

# CONWAY RANCH CONSERVATION EASEMENT MANAGEMENT PLAN – EXHIBITS A-F April 2014

## Exhibit A Conservation Easement Map

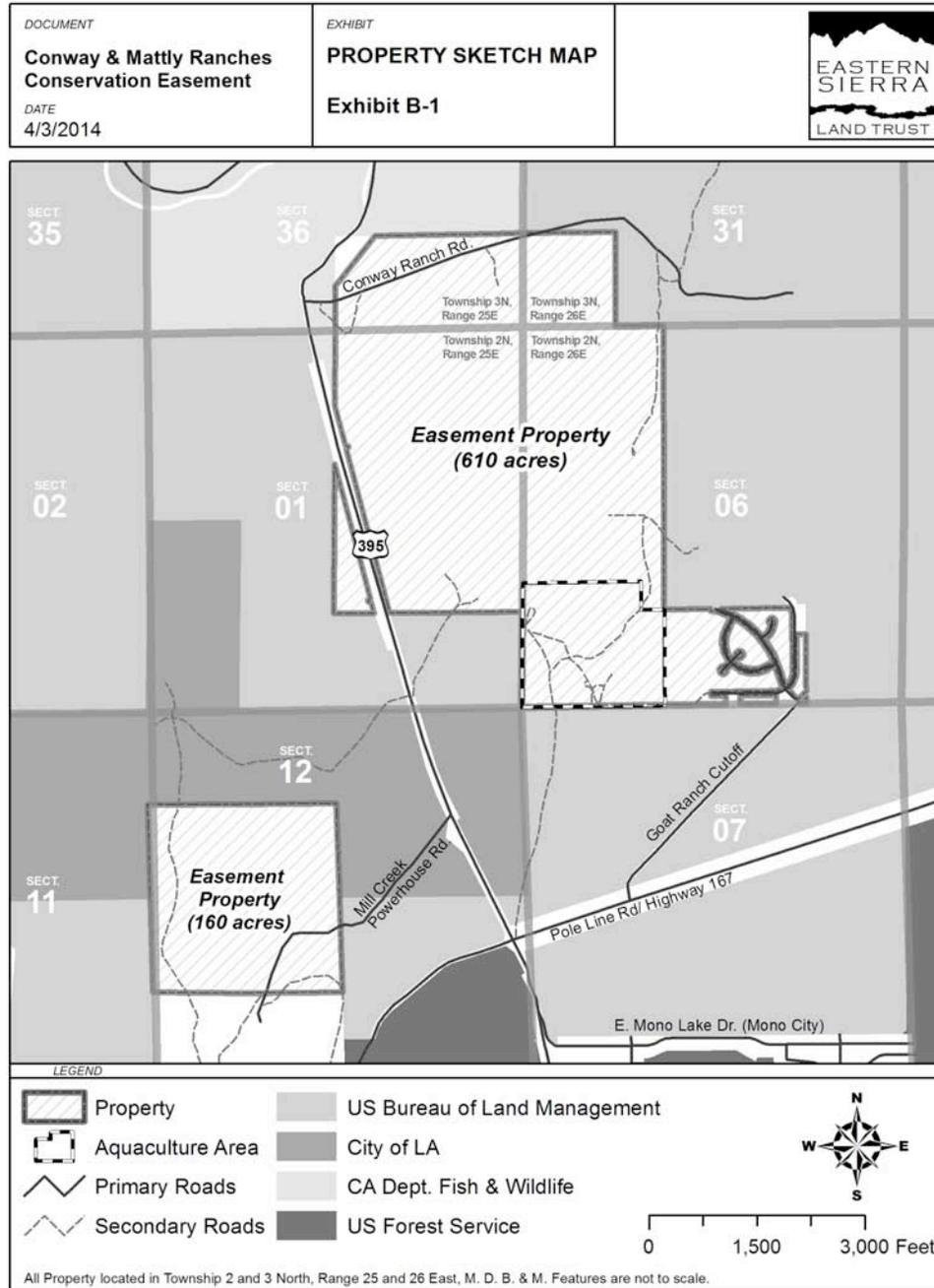


Exhibit B  
Conway Ranch Baseline Documentation Report

-To be included in final version

Exhibit C  
ESLT Monitoring Policy

Eastern Sierra Land Trust Manual of Standards and Practices Appendix 11.C: Easement Monitoring Policy

EASTERN SIERRA LAND TRUST  
**MONITORING POLICY**  
**Date Adopted: July 6, 2009**

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**APPENDIX 11.C – CONSERVATION EASEMENT MONITORING POLICY**

**Purpose**

Pursuant to the national Land Trust Alliance’s Standards and Practices, Eastern Sierra Land Trust (ESLT) monitors each of its conservation easements on an annual basis, at a minimum, in order to ensure that easement lands are being used in accordance with the terms of the easement and that any violations of the easement are identified as soon as possible. In addition, ESLT recognizes that regular and consistent monitoring will enhance ESLT’s relationships with its easement landowner partners through personal communication and serve to understand and/or discover pending or contemplated actions by landowners that may impact the conservation easements in the future. Effective and regular monitoring efforts honor the written commitments made to the original landowners/donors and to other conservation partners.

ESLT is dedicated to upholding its legal and community obligations to preserve the conservation easements it accepts for as long as such easements exist. In recognition of the fact that ESLT’s conservation easements are perpetual in duration, ESLT understands that one of the keys to preserving these easements is its commitment to monitor, defend and enforce the terms of each conservation easement on a consistent basis. Key to these stewardship services is the process of visiting conserved land and the owners of the land at least annually. Building relationships with and providing services to landowners is the best immediate and long-term method to guarantee that conservation easements are upheld.

Regular monitoring prevents gaps in the information concerning the property and its owners or residents and ensures that owners and residents have knowledge of the restrictions placed on the use of the land. Through the use of a systematic monitoring of documented conservation values, compliance with the easement terms can be ensured.

**Implementation**

**Procedures and Handbook**

The Lands staff develops monitoring implementation procedures, which are approved by the Lands Committee and Executive Director. ESLT staff shall adhere to procedures for landowner contact, monitoring preparation, implementation and follow-up. (Reference: Handbook 11.C, Monitoring Procedure)

**Funding**

The Stewardship Fund, at the discretion of the ESLT Board of Directors, may cover annual monitoring expenses. (Reference: Appendix 11.A, Stewardship Fund Policy).

Eastern Sierra Land Trust Manual of Standards and Practices Appendix 11.C: Easement Monitoring Policy

**Frequency of Monitoring:**

**Annual Visits**

Each conservation easement held by ESLT shall be monitored at least annually, in person and on the ground to ascertain whether the use of the property is in accordance with the terms of the easement.

**Additional monitoring**

More frequent monitoring, including informal drive-by visits of properties with a greater potential for violation may be appropriate when the easement may be at risk, in order to identify any actions that may violate the terms of the restrictions as soon as practicable, and thus reduce the organization's chances for significant time and expense in correcting a violation. Examples include the exercise of a reserved right, such as during construction of structures permitted by the easement, earth moving/grading or vegetation management activities. If a property has changed hands, a monitoring visit in addition to the annual monitoring ensures that new owners know the restrictions placed on the land.

**Monitors:**

**Trained Staff**

ESLT recognizes the importance of using trained staff members to monitor its properties, to provide necessary continuity, positive relations with landowners, and long-term organizational accountability. Prior to commencing monitoring, monitors shall receive adequate training in the methods and importance of the monitoring process, its relation to ESLT's overall conservation easement Stewardship Program and how to conduct the monitoring in a safe and professional manner.

**Others:**

Volunteers may assist with the monitoring, under the supervision of trained staff. Unsupervised volunteers will not be used, except in extraordinary circumstances.

**Method of Monitoring:**

Ground monitoring will be the primary method used, as it provides an opportunity to closely inspect structures and activities that may not be seen using other methods. All homestead and homesite monitoring will be done on the ground.

Aerial monitoring or inspection using binoculars from a distance may be used to view remote or hard to access areas of properties, and for understanding the overall context of the easement properties and general landscape.

**Communications and Monitoring Process**

Easement landowners are contacted in writing in advance of the proposed monitoring visit and invited to take part in the visit. They are also given the opportunity to discuss their easement and any concerns or questions they may have. All contact with the landowner will be documented and records kept in the permanent and working stewardship files.

**Eastern Sierra Land Trust Manual of Standards and Practices Appendix 11.C: Easement Monitoring Policy**

ESLT staff shall send at least one written communication to each easement landowner describing the monitoring visit prior to the visit, and shall send at least one written communication to each landowner following the monitoring that includes the annual monitoring report and addresses any issues identified in the visit, if applicable.

ESLT staff shall adequately prepare for each monitoring visit by familiarizing themselves with the conservation easement document, baseline documentation, prior monitoring reports, maps and the monitoring forms. ESLT staff shall, at a minimum, each year visit or view all areas of the property subject to restrictions on use and any areas of recent development activity to determine compliance with the terms of the conservation easement. ESLT staff shall take photographs as frequently as specified in the procedures adopted pursuant to this Policy, and at least when changes to the land or development activities have occurred on the property that are relevant to the conservation easement document.

**Monitoring Follow-up**

Monitoring reports form part of the permanent records ESLT manages for land projects. ESLT staff shall adhere to procedures to assure that any questions that arise during a monitoring visit or any activities that are identified that may constitute a violation of the easement are addressed in a timely and professional manner, and to assure that ESLT preserves its rights to enforce an easement if it becomes necessary. The procedures shall require that each monitoring visit be represented by a written monitoring report that is signed by the individual who performed the monitoring visit, and reviewed and signed by the Executive Director. All monitoring reports and any follow-up actions shall be archived in accordance with ESLT's Record-keeping Policy (*draft* Appendix 2.D).

Corrective actions shall be documented in writing and reported to ESLT's Executive Director. The Executive Director shall report all non-procedural violations to the President of ESLT's Board of Directors in a timely manner (Appendix 11.E, Enforcement Policy).

ESLT Lands Committee and Board of Directors will be provided with an annual report summarizing the year's easement and land monitoring visits.

Exhibit D  
ESLT Enforcement Policy

*Eastern Sierra Land Trust Manual of Standards and Practices Appendix 11.E: Enforcement Policy*

EASTERN SIERRA LAND TRUST  
ENFORCEMENT POLICY  
Date Adopted: July 6, 2009

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**APPENDIX 11.E – ENFORCEMENT POLICY**

**Purpose:**

Eastern Sierra Land Trust (ESLT) is responsible for enforcing all its conservation easements through the identification, documentation, and rectification of violations. ESLT believes that, although it is highly unlikely problems will arise with the original partners in an agreement, subsequent owners may not fully understand the terms of an easement. The goal of regular communication and property monitoring is the prevention and early detection of violations, allowing non-compliance events to be identified and corrected in a timely manner and on favorable terms.

As a holder of conservation easements, ESLT must enforce the terms of these legal agreements for a variety of ethical, legal, and economic reasons. In addition to protecting the conservation values of the land, enforcement is needed to:

- Ensure the continued public benefit of each easement, engender public confidence in ESLT's ability to achieve its mission overall, and in its ability to enforce specific conservation easements.
- Uphold and maintain ESLT's legal authority to enforce the terms of its conservation easements. Delayed enforcement of a violation may jeopardize ESLT's right to enforce particular provisions.
- Maintain ESLT's tax-exempt status, and its ability to accept future donations of conservation easements. Federal regulations specify that the eligibility of an organization to accept tax-deductible easement gifts requires a "commitment to protect the conservation purposes of the donation, and ... the resources to enforce the restrictions". ESLT's failure to enforce the terms of its conservation easements could jeopardize its tax-exempt 501(c)(3) status and its ability to accept tax-deductible easement gifts if it were shown that ESLT relinquished its enforcement rights to benefit private individuals.

**Enforcement Policy:**

ESLT utilizes strong landowner communication practices and proactive consultation to make the prevention of violations the goal. However, when they occur, ESLT follows a standardized and fair procedure for correcting the violation. Upon discovery, ESLT staff fully documents the discovery. Staff will then consult with the ESLT Executive Director to verify the violation. Level II and III violations (see section describing "Level of Violation") are immediately reported to the President of the Board of Directors. Finally, a response to the violation is prepared.

**Prevention**

ESLT recognizes that landowner awareness and communication, not litigation, are the best immediate and long-term methods to guarantee that conservation easements are upheld. ESLT works with owners of conserved land to help them understand their conservation easement and to continue to manage their land in accordance with the terms of the agreement. Regular communication and property monitoring result in violations being found and corrected in a timely manner.

Key Principles in Prevention of Violations:

- Maintain good landowner relations. Meet with new landowners to explain easement terms, monitoring, and review baseline.
- Engage in annual, well-documented monitoring
- Ensure that new owners understand ESLT’s mission, the conservation restrictions for their property, and the concept and purpose of conservation easements in general
- Maintain good relations with local officials

**Presumption of Innocence or Misunderstanding**

A violation may have been caused by the landowner, an adjacent property owner, or a trespasser. ESLT will not assume that the landowner is the responsible party. It is also possible that a misunderstanding of the conservation restrictions has occurred, or that the restrictions have not been communicated clearly to the party committing the violation.

**Complete Documentation upon Discovery**

When an apparent violation is discovered, either during a formal monitoring visit or otherwise, the violation will be documented as completely as possible by the ESLT staff discovering the violation. Complete documentation includes comprehensive digital photography, mapping and/or aerial photographs, necessary measurements, and detailed field notes and reports.

**Verification of Violation**

A subsequent review of the files may reveal that permission was granted for the act, an amendment had occurred, or other circumstance resulting in the apparent violation was present. The review may also present clear evidence that the violation did, in fact, occur, and that corrective actions are required.

**Use of Amendment**

In rare instances, ESLT may consider the use of an amendment to resolve a violation. No amendment to a conservation easement will be agreed to which would adversely affect any conservation value protected by the original easement. The adoption of any amendment for this purpose must be done in accordance with the ESLT amendment policy (Appendix 11.I).

**Level of Violation**

Depending upon the level of the violation, ESLT staff will involve appropriate staff, board member(s), or legal counsel to decide on the appropriate response. All violations, no matter the level, will be documented and addressed. Refer to Handbook 11.E for specific descriptions of Level I (minor), II (moderate), and III (major).

The harm caused by the violation will be balanced against the cost/benefit of the selected enforcement response, while maintaining the most constructive working relationship possible with the landowner. ESLT's response to a violation should match the severity of the violation. The response will be based on the combination of the resource impact of the violation and the mitigating circumstances present. This may result in a unique response in certain circumstances. However, consistent responses to similar violations maintain public confidence, and therefore are always a goal in violation response.

### **Third Party Violations**

In the event that a violation of the terms of a conservation easement is determined to have been caused by the action of a third party, ESLT will engage the cooperation of the landowner to terminate the action and restore the property to an appropriate condition. Notice of violation will be given to the responsible party if possible and reparation of damages will be sought. If resource damage is significant and the owner is unwilling to cooperate, then ESLT reserves the right to take legal action to remedy the situation. ESLT individually, or in concert with the landowner, may employ any remedy available to the landowner. Steps to enforce easement terms against violations by third parties must be consistent with the terms of the easement document and approved by the Board of Directors.

### **Response Procedures for Violations**

Each conservation easement contains language specific to the 'Enforcement' or 'Grantee Remedies' for that easement. The procedures noted in Handbook 11.E are generally compatible with these remedies, however they shall not override or replace the language written into the individual conservation easements. Refer to Handbook 11.E (Enforcement) for specific response procedures for violations.

### **Costs of Enforcement**

Enforcement expenses may include extensive staff time, costs of special documentation materials, legal fees, and reparation costs. All easement deeds are drafted to include the grantee's right to recover all costs, including legal costs, from the landowner in case of a violation by the landowner. In the event that it is impossible to recover costs, ESLT will draw on existing enforcement funds or raise funds as needed to meet such expenses.

### **Violation Implications and Follow-up:**

#### **Stewardship Experience**

What is learned from experiencing violations and feedback from landowners is collected and discussed with the ESLT Lands Committee, Board of Directors, project staff and legal staff to improve how ESLT develops projects and writes conservation easements. Stewardship staff will report regularly on these experiences and what is being learned.

**Notifying LTA and the Land Trust Community**

ESLT realizes the implications that violations have for the land trust community and will seek to share information and experience on this essential topic. Before responding to a major violation that could require litigation and/or set a national precedent, ESLT will notify and seek assistance from the Land Trust Alliance and other regional land trust authorities.

Eastern Sierra Land Trust Enforcement Policy: As adopted by Board of Directors

July 6, 2009  
(date adopted)

Exhibit E  
NRCS Conservation Plan



Natural Resources Conservation Service  
Minden  
1702 County Road, Suite 1A  
Minden, NV 89423  
(775) 782-3661

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Conservation Plan

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**Dan Lyster**  
P.O. Box 2415,  
Mammoth, CA 93546

**Objective:** This plan addresses resource concerns that need improvement, based on current management activities. It is a "Benchmark" that continues current activities under a Resource Management System Plan.



**Conway Ranch and Mono Lake**

Conway Ranch, including the Mattly Ranch on the west side of Hwy. 395 was acquired by Mono County, California in 1998. This agricultural property was slated for development, and the County purchased the ranch using State mitigation funding to maintain the scenic integrity of the north Mono Basin.

Present management direction is to balance the traditional agriculture uses of irrigated pastureland and sheep grazing, with important wildlife, recreational, and cultural values. Aquaculture is also an established use on Conway Ranch, and is managed by a non-profit group to enhance recreational fisheries throughout Mono County.

Important resource issues under current management include irrigation efficiency, operation and maintenance of structural improvements, soil erosion arising from numerous causes, riparian conditions along Wilson Creek, wildlife habitat conditions for mule deer, sage grouse, neo-tropical migratory birds and other passerine species, fisheries and water quality, noxious weeds, and livestock management and domestic sheep health and nutrition.

Practices are organized by *land use* (rangeland or pasture). Both *structural* and *management* practices are described.

**GRAZED RANGE**

Tract: 150 CONWAY
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**398 FISH RACEWAY OR TANK**

*Construct a channel or tank with continuous flow of water for high-density fish production.*  
 Four existing fish raceways, all for summer use only are located at the southern end of this field. The raceways are part of the irrigation system provided by the Bell Diversion, and are contained in modified irrigation ditches. A one acre pond is adjacent to the raceways, and is used primarily for educational purposes. Regular O&M practices are applied.

Field	Planned Amount	Month	Year	Applied Amount	Date
4	500.0 ft.	1	1999	500.0 ft.	Jan-1-1999
Total:	500.0 ft.			500.0 ft.	



**410 GRADE STABILIZATION STRUCTURE**

*Install a structure to control the grade and head cutting.*  
 Tailwater that returns to Wilson Creek from the Bowl fish runs is headcutting within the drainage. The headcut is approximately 100 feet south of Wilson Creek, and is 4 feet deep.

Field	Planned Amount	Month	Year	Applied Amount	Date
4	1.0 no.	10	2006		
Total:	1.0 no.				

**550 RANGE PLANTING**

*Establish adapted perennial vegetation to restore a plant community similar to historic climax or establish the desired plant community based on land manager's objectives .*  
 Two areas should be treated: (1) berms along the fish-rearing runs and (2) the area west of the "S" curve run that is no longer being irrigated.

Field	Planned Amount	Month	Year	Applied Amount	Date
4	1.0 ac.	11	2006		
Total:	1.0 ac.				

**560 ACCESS ROAD**

*Build a designated route or constructed travelway to be used by vehicles necessary for management of the operation .*

The road that accesses the *water and sediment control basin* at the northwest corner of Conway Ranch is eroding and needs drainage improvements.

Field	Planned Amount	Month	Year	Applied Amount	Date
3	500.0 ft.	6	2006		
Total:	500.0 ft.				



**646 SEDIMENT BASIN**

*A basin constructed to collect and store debris or sediment .*

The existing sediment basin just north of the old ranch house requires regular maintenance to maintain capacity. Excess material removed from the basin may be used for projects elsewhere on Conway Ranch (for example, as base for bedding pipeline).

Field	Planned Amount	Month	Year	Applied Amount	Date
3	1.0 no.	6	2006		
Total:	1.0 no.				

**528C PRESCRIBED GRAZING - PERENNIAL RANGELAND (CA)**

Controlling grazing, fencing or herding on perennial rangelands.

Field	Planned Amount	Month	Year	Applied Amount	Date
3	42.9 ac	6	2006		
4	82.8 ac	6	2006		
Total:	125.7 ac				

**PASTURE**

Tract: 150 CONWAY

**382 FENCE**

*Construct a fence for use as a barrier to wildlife, livestock, or people .*

\*Approximately 1/2 mile of old, woven wire sheep fence in fair to poor condition runs north-south across the irrigated meadow. This fence does not serve any current management purpose and can be removed. Volunteers could likely be utilized to dismantle and remove this fence.

\*Approximately 1/2 mile of old fencing along the east side of Hwy. 395 is in a state of dis-repair and should be maintained. This fence acted to reduce deer mortalities by funneling deer through an 8 foot high culvert under the highway. CalTrans maintenance responsibility.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	2,640.0 ft.	11	2006		
1	2,640.0 ft.	10	2007		
Total:	5,280.0 ft.				



**398 FISH RACEWAY OR TANK**

*Construct a channel or tank with continuous flow of water for high-density fish production .*

The main winter run for the aquaculture operation is located in "the Bowl", an artificial wetland at the southwest corner of field 1. Three other fish-runs and a storage shed for supplies are also maintained in this area. Normal O&M practices are applied.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	650.0 ft.	1	1999		Jan-1-1999
Total:	650.0 ft.				



**410 GRADE STABILIZATION STRUCTURE**

*Install a structure to control the grade and head cutting .*

A gully has formed in the northwest area from highway runoff. The photo below was taken during a thunderstorm event on June 21, 2002 and shows the release of water collected from Hwy. 395 funneled into the gully. Highway drainage needs to be considered at this point, and grade stabilization is needed within the gully to promote restoration and reduce soil erosion.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	1.0 no.	11	2006		
Total:	1.0 no.				



**550 RANGE PLANTING**

*Establish adapted perennial vegetation to restore a plant community similar to historic climax or establish the desired plant community based on land manager's objectives .*

Reseed approximately 2 acres along pipeline route with native species to reduce weed invasion and loss of soil through wind or water erosion. See attached job sheet for specifications.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	2.0 ac.	11	2006		
Total:	2.0 ac.				

**587 STRUCTURE FOR WATER CONTROL**

*Install a structure to control direction, rate and/or level of water in the system .*

Protect water outlet on pipeline (Virginia Creek) with a rock outlet structure.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	1.0 no.	11	2006		
Total:	1.0 no.				

**595 PEST MANAGEMENT**

*Manage infestations of weeds, insects and disease to reduce adverse effects on plant growth, crop production and material resources .*

Chemically treat small infestation of short whitetop (*Cardaria draba*) near corrals.  
 May require treatment for multiple years. Treatment based on regular monitoring.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	0.1 ac.	5	2006		
Total:	0.1 ac.				

**638 WATER AND SEDIMENT CONTROL BASIN**

*Install a structure across the slope to trap sediment and detain water for safe release .*

Existing basin at the northwest corner of Conway Ranch requires regular maintenance to remove sediment loading. Material can be used elsewhere on property for project work.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	1.0 no.	10	2006		
Total:	1.0 no.				



**743 IMPROVED WATER APPLICATION**

*Applying irrigation water using a planned conservation irrigation system when operational changes have been made and where definite action has been taken to improve irrigation effectiveness, distribution uniformity or to reduce erosion .*

This is an interim measure, showing that progress is being made toward achieving irrigation water management, as defined by practice standard 449.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	426.0 ac	5	2006		
Total:	426.0 ac				

**430EE IRRIGATION WATER CONVEYANCE, PIPELINE, LOW-PRESSURE, UNDERGROUND, PLASTIC**

*Install underground pipeline and appurtenances to reduce erosion and seepage .*

There are 2 areas showing erosion from the irrigation delivery system. As shown in the photos, below, a combination of steeper gradients and the need to move a larger quantity of water through the system to reach outlying areas results in gullying and headcutting in the ditch. As the ditch deepens, it becomes impossible to overflow water onto the adjacent landscape for irrigation. The ditch is then abandoned and a new, parallel ditch becomes necessary. The recommended solution is to install a buried pipeline through these erosive reaches, with risers to gently release the water into lateral contour ditches for irrigation. Old, eroded ditches can be filled with clean fill material obtained from maintaining the sediment basins. This will allow irrigation to be restored to areas that are now dry because of gullying and de-watering from erosion.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	1,000.0 ft.	10	2006		
Total:	1,000.0 ft.				



**449 IRRIGATION WATER MANAGEMENT**

Determine and control the rate, amount and timing of irrigation water to minimize soil erosion and control water loss from runoff and deep percolation.

0	Planned Amount	Month	Year	Applied Amount	Date
1	426.0 ac.	5	2008		
2	20.5 ac.	5	2006		
Total:	446.5 ac.				

**528B PRESCRIBED GRAZING - IRRIGATED PASTURE (CA)**

Controlling grazing, fencing, or herding on irrigated pasture.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	354.2 AC	6	2006		
Total:	354.2 AC				

**528D PRESCRIBED GRAZING - WETLANDS**

Controlling grazing, fencing or herding on wetlands.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	71.8 ac	6	2006		
Total:	71.8 ac				

**PASTURE**

Tract: 151 MATTLY
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**449 IRRIGATION WATER MANAGEMENT**

Determine and control the rate, amount and timing of irrigation water to minimize soil erosion and control water loss from runoff and deep percolation.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	43.3 ac.	5	2006		
Total:	43.3 ac.				

**528B PRESCRIBED GRAZING - IRRIGATED PASTURE (CA)**

Controlling grazing, fencing, or herding on irrigated pasture.

Field	Planned Amount	Month	Year	Applied Amount	Date
1	43.3 AC	6	2006		
2	20.5 AC	6	2006		
Total:	63.8 AC				

**GRAZED RANGE**

Tract 151: MATTLY
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**528c PRESCRIBED GRAZING - PERENNIAL RANGELAND (CA)**

Controlling grazing, fencing or herding on perennial rangelands.

Field	Planned Amount	Month	Year	Applied Amount	Date
2A	87.8 AC	6	2006		
2B	17.1 AC	6	2006		
Total:	104.9 AC				

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CERTIFICATION OF PARTICIPANTS

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Dan Lyster	Date

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NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

CONWAY RANCH CONSERVATION PLAN				
CONWAY SECTION				
PRACTICE / COMPONENTS	UNITS	UNIT COST	TOTAL COST	
638 Water - Sediment Control Basin (Area # 1) annual maintenance	each	\$3,000/yr	\$3,000	
587 Structure for Water Control Pipe overflow structure: (a) mobilization (b) pipe & appurtances (c) excavation & compacting	each	\$1,250	\$1,250	
430EE Irrig Water Convey - Pipeline Pipe through eroded area, alfalfa valves, contour ditches, need backfill material in gullies, connect to pipe overflow structure (above) (a) mobilization (b) 660' of 12" PVC (c) 7 - 12" alfalfa valves (d) trench and backfill (e) 388 - irrigation field ditch (f) grading and shaping	each feet each feet feet acres	\$1,250 \$55 \$10/ft \$2 /ft \$200/ac	\$1,250 \$385 \$6,660	
646 Sediment Basín (near Ranch House) annual mtnce	each	\$3,000	\$3,000/yr	
595 Pest Management treat short whitetop at corrals (spot) treat Iris in irrigated pasture (25 ac)	acre acre	\$300/ac \$300/ac	\$300 \$7,500	
382 Fence Remove or maintain fencing Remove .5 mile using volunteers Maintain Hwy 395 fence - CalTrans		0 0	0 0	
743 Improved Water Application Implement activities in 2006, no capital costs involved.				
528 B & D Prescribed Grazing Implement in 2006, no capital costs				

587 Structure for water control (Area "B", eroded ditch system) 587 estimate 10 wood checks 388 contour ditches 1,500 feet (a) mobilization (b) irrig field ditch 1,500 feet (c) grading and shaping 3 acres	each each feet acre	\$250/ea \$1,250 \$2 /ft \$200 /ac	\$2,500 \$1,250 \$3,000 \$600	
430EE Irrig Water Convey - Pipeline (Area "A", NE of Ranch House) (a) mobilization (b) 300 ft of 12 " PVC pipe (C) 12 " alfalfa valves (4) (d) trench and backfill (e) 388 irrig field ditch est 1,000 ft (f) grading and shaping (3 ac)	each each feet feet acre	\$1,250 \$55/ea \$10/ft \$2 /ft \$200/ac	\$1,250 \$220 \$3,000 \$2,000 \$600	
587 Water Control structure (locations throughout Conway area) (A) wood check structures (est 25)	each	\$500 / ea	\$12,500	
587 Water Control structure (Virginia Creek diversion & ditch) (a) mobilization (b) 362 - diversion - concrete/reinf	each CY	\$1,250 \$250/CY	\$1,250	
510 Access Road (add drainage structures to road that serves the water - sediment control basin) rolling dips 5	each	\$350/ea	\$1,750	
Area "E", formerly irrigated by the Lower Conway ditch - evaluate to either re-introduce irrigation (Est. 4,000 feet of 18" or 20" PVC @ \$21.60 - \$24 / FT at a range of \$86,400 to \$96,000) OR Evaluate and re-seed 80 acres with drought tolerant native species.				

MATTLY SECTION				
587 Structures for Water Control (a) wood check structures 15	each		\$250/ea	\$3,750
398 Fish Raceway or Tank (a) mobilization		\$1,250		
(b) fish raceway (per 100 ft raceway	foot		\$10/ft	
(c) 587 struct for water control	each		\$1,000	

Exhibit F  
Sheep Grazing Lease

09/16/2011 14:28 7609241697

MONO CO SIERRA CTR

PAGE 01/02

CONWAY RANCH GRAZING LEASE

This CONWAY RANCH GRAZING LEASE (hereinafter "Lease") is made and entered into by and between the County of Mono, a political subdivision of the State of California (hereinafter referred to as "Lessor") and F.I.M. Corporation, a Nevada corporation (hereinafter referred to as "Lessee").

RECITALS

A. The Mono County property subject to this Lease is known as "The Conway Ranch," which is more particularly described in the legal description attached hereto as Exhibit "A" (hereinafter referred to as the "Property").

B. Lessee desires to hire from Lessor and Lessor desires to lease to Lessee the Property to be used for the pasturing and grazing of Lessee's sheep subject to all of the terms, covenants and provisions of this Lease.

Now, therefore, the parties hereto agree as follows:

1. Grant of Leasehold Interest: Lessor does hereby lease to Lessee and Lessee does hereby hire from Lessor the Property to be used for sheep grazing and related purposes subject to all of the terms, covenants and provisions hereunder.

2. Term: The term of this Lease shall commence on November 15, 2012 and shall cease and terminate on November 15, 2017.

3. Rent: As rental for the use of the Property, Lessee hereby promises and agrees to pay the Lessor the sum of Seventeen Thousand Dollars (\$17,000.00) for the first year of this Lease. A first installment of \$8,500 will be due on, May 15 2013, and then the second installment of \$8,500 will be due by November 15, 2013. Rent shall be paid by check or money order payable to Mono County care of Dan Lyster (or any later acting Mono County Economic Development Director), Economic Development Director.

For each successive year under this lease, the amount of rent will increase at an annual rate of three percent (3%). A schedule of the rent due and payable for each successive year is attached hereto as Attachment One, and incorporated herein by reference.

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4. Land Use Policies and Restrictions: During the entire lease term, lessee and its agents or employees shall be responsible for carrying out and abiding by the following land use policies and restrictions:

a. Weed Issues:

- i. Confer with the Conway Ranch Caretaker (who will be designated by Mono County and may change from time to time) to understand the locations of weed outcroppings on Conway Ranch;
- ii. Avoid driving through weed infested areas;
- iii. Remove weeds from vehicles by washing thoroughly on a paved area or in a car wash;
- iv. Avoid disturbing native vegetation or creating seedbeds (open areas) when possible. This especially applies to sheep bedding areas where weed control will be necessary to reduce the likelihood that invasion occurs into adjacent stands of native vegetation.
- v. Avoid grazing in areas where weed seed is ripe.
- vi. Remove and dispose of weed seeds from stock portion of the plant if grazing accidentally occurs in a weed infested area.
- vii. Carefully check livestock for weed seed and remove it before the animals are transported onto the Conway Ranch property.

b. Property Management:

- i. Salt or supplements for sheep should not be placed close to water, riparian zones, or known habitats of sensitive plants or wildlife species;
- ii. No fencing shall be constructed without the express written consent of the Conway Ranch Caretaker;
- iii. Sheep will be herded. Sheep should be moved on the Property in a manner that will leave a minimum of four inches of key forage plant species on the Property. Rotation of use areas will be achieved whenever practicable;
- iv. Sheep bedding grounds will not be within 250 feet from any historical structure, spring source, natural wetlands, or the creek;

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- v. Lessee shall comply with any directive given to it by Lessor made in response to an action taken or designation made by an agency of the United States. In that event, Lessee may request Lessor to reduce the rent to be paid by the Lessee for its use of the Property.
- c. Water Quality:
  - i. Spring sources, natural wetlands and creeks should be avoided. Sheep should be kept at least ten feet away from these areas.
  - ii. Sheep and herds shall not disturb the fish raceways or other fish rearing facilities and shall not come within one hundred (100) feet of raceway areas.
  - iii. All irrigation and movement of water will be managed by the Conway Ranch Caretaker who will be designated by the County. *The sheep grazer(s) shall use their best efforts to assist the Caretaker with irrigation issues when the Caretaker requests such assistance.*

5. Liability Insurance: Lessee shall obtain and, at all times during the term of this Lease, shall carry and maintain in full force and effect at Lessee's own expense, a policy of liability insurance in the amount of not less than THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) combined single-limit policy for personal injury and for property damage. Such policy shall be written by a company or companies having a Best Financial Size Category of not less than Class IX and a Best Policyholder's Rating of not less than "A" and shall name the Lessor and the County of Mono as the insured or as additional insured with Lessee and shall insure Lessor, its officers, agents, and employees against liability for Lessee's use or occupancy of the Property. This policy shall be in a form satisfactory to Lessor and shall not be subject to cancellation, reduction in coverage, or insured except after written notice to Lessor at the address provided in Paragraph 18 of this Lease, by certified mail, return receipt requested, not less than twenty (20) days prior to the effective date thereof. Lessee shall deliver a copy of the policy showing that the insurance is in full force and effect to Lessor upon execution of this Lease. Lessee's failure to carry and maintain in full force and effect such insurance policies shall be a default of this Lease pursuant to the terms of Paragraph 14 below.

6. Timber Rights: Lessee shall not cut or carry off any wood or burn any substance growing on the Property without the prior written consent of Lessor. All timber rights of any kind and character on the Property are reserved to Lessor, who has the right to cut and remove any timber, or otherwise exercise all timber rights at all times during the term of this Lease, provided that no damage shall otherwise be done by Lessor or those claiming under it to any of Lessee's sheep or other property rights of Lessee under this Lease.

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7. Hunting and Fishing Right: Lessee hereby agrees not to hunt or fish on the Property without the prior written consent of Lessor. All hunting and fishing rights and privileges on the Property are particularly reserved to Lessor, provided that no damage shall be done by Lessor or those claiming under him to any of Lessee's sheep or other property rights of Lessee under this Lease.

8. Right to Enter: The Property is on public property open to access by the public. Mono County employees, agents and contractors can enter the Property at any time.

9. Liens and Encumbrances: Lessee shall pay and discharge when due, all and every obligation incurred by it in connection with the use of the Property, and shall permit no mechanic's lien, materialmen's lien, or other lien of any nature or demand to be placed or filed against the Property.

10. Destruction of Improvements: In the event of the destruction of any or all of the improvements located on the Property by fire or other Acts of God, neither of the parties hereto shall be obligated to rebuild said improvements.

11. Waiver: A waiver by Lessor of any breach of this Lease by Lessee shall not be deemed to be continuing, and shall not operate as a waiver of any further breach of the conditions or agreements contained herein.

12. Waste: During the term of this Lease Lessee will not commit or suffer to be committed any waste upon the Property.

13. Surrender of Property: At the expiration of the term of this Lease, or sooner termination thereof, the Lessee covenants, promises and agrees to peaceably and quietly quit and surrender the Property to Lessor or its agent or designee in as good order, condition, and state of repairs received by him, reasonable wear and damage by the elements excepted.

14. Termination:

a. Default: It is mutually understood and agreed that time is of the essence hereof, and should Lessee fail to keep any of the covenants and agreements herein above specified on its part to be performed and kept, or should it at any time fail to make any of the above-mentioned payments, at the time and in the manner provided, the Lessor may, at its option, determine this Lease to be void and terminated, and may enter in and upon the Property, take possession thereof, and remove all parties and personal property from the Property during the time of occupancy by Lessee.

b. Insolvency and Bankruptcy: If the Lessee becomes insolvent or makes any assignment for the benefit of creditors or is adjudged bankrupt, either voluntarily or involuntarily, this Lease shall immediately terminate and shall not be

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assignable by any operation or process of law, and shall not be treated in any way whatsoever as an asset of the Lessee after such event. Lessor shall be entitled to retain any rents theretofore received without reduction, abatement or proration.

- c. Monitoring: The Lessee understands and agrees that the Caretaker of the Property will from time to time monitor and report on the grazing practices occurring on the Property. If any violations of this agreement occur, the County reserves the right to terminate this Lease and have Lessor remove the sheep from the Property within 72 hours.
- d. Cancellation: This Lease may be cancelled by either party to this Lease without cause, and at will, for any reason whatsoever, by giving sixty (60) days written notice of such intent to cancel. Lessor may cancel this Lease in the event of threatened or initiated litigation against Lessor related to this Lease by giving Lessee thirty (30) days written notice to Lessee of such intent to cancel.

15. Indemnification: Lessee agrees to hold Lessor harmless from any and all damage to the Property done by fire or other causes, which result from Lessee's use or operation of the Property. Lessee further agrees to defend, indemnify and hold Lessor harmless from all liability and/or claim for damages arising from any injury, from any cause to any person, including Lessee, or to any property, including Lessee's, which arise or arose from Lessee's operation or occupancy of the Property. Furthermore, Lessee shall at all times during the term of this Lease hold harmless, defend, and indemnify Lessor against any claim, loss, or liability whatsoever arising directly or indirectly out of Lessee's tenancy and/or the use of the Property by Lessee.

16. Attorney's Fees: It is understood and agreed that in the event suit should be brought for unlawful detainer of the Property, for the recovery of the rent due under the provisions of this Lease, or because of the breach of any other covenant, promise or condition herein contained, the prevailing party shall be entitled to recover from the other reasonable attorney's fees to be fixed by the court as part of the costs of suit.

17. Subordination: This Lease is and shall be subordinate to any mortgages or deeds of trust that are or may be placed on the Property. Lessee agrees to promptly execute any documents to effectuate a subordination of this Lease to any said mortgages or deeds of trust upon written request by the Lessor.

18. Notice: Any notice, communication, amendments, additions, or deletions to this Lease, including change of address of any party during the term of this Lease, shall be made in writing. Any such writing may be personally served, but shall otherwise be sent by prepaid first class mail as follows:

To Lessor: Dan Lyster, Economic Development Director  
County of Mono

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P.O. Box 2415  
Mammoth Lakes, CA 93546

To Lessee: F.I.M. Corporation  
P.O. Box 12  
Smith, NV 89430

19. Assignment: Lessee shall not voluntarily, or by operation of law, assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Property without the prior written consent of the Lessor.

20. Inurement: Subject to the restrictions against assignment, this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

21. Amendment: This Lease sets forth the entire agreement between the parties and may be modified or amended only if so agreed upon in writing by all the parties hereto.

22. Headings: Paragraph and subparagraph headings used in this Lease are for reference and convenience purposes only and shall not affect the meaning or interpretation of this Lease.

23. Governing Law: This Lease is made and shall be construed in accordance with the laws of the State of California.

24. Severability: If any provision of this Lease shall be held invalid, such invalidity shall not affect the other provisions hereof, and to this extent, the provisions of this Lease are intended to be and shall be deemed severable.

25. Taxes and Assessments: Lessee agrees to pay all taxes and assessments (if any) lawfully imposed on Lessee by any governmental agency with respect to Lessee's activities under this Lease, including but not limited to taxes or assessments imposed against Lessee's property, inventory, activities, and employee wages. Pursuant to Revenue and Taxation Code § 107.6, notice is hereby given that in the event that this Lease creates a possessory interest that may be subject to property taxation, the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest.

26. Representation by Counsel: The parties acknowledge that this Lease is executed voluntarily by them, without duress or undue influence on the part of or on behalf of any other party. The parties further acknowledge that they have participated in the negotiation and preparation of this Lease and have had the opportunity to be represented by counsel with respect to such negotiation and preparation or do hereby knowingly waive their right(s) to do so, and that they are fully aware of the contents of this Lease and of its legal effect. Thus, any ambiguities in

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this Lease shall not be resolved in favor of or against either party. The parties specifically acknowledge that the Mono County Counsel has only represented the County with respect to the negotiation and preparation of this Lease and that the parties have consented to such representation and have knowingly and voluntarily waived any actual or potential conflict with such representation.

27. Authorization to Execute Lease: Lessee shall have this Lease executed by an authorized agent or officer of Lessee's corporation as provided in Lessee's corporate articles and bylaws. Lessee shall immediately notify Lessor if there is any change in the corporate status of Lessee's corporation.

EXECUTION

Date: 9/5/11

Lessee / F.I.M. Corporation

Marianne F. Lemassar

Printed Name:

Marianne F. Lemassar

Title:

President

Date: 8/23/11

Lessor / Mono County

James M. Arkins

Printed Name:

JAMES M. ARKINS

Title:

CAO

APPROVED AS TO FORM

[Signature]  
County Counsel

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ATTACHMENT ONE  
SCHEDULE OF RENT

Year	Rent Due for Year	Rental Due Dates
2012	\$17,000	05/15/2013 & 11/15/2013
2013	\$17,510.00	05/15/2014 & 11/15/2014
2014	\$18,035.30	05/15/2015 & 11/15/2015
2015	\$18,576.36	05/15/2016 & 11/15/2016
2016	\$19,133.65	05/15/2017 & 11/15/2017
2017	\$19,707.66	05/15/2018 & 11/15/2018

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