, the time to cure may be extended through a writing signed by both parties, to a time frame and deadline mutually agreeable to the parties. So long as the defaulting party diligently prosecutes the cure to completion under the mutually agreed upon extended deadline, then this Lease may not be terminated under this clause. However, if the defaulting party operates with unreasonable delay in curing the default or otherwise does not cure within the mutually agreed upon time frame, the non-defaulting party may terminate

immediately. In the event of termination of this Lease due to a LESSEE default, it shall be lawful for State to reenter into and upon the Premises and every part thereof and to remove and store at LESSEE's expense all property there from and to repossess and occupy the Premises. In the event State terminates this Lease pursuant to this clause, State shall not be required to pay LESSEE any sum or sums whatsoever.

**INTEREST ON
PAST DUE
OBLIGATIONS**

50. STATE may charge interest for any amount due to STATE but not paid when due, at a rate equal to the annual maximum rate allowable by law from the due date. Payment of such interest together with the amount due shall cure any default resulting from non-payment of the amount due by LESSEE under the "Default" clause above.

BINDING

51. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns and successors in interest of the parties hereto.

**ESSENCE OF
TIME**

52. Time is of the essence for each and all of the provisions, covenants, and conditions of this Lease.

**PERMITS AND
APPROVALS**

53. The parties agree that LESSEE's ability to use the Premises is dependent upon LESSEE obtaining all the certificates, permits, licenses, and other approvals that may be required from any third party. STATE will cooperate with LESSEE, at no expense to STATE, in LESSEE's effort to obtain such approvals in connection with said permits, licenses or other approvals.

In the event that (i) any of such applications for such certificates, permits, licenses, and other approvals should be finally rejected; (ii) any certificates, permits, licenses, and other approvals issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; and (iii) LESSEE determines that such certificates, permits licenses, and other approvals may not be obtained in a timely manner, LESSEE shall have the right to terminate this Lease. Notice of LESSEE's exercise of its right to terminate shall be given to State, in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by State. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, LESSEE shall have no further obligations for the payment of rent to State.

**SECTION
HEADINGS**

54. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

**LEASE
MODIFICATION
FEES**

55. An administration/technical review fee shall be assessed for any action originated by LESSEE requiring lease administration or technical review staff work by STATE, such as, but not limited to, name changes, assignments of Lease or changes in equipment which result in an amendment to, or assignment of this Lease. To initiate such services, LESSEE must submit a written request to STATE. The administration fee will be assessed at the prevailing rate in effect at the time the request is received. LESSEE will be required to remit the administration/technical review fee to one of STATE addresses listed in the "Notices" clause of this Lease, as directed by STATE.

**RIGHTS
RESERVED BY
STATE**

56. a. State reserves the right to use the real property involved (not including real property installed, erected or constructed by LESSEE) in any manner, including but not limited to the right to construct, place, maintain, use, operate, repair, replace, alter and move pipelines, conduits, culverts, ducts, fences, poles, electrical energy, power and communication lines, roads, bridges, subways, sidewalks, to grant easements over, across, upon and under said real property, and the continuous right of ingress to and egress from any portion or portions of said real property in such manner as not to create any unreasonable interference with the exercise of the rights granted to LESSEE.
- b. Any grant herein contained is subject to all valid and existing contracts, leases, licenses, easements, encumbrances and claims of title which may affect said facility.
- c. No priority or other rights will attach to the use of any space in State's building or on said facility.

**FIRE AND
CASUALTY
DAMAGE**

57. STATE will not keep improvements which are constructed or installed by LESSEE under the provisions of this Lease insured against fire or casualty, and LESSEE shall make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE in the event of damage or destruction by fire or other cause, arising other than from or out of the sole active negligence or willful misconduct of agents or employees of STATE in the course of their employment

**ACTS OF
NATURE**

58. If any of LESSEE's improvements or equipment is destroyed by acts of nature, LESSEE, with STATE's prior written permission, may replace said improvement or equipment with improvements or equipment of the same general type that meets or exceeds the technical specifications of the original equipment and that occupies no more physical space and consumes no more electrical power. LESSEE shall immediately notify STATE of such damage and the date the replacement is to be completed.

RELOCATION

59. a. In the event that State terminates this Lease pursuant to its terms, Lessee acknowledges and agrees that it has no claim against the State for Relocation Payments, Relocation Advisory Assistance, or costs pursuant to the Government Code sections 7260 et seq., or any regulations implementing or interpreting such sections. Lessee further agrees that it has no claim in either law or equity against the State for damages or other relief should the Lease be terminated and waives any such claims it may have.

b. The location of the Premises to be used by Lessee for the purpose of this Lease may be changed as required by State in the event of circumstances arising to warrant such a change. Lessee agrees to accept another functionally equivalent location within the facility grounds within which to operate under the same general provisions of this Lease.

In the event there is a reduction or increase in the leased area, there shall be an adjustment in rental rate on a proportionate acreage basis at the discretion of the State, either greater or smaller, as the case may be.

In the event State is unable to relocate the Lessee within the park unit, State, upon reasonable notice, may require Lessee to leave State premises. Reasonable notice is defined herein as to be at least thirty (30) days.

- RECORDING** 60. LESSEE shall not record this Lease or a short form memorandum thereof. Any such recordation will, at the option of STATE, constitute a non curable default by LESSEE hereunder.
- AUTHORITY TO CONTRACT** 61. a. If LESSEE is a public, private or non-profit corporation, each individual executing this Lease on behalf of said LESSEE shall provide evidence, which is acceptable to STATE, that he/she is duly authorized to execute and deliver this Lease on behalf of said LESSEE in accordance with a duly adopted resolution of the Board of Directors or in accordance with the Bylaws of said Board, and that this Lease is binding upon said Board of Directors in accordance with its terms.
- b. LESSEE shall, concurrently with the execution of this Lease, deliver to STATE at the addresses shown in the "Notices" clause of this Lease, either a copy of the board's bylaws or a certified copy of the resolution of the Board of Directors authorizing or ratifying the execution of this Lease.
- c. In addition, prior to the execution of this Lease, LESSEE shall provide STATE with a copy of LESSEE's current bylaws and corporate filing status as filed with the California Secretary of State.
- CEQA** 62. Any physical changes and improvements made to the Premises by LESSEE or its agents shall comply with the California Environmental Quality Act (CEQA).
- BANKRUPTCY** 63. In no event shall this Lease or the leasehold estate become an asset of LESSEE in bankruptcy, receivership, or other judicial proceedings. LESSEE shall be in default under this Lease and the provisions of the "Default" clause hereof shall apply in the event of any of the following: (a) LESSEE becomes insolvent or makes an assignment for the benefit of creditors, (b) a petition in bankruptcy is filed by or against LESSEE, (c) a writ of execution is levied against this Lease or the leasehold estate, (d) LESSEE abandons or vacates or does not continuously occupy or safeguard the Premises.
- AMENDMENTS AND MODIFICATIONS** 64. No amendment, modification, or supplement to this Lease shall be binding on either party unless it is in writing and signed by the party to be bound by the modification.
- MUTUAL CONSENT** 65. Notwithstanding anything herein contained to the contrary, this Lease may be terminated, and the provisions of the Lease may be altered, changed, or amended by mutual consent of the parties hereto in writing.
- FORCE MAJEURE** 66. If either LESSEE or STATE will be delayed or prevented from the performance of any act required hereunder by reason of acts of nature, governmental restrictions, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease) or other cause without fault and beyond the control of the party obligated (except financial inability), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Nothing in this clause shall excuse LESSEE from prompt payment of any rent, taxes, insurance, or any other charge required of LESSEE, except as may be expressly provided in this Lease.
- WAIVER** 67. If STATE waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of that or any subsequent term, covenant, or condition. Failure by STATE to enforce any of the terms,

covenants, or conditions of this Lease for any length of time shall not be deemed to waive or decrease STATE's right to insist thereafter upon strict performance by LESSEE. Waiver by STATE of any term, covenant, or condition contained in this Lease may only be made by a written document properly signed by an authorized STATE representative.

ENTIRE AGREEMENT

68. This Lease and its exhibits constitute the entire agreement between STATE and LESSEE. No prior written or prior, contemporaneous, or subsequent oral promises or representations shall be binding.

SEVERABILITY

69. If any term, covenant, condition, or provision of this Lease or any application thereof, to any extent, is found invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of this Lease will not be affected thereby, and will be valid and enforceable to the fullest extent permitted by law.

SUPERSEDEURE

70. This Lease supersedes and voids any prior license, lease or agreement between STATE and LESSEE with regards to the subject matter of this Lease.

CLEAR TITLE

71. At the termination of this Lease or in the event of a breach of the terms of this Lease by LESSEE; LESSEE shall execute and deliver to STATE within thirty (30) days a Quitclaim Deed to any rights or claims arising hereunder.

RIGHT TO RECLAIM

72. STATE reserves the right to reclaim and reoccupy the Premises upon three (3) days written notice when necessitated due to National or State Emergency. STATE will not be responsible for any adverse effects suffered by LESSEE should this occur.

SEPARATE COUNTERPARTS

73. This Lease may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

THIS LEASE, together with its exhibits, contains all the agreements of the parties hereto and supersedes any prior Lease or negotiations. There have been no representations by STATE or understandings made between STATE or LESSEE other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties hereto.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the date written below.

STATE OF CALIFORNIA

LESSEE:

DEPARTMENT OF PARKS AND RECREATION

T.O. CATTLE COMPANY, LLC
a limited liability company

DocuSigned by:
Brian Dewey
By: BRIAN DEWEY, Assistant Deputy Director
Facilities and Development Program

Joseph Morris 10/2/20
By: JOSEPH MORRIS, Manager

EXECUTED DATE: 11/24/2020

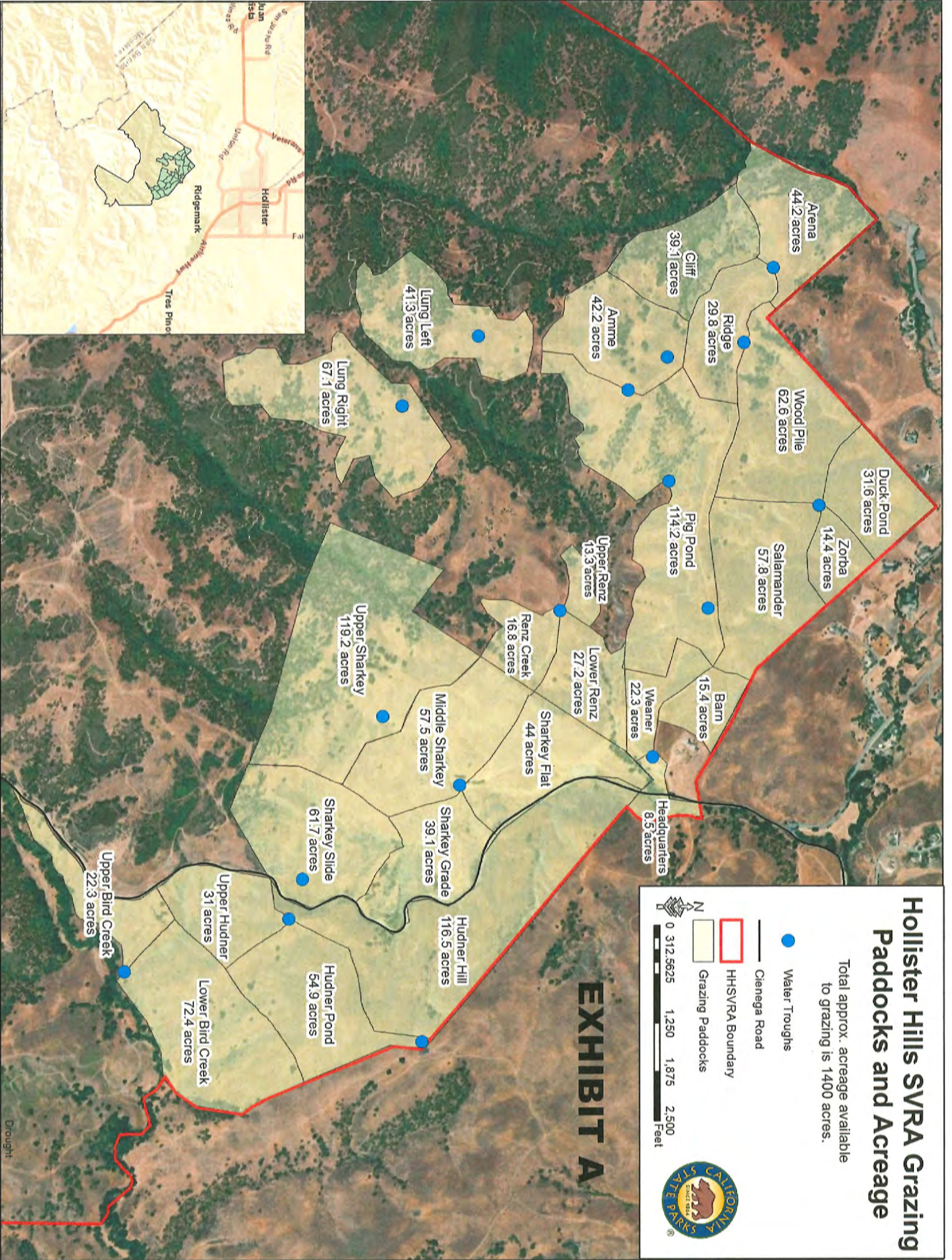
Approval Recommended:

By: *J. Chamberlin*
JAY CHAMBERLIN, Chief of Natural Resources

By: *M. Bellah*
MATTHEW BELLAH, Field Division Chief

I hereby certify that all conditions for exemption have been complied with and this document is exempt from the Department of General Services approval.

DocuSigned by:
Brian Dewey
By: BRIAN DEWEY, Assistant Deputy Director
Facilities and Development Program



Hollister Hills SVRA Grazing Paddocks and Acreage

Total approx. acreage available to grazing is 1400 acres.

● Water Troughs
 Cienega Road
 HHSVRA Boundary
 Grazing Paddocks

0 312.5625 1,250 1,875 2,500 Feet


N


EXHIBIT A

Drought

Exhibit B

Example - Work Trade Worksheet

Grazing Profit and Work Trade Worksheet 2020	
Grazing Profits	\$
Work Trade	\$
Total	\$
Rent Credit	\$ 2021 Grazing Year rent credit

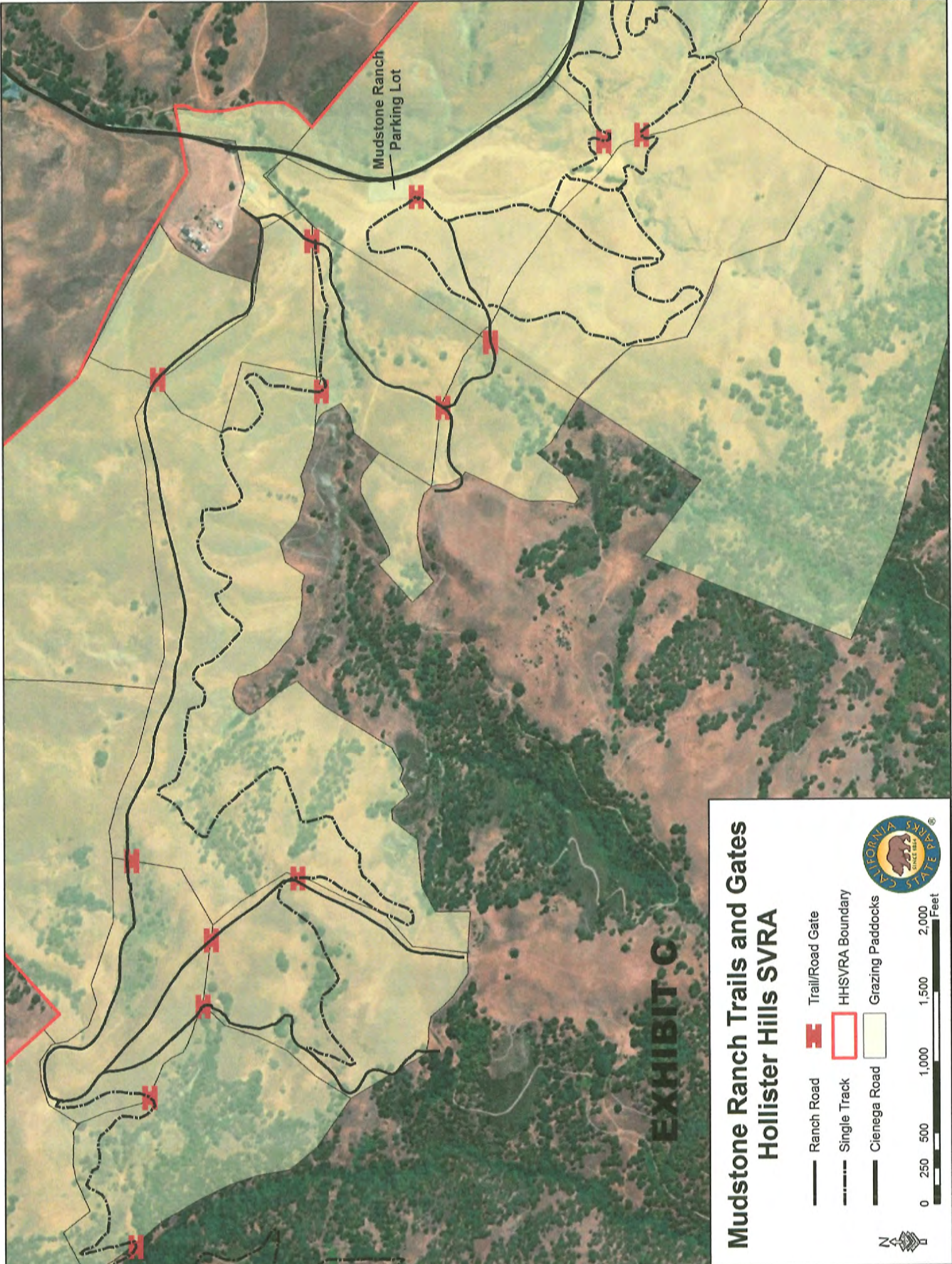
Lease Profit 2020			
Profit	Lease Rate AUM = \$	AUMs Grazed	Profit
	1st Quarter 2020		\$
	2nd Quarter 2020		\$
	3rd Quarter 2020		\$
	4th Quarter 2020		\$
	Total		\$

Work Trade Totals 2020	
Corral Restoration	\$
Goat Grazing	\$
Interpretive Tour	\$

Project	Corral Fence Restoration			
Materials	Lumber			
	Paint			
	Hardware			
			Subtotal	
		# of Hours	Rate/Hour	Total
Labor				
			Subtotal	
			Project Total	

Project	Goat Grazing			
Materials	Fencing			
	Solar kit			
			Subtotal	
		# of Hours	Rate/Hour	Total
Labor				
			Subtotal	
			Project Total	







Project	Interpretive Tour			
Labor		# of Hours	Rate/Hour	Total
			Subtotal	
			Project Total	



Mudstone Ranch Trails and Gates

Hollister Hills SVRA

California State Parks

 Ranch Road	 Trail/Road Gate
 Single Track	 HHSVRA Boundary
 Cienega Road	 Grazing Paddocks

0 250 500 1,000 1,500 2,000 Feet




EXHIBIT D

GRAZING PLAN



GRAZING PLAN

Our grazing plans are developed for each specific herd on each specific ranch twice yearly. This means that they are tailored to the needs of specific plants and animals and ranch goals rather than to any ideology or academic “prescription.” That said, according to President Dwight Eisenhower, while “Planning is essential, plans are useless.”—unless they are continually adapted to reality as it unfolds. In that light, while our plans are very thorough, our flexibility creates the conditions whereby they succeed. If weather patterns turn out to be different than what will support our planned stocking rate, for example, our grazing plans can and do change to accommodate the new conditions. We might change the amount of time grazed plants have to recover or adjust our stocking rate, bringing on or sending home some or all of the herd. We have strong relationships with our various livestock partners and build into our agreements the possibility of variable or difficult forage conditions. Likewise, if there are plants or wildlife species of concern, the grazing plans can and will accommodate them. We have worked with many biologists to learn about and account for the needs of Red-legged frogs, California Tiger salamanders, ground nesting birds, and so on. When significant changes are contemplated, we have found that open communications with landlords and regular monitoring are key to successful adaptations.

Resource Management Objectives

Overview

Our base property includes 10,000 acres other than Hollister Hills within 30 minutes of Hollister Hills, in San Juan Bautista, Paicines and Watsonville. Further, we have well developed relationships with grass managers in northern California with whom we trade grazing services. This gives us tremendous flexibility when drought occurs. In rough numbers, we run 1100-1600 AUMs at Hollister Hills while we control through leases sufficient land to support 8500-9500 AUMs.

Our operational capacity is a function of our management capacity. Over the past 30 years, we have done what most rangeland stakeholders consider to be the impossible: we have built a business that not only enhances the ecological value of the lands we manage, but returns a decent income to both workers and owners.

Managing the relationship between livestock and plants to produce increasing ecological function is our sole business. It is what we have done for almost 30 years, and it is what we are well known for across the West. Our business has been faced with all the difficulties that ranch businesses are faced with. We have no magic bullet. What we excel at is creatively making decisions and uncovering resources that expand our capacity to succeed no matter the challenge. We have learned from world class teachers across disciplines—from microbiology and rangeland ecology, to horsemanship and stockmanship, to business management and consensus building. We have enormous capacity because our community has enormous capacity. We share what we have learned; and we have been blessed all along the way with the resources to move us toward our goal of making possible what most consider out of reach.



Our staff is unparalleled. Currently we are four full-time employees and several part-time employees. We can always rent equipment, so most of our overhead costs are related to either the rents we pay to landlords or high quality, creative people. Each of us brings gifts to our collective table that enable TOCC to do more with less and achieve extraordinary results. The owners of TOCC have a lifetime of experience managing ranches and taking care of livestock and land (see Joe's CV). Our full-time employees have three years working for TOCC and at least twice that working in the ranching industry. They have extensive experience maintaining and building ranch infrastructure and caring for animals. We value each person that works for TOCC as a valuable asset. We encourage personal and professional development and strive to pay a comfortable wage. We also believe in fostering the next generation of ranchers and land managers. We regularly employ young people from local high schools and colleges as interns. Indeed, this is part of our successional plan: to generate bright, passionate young ranchers to competently care for the land and animals far into the future.

Our response time will always be under an hour. Our home ranch is in San Juan Bautista. Our employees live in San Juan Bautista, Tres Pinos and Aromas. Any of the four of us can respond **within 30 minutes, 24/7**, to calls for help or an emergency. We are committed to effective, daily monitoring whenever livestock are on the ranch—or whenever there is a need. We conscientiously try to cultivate our personal relationships with partners who can enhance our capacity at both strategic and tactical, daily tasks. We have an organizational structure that names specific people who are responsible for the various ranch divisions that we manage. The division managers are the daily touchpoints on the ranches, but all of TOCC management is involved in ensuring that landowner goals are achieved in the most efficacious way possible.

Our cattle are our best tools. To the land the footsteps of every animal should be, in the end, a source of healing. We plan to run a variety of livestock classes in a single herd at Hollister Hills, should we be granted the privilege of continuing our work there. We will run cow/calf pairs, yearlings for our Morris Grassfed Beef direct marketing program, and the balance of the herd will be pasture cattle owned by another cattle company. A variation of this stocking policy has been our practice over the years. We like the diversity of animal classes in the same herd, because:

- It more closely reflects the population structure of wild herds.
- Each class of livestock grazes in a little bit different manner.
- The rangeland seems to find diversity of many kinds a principle of soil healing and the enhancement of biological diversity and wildlife habitat.
- It enhances the ability of TOCC to respond with tremendous flexibility to the variability of weather patterns characteristic of the Central Coast.



The cattle will arrive throughout the fall and into January. They will all be run in one herd to facilitate the control of their grazing and other impacts and allow for long recovery periods for plants and soil communities after the herd moves on.

The recovery period of growing plants varies throughout the year as growing conditions change. We project three general recovery periods during the year and adjust those as actual needs of individual plants are revealed as the growing season evolves. We monitor plant recovery rates, soil cover and animal health on a more or less daily basis during the growing season, so our adjustments to the plan lag behind actual conditions almost not at all and therefore can be either as subtle or radical as called for. From December to mid-February, the projected recovery period of the perennial grasses is 60-90 days. From mid-February thru May, it is 30-60 days. From mid-May to December, perennial plants, particularly young oaks, will need 90-200 days to recover after use.

The paddocks are dynamic. We assess the productivity and needs of each of the 26 paddocks on our grazing plan at HH, which differ not only in size but also in aspect, soil type and net primary production of plants. Given the variations of each paddock and the projected recovery periods, graze periods are calculated and applied in pencil on our holistic grazing planning sheet. Actual graze periods are noted in ink on the plan as the season evolves. Also noted after actual graze periods will be actual Standard Animal Days (what an individual animal weighing 1000 lbs. would eat in a day) and Animal Days per Acre. These data refine our understanding of the productivity of each paddock on the ranch and helps us see both trends in productivity relative to net primary productivity of the rangeland as well as trends pointing to drought or good production patterns emerging during the year.

Herd migratory pattern is central to our planning. Our design for the migratory pattern of the herd will be intentionally "disruptive," for disruption of patterns of use and recovery leads to greater diversity of life. For example, we will begin our migration of the herd in the fall or winter in a different direction than the previous year. Each spring we will forego grazing on several of the paddocks, different each year, for the entirety of the growing period, giving all plants in those areas the opportunity to fully express themselves. Alternately, some paddocks will be grazed several times, allowing plants to recover their vigor in between grazings. In this way we can accentuate nature's capacity to produce in diverse ways, and even those creatures about whom we know nothing can have their day. Further, it invariably lengthens the season of growth on areas across the ranch, keeping the plants vegetative a bit longer and diversifying the mosaic of growth and plant and canopy structure. All of these simple practices tend to increase the amount of photosynthesis occurring on the ranch, thus the water holding capacity of the soil and the energy flow through the community.



Infrastructure

A high-level approach to the management of large landscapes demands established systems, not only grazing, monitoring and communications systems, but for infrastructure as well. **We have extensive experience here as well. We must have plans for infrastructure developments essential to the long-term health of the ranch resource.** At Hollister Hills TOCC has collaborated with the Park to develop a number of infrastructure systems: electric fencing, trough and water line development and barbed and non-climb fencing as well. Our approach to ranch infrastructure is that it should be attractive, functional and serviceable for many years, and maintenance should occur continually. In 2016, for example, we rebuilt the Bird Creek water system. In 2017, paying close attention to historic detail, we restored the historic corrals (*see photos*). We have strong partnerships with NRCS, which is interested in improving ranch infrastructure that will enhance ecological function, and would begin discussions with them as the need arises.





Our plan for infrastructure is to collaborate with Park Staff to address the needs of the Park and the grazing area as a system. The **Work/Trade** arrangement allows flexibility here, and TOCC is always amenable to infrastructure development or replacement, and each year, in consultation with the Park staff, we develop plans for these things. A number of projects have been discussed, and we are interested in doing what it takes to get them done:

- We have worked to replace the fence along Cienega Rd. and plan to continue this project over time.
- We are working to adjust fencing in the motorized areas to make the riding areas safer and the grazing program more effective in meeting park needs.
- Additional stretches of the boundary fence with neighbors is on our project list for this summer.
- We would like to complete the adjustment to the water trough system in the Sharkey.

We know that there is an expression in the world of contractors that “We’ll get ‘em on the change orders.” Our practice is quite the opposite: rather than offer “the moon” and then change it up and charge excessively, we say what we will do and simply do it. We are looking for win-win and long term relationships on every ranch or grazing program we work in. Our history with the State Parks, I think, is consistent with that approach and will continue to be so. Examples of our work can be seen in the photos above and the table below.

Name/Location	Miles of Pipeline	Miles of Fencing (barbed wire/electric)	Corrals	No. of Troughs/Tanks
Watsonville #1	4	2.5 / 10	Board, Pipe	9 / 4
Watsonville #2	1	.75 / 0	Woven Wire Lot	2
San Juan Bautista	4.25	0 / 4	Boards, Ties	10
Hollister Hills SVRA	1.2	3 / 2	Boards	5 / 1
Paicines	.5	.7 / 12		2



Special Concerns

Burrowing owls, Badgers and California Tiger Salamander: These members of the community require squirrels as either a food source or a habitat builder. While we do not manage for large squirrel populations, we do have plenty of rodents on the grazing area. We manage for a highly functional water cycle, so that the water that falls on the ranch stays as long as possible on the ranch, its flow staunched by plants, litter, organic matter and the meander of streams. We do everything we can to produce this kind of water cycle. A mosaic of tall and short plant structure across the landscape, along with the occasional bare knoll. There are at least three ponds where the CTS might breed, in the Pig Pond, the Amme Canyon ("Cliff" field) and the Hudner Pond. Our grazing patterns ensure intermittent impact to all of these areas but never an overwhelming impact, particularly during the CTS and frog breeding season in the early winter. The impact of the animals leaves behind bare areas, pond vegetation and the mosaic of grassland around the ponds.



Taking the herd from one paddock over a mountain to another paddock according to the grazing plan at Paicines Ranch, 2019.

Species to watch: In some paddocks there are special concerns, as noted above. In general, our premise is that managing for highly functional ecosystem processes is the most effective, elegant and economical way to improve and conserve wildlife habitat and soils. That said, species numbers can be nudged toward increase or reduction through various uses of the tools of grazing, animal impact and others to address early signs that lower successional species, aka "weeds," are becoming too numerous. We note **four undesirable species** of concern at Hollister Hills that we work to keep in check specifically: Black Mustard, Milk Thistle, Yellow Starthistle, and Medusahead.



- **Black Mustard** (*Brassica negra*) and **Milk Thistle** (*Silybum marianum*) numbers are not very problematic, though when we began grazing here in August of 1994, they were major problems and covered vast areas of the grazing area, in a number of areas over 50% canopy. Their reduction is evidence that thoughtful holistic grazing planning can produce a landscape that is not very congenial to large infestations of weeds. Furthermore, in spite of conventional rancher fears about nitrates in plant leaves, we have easily trained our animals to eat both of these species of plants, particularly, it seems, if there are diverse animal species in the herd.

(Anecdotally, when we ran horses along with our cows on our San Juan ranch, both species seemed to eat more of both of these plants, along with Italian thistle (*Carduus pycnocephalus*) and even Hayfield tarweed. They ate these plants with relish—almost every plant in the field.)

Our plan for Black Mustard and Milk Thistle: We will use holistic grazing planning, alternating well-timed grazing and recovery periods that support the needs of the native perennial grasses, shrubs and trees.



Dealing with weeds does not have to be painful. Cowboys and cows having lunch while YST succumbs to grazing and herd effect. Upper Bird Creek pasture at HH, 2018.



- **Yellow Starthistle** (*Centaurea solstitialis*) This plant is found in small numbers on many areas of the ranch and its numbers seem to swell and shrink over time depending on the year's rainfall. Its numbers have risen to concerning levels from time to time, and it has moved us to respond. For example, this year, we did not graze the Pig Pond field after January. This pattern allowed other plants to shade the YST and increase competition for both sunlight and water, and its presence is drastically reduced this year (see photo below). In the past, we (1) leased a small herd of goats to graze the plants when they were flowering, and (2) we used our cattle herd at very high densities in the spring of the year to trample old growth and graze new growth in the Upper Bird Creek pasture (see photo previous page). Both of these treatments reduced YST numbers dramatically as well. The plant is also susceptible to grazing in its bolting stage. Its presence is noted on the grazing plan and opportunities to address it at its weakest point are taken advantage of as a matter of course.

Our plan for Yellow Starthistle: We will continue to monitor plant numbers and consult with park scientists about this. We have notes on the distribution of the plant on our grazing plan and will:

- Plan to encourage plants that can compete with the YST for late season moisture.
- Plan to time grazing of the plant for optimal utilization of it when it is bolting.
- In addition to this timing, we are developing the capacity of our brood cows to select and graze the plant more aggressively than conventional cows. There is more and more evidence that livestock can be trained to eat weeds, and we have already begun teaching ours to eat YST.
- Finally, we will periodically and strategically defer growing season grazing to promote the tall growth of early maturing annual grasses (*Avena*, *Lolium*, *Diandrus* and *Hordeum*, in particular) and native perennial grasses in the pastures to shade and weaken the chances of survival of seedling YST and compete for soil moisture.



Tall annuals stunt the growth of YST.



- **Medusahead** (*Taeniatherum caput-medusae*) is a plant, as noted above, covers a very small area on the grazing area, but it is an all-but-worthless plant, and we are intent on understanding and developing a treatment that builds biodiversity and allows medusahead to be replaced by higher successional species. As a pioneer species, it is an initial “investor” of sorts in the community. It is quite unpalatable and has negligible nutritional value, so it has value primarily as a plant that discourages grazers and allows carbon to begin to accumulate on and in the soil. It is high in silica and therefore is a good builder of thatch. All these abilities afford managers of a degraded community a wake-up call and some building material with which to build, namely the carbonaceous thatch. We will plan to take advantage of these virtues of Medusahead, making of it a literal stepping stone to a higher successional state.

Our plan for Medusahead (Amme and Ridge fields):

In 2020 we:

- Grazed the field three times (February, April and May), allowing recovery of perennial plants each time.
- While still in a vegetative stage in April, using alfalfa hay, we concentrated the herd on the patches of medusahead and allowed the animals to graze the plants severely and impact them with their herd effect.
- We returned a final time to the patches in May. We enclosed them partially with one electric wire fencing and, using cheap grain hay to again concentrate the herd, grazed or impacted the plants to reduce their ability to produce seed. Also, the oats in the hay serve as an additional seed source to produce plants that might compete for the resources used by the medusahead.

In the future we will:

- Build a temporary enclosure around the two areas in the fall of 2020.
- As growth begins, and in consultation with Park range managers, broadcast an annual, multi-species cover crop mix, on the area.
- Introduce the herd full of grass from the morning’s grazing into the enclosed area for a several hour stay.
- Feed some old oat hay as mulch, and encourage the animals to:
 - trample the seedlings of Medusahead;
 - spread the mulch and their manure and urine across the small enclosure;
 - Create good soil to seed contact for the broadcast seed.
- Remove the animals and forego grazing for the remainder of the growing season.
- In the fall of 2021, return the animals to the area to graze, trample the thatch and drop dung and urine.
- Monitor closely. Adjust as needed.



Monitoring

We believe that **monitoring** is *the* best practice. It allows us to gain understanding and observe at various depths what is going on with the plants, soils and animals. We have the great privilege of being members of the Rangeland Monitoring Network of Point Blue Conservation Science on 9,000 of our acres besides the 1,300 we manage at Hollister Hills. Their insights into rangeland health have proven fascinating and, even better, useful. They have noticed bird populations that utilize plant species that we thought of merely as problems. They have shown that several species of concern, grasshopper sparrows in particular, find our management very congenial, and we have been able to adjust our grazing patterns to enhance the structural mosaic the birds find attractive and necessary. They have also allowed us to understand breeding patterns, so we can adjust the timing of grazing events to accommodate their needs.

Peter Donovan of the Soil Carbon Coalition has also contributed to our understanding of rangeland health with his Soil Carbon Challenge monitoring. We have installed two soil carbon transects--at our expense--which are due to be re-sampled in the spring of 2021. On our Watsonville ranch, our monitoring has showed some promising progress, bolstering the findings of Point Blue at HH (see Landowner letter) of increasing carbon levels in the rangeland soils we are managing at different ranches (see graph below).



Holistically managing the relationship between plants and animals, especially during the growing season, demands constant oversight and, more or less, daily monitoring of animal health and perennial plant recovery patterns. Our practice is not to drive along roads and look across the pasture, which tells us next to nothing. Instead, as Wendell Berry admonishes, though I am paraphrasing, we “get out of (our) truck, get off (our) horse, get on (our) knees and look around.” We are constantly adjusting our grazing moves to accommodate the needs of the plants and animals, both of which are the only experts who know what they need. We look at the rumen and the animals' manure to understand how they are doing. We look at new leaf and flag leaf emergence, tillering, as well as the disappearance of animal graze marks to understand how the plants are doing and when they have recovered enough to safely be grazed. We monitor soil cover, earthworm numbers and soil crumb structure to understand more long term changes. In the spring of the year, growth is so fast that only daily monitoring can avoid the problems that almost all ranchers and conventional range science experiences. The benefit of all of our monitoring is that we consistently grow more grass than our neighbors. Their calves may grow bigger, but our cattle do well enough, and the native plants and riparian areas make exciting gains each and every year.



Drought and Fire Planning

Drought: An important aspect of our grazing planning is to plan for the eventual drought. This is an inevitable aspect of managing livestock on California rangelands, and it is always easier to deal with if there is a plan. Over the past twenty-six years, we have had several severe droughts. For each instance we came up with different plans. All of them, however, were designed to ensure the long term integrity of the land. In each instance of drought TOCC and Park staff maintained open lines of communication and worked together to insure outcomes as beneficial as possible to all parties involved. I am deeply grateful for the cooperation of the Park during those challenging times. *(For a detailed, month-by-month drought plan, see table below.)*

Purpose: To document the process which TOCC will use to make decisions when drought seems imminent that will continue to produce peaceful people, healthy animals, healthy land and profit.

Fire: Our response to a situation involving fire would be similar: assess the forage available, the season, the needs of the land and livestock. Maintain communications with all stakeholders. Develop a plan to respond in a way consistent with our long term goals. The context of all of these plans includes the fact that we lease several other ranches in close proximity to the Park, so should there be a problem on the Park grazing land, the other ranches under our care might supply a remedy to insufficient forage.



Historic corrals at Hollister Hills restored to "like new" condition by TOCC in 2018.



TOCC Drought Plan — Critical Dates

Fall (October)

1. Do regular paddock assessments to be aware of forage available and functional quality of ecosystem processes, particularly the water cycle and mineral cycle: how well is soil covered by either living plants or plant litter?
2. Assess current forage and water available.
3. Assess: How does current forage supply match the projected forage demand, stocking rate, on the ranch?
4. Incorporate drought reserve with sufficient forage and litter through March 1 or longer in “closed season” grazing plan.

If below average rainfall, in January

5. Re-plan recovery periods and grazing to ensure that the most functional water cycle possible is produced—no bare soil and that water is available to livestock.
6. If there is more than one herd on the ranch, combine herds to help animals utilize available forage and extend recovery period for grazed plants.
7. Work out marketing plan to sell least profitable and most liquid animals as soon as possible.
 - a. Cow-calf operation
 - i. Preg-check cows and sell open cows.
 - ii. Wean calves.
 - iii. Sell or ship calves.
 - iv. Sell or ship yearlings.
 - v. Sell or ship cows.
 - vi. Or, sell cows and keep lighter heifer calves.
8. Stocker operation
 - a. Make sure pasture cattle clients understand the drought clause in the agreement: “two weeks’ notice” means two weeks’ notice.
 - b. Bring animals in when supply of forage will meet demand of animals through March 1.
 - c. Monitor rainfall and soil moisture. Soil moisture during peak plant growth will be first indicator of impending drought.
 - d. Maintain communications with grazing clients regarding drought conditions. Inquire about their drought plan, their ideas about which animals to ship first.

On January 15

9. With employees, test option of sub-dividing paddocks to extend recovery period and improve utilization of forage.

On February 1

10. Assess soil moisture, forage growth, supply demand.
11. Meet with everybody on the ranch to brainstorm options.

On February 15

12. Make calls to discuss w clients plans for shipping cattle.

On March 1

13. Latest rainfall that produces good forage will fall by early March. Plan to have forage available for cattle still on ranch through Mid-March.
14. If there is no foreseeable rainfall, begin shipping or selling herd.
15. Assess labor requirements of ranches. Brainstorm with employees strategies to ensure mutual economic health.
16. Update economic plan.

On April 15

17. Make decisions based on update of economic plan.