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Upper Los Cerritos Mitigation Bank (LCW, LLC)

February 12, 2021

APPENDIX A

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Exhibit C-2

Construction Security Analysis and Schedule

CONSTRUCTION SECURITY

Construction Security \$7,497,428.40

The Bank Sponsor is responsible for providing financial assurances for the performance and completion of Bank construction, management, monitoring and any Remedial Action.

The Construction Security is the financial assurance specified in Section VI.A. of the BEI that guarantees the completion of construction and planting in accordance with the Development Plan.

Prior to the first Credit Release, the Bank Sponsor shall furnish to USACE a Construction Security in the amount of 100% of a reasonable third-party estimate or contract to restore Waters of the U.S., Coastal Wetlands, and provide Buffers on the Bank Property, in accordance with the Development Plan. However, if all such construction and planting activities are completed in accordance with the Development Plan prior to the Bank Establishment Date, then a construction security is not required. The Construction Security shall collectively be in the form of an irrevocable standby letter of credit for the construction of habitat restoration (\$1,532,428), with the USACE as the beneficiary of the letter of credit, and a performance bond for the construction of the sheetpile wall, berm, and tide gates (\$5,965,000), with the USACE as obligee of the performance bond. The Bank Sponsor shall ensure that the full amount of the Construction Security shall remain in effect throughout the performance of construction and planting to restore Waters of the U.S., Coastal Wetlands, and provide Buffers on the Bank Property in accordance with the Development Plan. The USACE will have the right to draw on the Construction Security in accordance with Section VIII.E.1.a of the BEI. If at any time during the life of the security the USACE draws upon the Construction Security, the Bank Sponsor will replenish the Construction Security as outlined in Section VIII.E.1.a.ii of the BEI. The letter of credit and performance bond will be cancelled upon completion of the activities covered by the letter of credit and performance bond pursuant to the relevant requirements outlined in Section VIII.E.1.a.iii of the BEI.

CONSTRUCTION ESTIMATE

Item No.	Total Quantity	Unit	Item	Unit Cost	Total Cost
Grading & Earthwork Improvements					
1	19,000	CY	Rough Grading*	\$7.00	\$133,000.00
2	439,132	SF	Finish Grading*	\$0.20	\$87,826.40
3	1	LS	BMPs	5% of grading	\$11,042.00
				Subtotal	\$231,868.40
Sheet Pile Wall					
4	4,772	LF	Sheet Pile Wall System**	\$1,250.00	\$5,965,000.00
				Subtotal	\$5,965,000.00
Habitat					
5	1	LS	Site Preparation (exotic plant control)***	\$144,900.00	\$144,900.00
6	1	LS	Irrigation Installation	\$198,860.00	\$198,860.00
7	1	LS	Plant Material & Installation	\$956,800.00	\$956,800.00
				Subtotal	\$1,300,560.00
				Construction Bid Total	\$7,497,428.40.00
ABBREVIATIONS CY Cubic Yards LF Linear Feet LS Lump Sum SF Square Feet					

*The Rough and Finish Grading line items include the tidal channels, breaching the existing berm/roads, removal of small culverts, building the new berm, and constructing the trail.

**Flap gate installation is included in the Sheet Pile Wall System line item.

***Site preparation includes removal of exotic, non-native and invasive plants.

Exhibit C-3

Performance Security Analysis and Schedule

PERFORMANCE SECURITY

Performance Security \$375,000

Concurrent with the Transfer of the first Credit, the Bank Sponsor shall furnish to USACE a Performance Security in the amount of 5% of the Construction Security (*Exhibit C-2 of the BEI*). The Performance Security shall be in the form of an irrevocable standby letter of credit, with the USACE named as the beneficiary of the letter of credit. The Performance Security is the financial assurance specified in Section VI.B. of the BEI to be provided by Bank Sponsor to guarantee the Bank Sponsor's obligations under the BEI through Bank closure. The Bank Sponsor shall ensure that the full amount of the Performance Security is available in accordance with Section VIII.E.1.b of the BEI through Bank closure in accordance with Section VIII.E of the BEI. The USACE will have the right to draw on the Performance Security in accordance with section VIII.E.1.b.i of the BEI. If at any time during the life of the Bank, the USACE draws upon the Performance Security, the Bank Sponsor will replenish the Performance Security as outlined section VIII.E.1.b.ii. The Performance Security will be cancelled upon completion of the requirements of section VIII.E.1.b.iii of the BEI.

Exhibit D

Bank Management and Operation Documents

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- Exhibit D-1 Interim Management Security Analysis and Schedule
- Exhibit D-2 Endowment Fund Analysis and Schedule
- Exhibit D-3 Agreements, Instructions and Forms for Submission or Disbursement of Endowment Funds
- Exhibit D-4 Interim Management Plan
- Exhibit D-5 Long-Term Management Plan
- Exhibit D-6 Bank Closure Plan

Exhibit D-1

Interim Management Security Analysis and Schedule

INTERIM MANAGEMENT SECURITY

Concurrent with the Transfer of the first Credit, the Bank Sponsor shall furnish to USACE an Interim Management Security in the amount specified below. The amount of the Interim Management Security shall be equal to the estimated cost to implement the Interim Management Plan during the first three years of the Interim Management Period. The Interim Management Security shall be in the form of an irrevocable standby letter of credit, with the USACE as beneficiary of the letter of credit. The Bank Sponsor shall ensure that the full amount of the Interim Management Security shall remain available in the full amount, until cancelled, in accordance with Section VIII.E.1.c. The USACE will have the right to draw on this security in accordance with Section VIII.E.1.c of the BEI. If at any time during the Interim Management Period the USACE draws upon the Interim Management Security, the Bank Sponsor will replenish the Interim Management Security as outlined Section VIII.E.1.c of the BEI. The Interim Management Security will be cancelled upon completion of the requirements outlined in Section VIII.E.1.c.iii of the BEI.

Due to the nature of the ongoing oil operations occurring on the southern portion of the Property, Synergy Oil and Gas, LLC will be responsible for the maintenance of all fencing surrounding the perimeter of the Property gates, the sheet pile wall and two tidal flap gates. As further explained in the BEI, Synergy's responsibility to maintain this infrastructure is documented in a covenant that is included as Exhibit K-5. Synergy will maintain this infrastructure until oil operations cease and the sheetpile wall and flap gates are removed, prior to the Termination of Oil Operations Date.¹ These structural components of the Property are critical to the oil field, from both a security and operational standpoint, and are the sole responsibility of the oil operator to maintain, similar to oil facilities maintenance. Therefore, maintenance costs associated with these structural components are not included in the Interim Management security. However, the sheetpile wall, tidal flaps, fencing and gates will be inspected by the Bank Sponsor's contractors as part of the qualitative monitoring of the Bank Property, as described in the Interim Management Plan.

The itemized interim management security budget is provided in Attachment 1. The estimated sub-totals and total amount is provided below.

Subtotal:	\$85,809.00
Administration:	\$5,433
Total:	\$91,242

Interim Management Security: \$273,726

¹ The Termination of Oil Operations Date is the 20th anniversary from the date the City of Long Beach issues a certificate of occupancy for a new office building on the property located at 7001 E. Pacific Coast Highway, Long Beach, California commonly referred to as the "Pumpkin Patch Site."

Upper Los Cerritos Wetlands Mitigation Bank Interim Management Security

Task Number	Task	Responsible Party	Specific Description	Unit	# of Units	Cost Per Unit	Freq (Occurrences within first 3 years of IMP)	Contingency	Admin cost	Total	Annual Cost	Comments	Admin Cost (Total)	Admin Cost (Annual)
General Maintenance Tasks														
II.B.1 & 4	Plant inspection	Plant Ecologist	Labor	Hrs	8	\$ 90	32	10%	10%	\$ 27,878	\$ 9,292.80	Twice monthly for first 120 days, then monthly for remainder of Year 1 and 2, quarterly in Year 3. Irrigation water volume and frequency will be updated based upon the results of plant inspections, as appropriate.	\$ 2,788	\$ 558
II.B.2	Weed Control	Resource Monitor	Herbicide	Gallons	3	\$ 25	36	10%	10%	\$ 3,267	\$ 1,089.00	Monthly first three years, quarterly thereafter. Assuming 4 hours per event on average, with more weeds in some months and no weeds in other months.	\$ 327	\$ 65
II.B.2	Weed Control	Resource Monitor (PCA)	Herbicide applicator	Hrs	4	\$ 150	36	10%	10%	\$ 26,136	\$ 8,712.00		\$ 2,614	\$ 523
II.B.2	Weed Control	Resource Monitor (PCO)	Hand Removal/Labor	Hrs	4	\$ 75	36	10%	10%	\$ 13,068	\$ 4,356.00		\$ 1,307	\$ 261
II.B.3	Trash and Debris Removal	Laborer	Labor	Hrs	100	\$ 60	3	10%	10%	\$ 21,780	\$ 7,260.00		\$ 2,178	\$ 436
III.A.	Qualitative Survey	Resource Monitor	Labor	Hrs	4	\$ 90	20	10%	10%	\$ 8,712	\$ 2,904.00	Includes infrastructure monitoring (GM-8) and the qualitative site survey. Monthly for first year and quarterly thereafter.	\$ 871	\$ 174
II.B.5	Irrigation system repair	Resource Monitor	Includes labor and equipment	Repair cost	1	\$ 6,000	1	10%	10%	\$ 7,260	\$ 2,420.00	Assumes 3% of irrigation system will need repair every other year. Irrigation system cost is \$198,860 (see Construction Security). 2% of that total is about \$6,000 per repair.	\$ 726	\$ 145
II.B.6	Pest control	Plant Ecologist	Labor	Hrs	8	\$ 90	3	10%	10%	\$ 2,614	\$ 871.20		\$ 261	\$ 52
II.B.7	Plant replacement/seeding	Plant Ecologist	Includes labor, mulch, and plants	Event annual cost	1	\$ 5,740	3	10%	10%	\$ 20,836	\$ 6,945.40	We assume that 3% of plants will be replaced outside of the 120 day contractor guarantee over the course of the interim management period. Cost per unit determined from construction security planting cost estimate of \$956,800. 3% of \$956,800 is about \$28,700 or \$5,740 per year.	\$ 2,084	\$ 417
II.B.8	Trail Maintenance	Resource Monitor	Annual maintenance estimate		1	\$ 1,700	1	10%	10%	\$ 2,057	\$ 685.67	\$0.16/SF (7,500 SF) + \$500 reserve repairs per year.		
Performance Standard Monitoring Tasks														
III.C.1.a-d	Vegetative Surveys	Plant Ecologist	Quadrat and point/line intercept surveys	Hrs	24	\$ 90	3	10%	10%	\$ 7,841	\$ 2,613.60	Assumes 1 hour/transect in tidal marsh and transitional habitat. Assumes 0.5 hour/transect in non-transitional uplands	\$ 784	\$ 157
III.C.1.e	Wetland Delineation	Plant Ecologist		Hrs	8	\$ 90	1	10%	10%	\$ 871	\$ 290.40	Wetland delineation in Year 3 (and 5) to detect conversion of habitats	\$ 87	\$ 17
III.C.2.a	Infaunal surveys	Wildlife Biologist	Core sample survey	Hrs	30	\$ 90	6	10%	10%	\$ 19,602	\$ 6,534.00	15 core samples taken twice annually. 1 hour per core sample, with another hour per core sample for lab time. Samples taken twice annually	\$ 1,960	\$ 392
III.C.2.d	Fish and macro-epifaunal surveys	Wildlife Biologist	Seine pulls	Hrs	18	\$ 90	6	10%	10%	\$ 11,761	\$ 3,920.40	3 hours/seine includes set up and fish/macro-epifaunal counts. 6 seine locations, monitored twice each year.	\$ 1,176	\$ 235
III.C.2.b	Marine Bird Surveys	Wildlife Biologist	Labor	Hrs	24	\$ 90	12	10%	10%	\$ 31,363	\$ 10,454.40	3 day long surveys, four times/year	\$ 3,136	\$ 627
III.C.2.c	Belding's Savannah Sparrow Survey	Wildlife Biologist	Labor	Hrs	8	\$ 90	3	10%	10%	\$ 2,614	\$ 871.20	2 wildlife biologists, four hour survey	\$ 261	\$ 52
III.C.3.a	Tidal Range Survey	Resource Monitor/Specialist	Deployment, calibration, data collection from water level loggers	Hrs	40	\$ 125	1	10%	10%	\$ 6,050	\$ 2,016.67	Estimated 32 hours for deployment, 8 hours for calibration and analysis. IMP says logger in 4 locations. Data retrieved quarterly	\$ 605	\$ 121
III.C.3.a	Tidal Range Survey Equipment	Resource Monitor/Specialist	Repair/Replacement	Each	2	\$ 500	1	10%	10%	\$ 1,210	\$ 403.33	In the first three years assume only half of the equipment would need to be repaired or replaced. (Units are 2 instead of 4)	\$ 121	\$ 24
III.C.3.b	Sediment surface elevation survey	Resource Monitor	Labor	Hrs	2	\$ 90	3	10%	10%	\$ 653	\$ 217.80	Completed in conjunction with qualitative survey	\$ 65	\$ 13
III.C.3.c.	Water Quality Monitoring	Resource Monitor/Specialist	Data sonde retrieval and processing	Hrs	6	\$ 125	6	10%	10%	\$ 5,445	\$ 1,815.00	Assumes 1.5 hour/sonde to retrieve, download and analyze data. Data retrieved twice annually	\$ 545	\$ 109
III.C.3.c.	Water Quality Equipment	Resource Monitor/Specialist	Repair/Replacement	Each	3	\$ 500	1	10%	10%	\$ 1,815	\$ 605.00	In the first three years assume only half of the equipment would need to be repaired or replaced. (Units are 3 instead of 6)	\$ 182	\$ 36
III.D.1-2	CRAM Assessment	CRAM practitioner		Hrs	40	\$ 90	1	10%	10%	\$ 4,356	\$ 1,452.00	Assumes 20 hours per person and two practitioners. Occurs in Year 3.	\$ 436	\$ 87
Data Management and Reports														
III.F	Annual Reports	Wildlife Biologist/Plant Ecologist/Resource Monitor	Summary	Hrs	50	\$ 90	3	10%	10%	\$ 16,335	\$ 5,445.00		\$ 1,634	\$ 327
n/a	Project Management	Project Manager	Manage Project and Staff	Hrs	40	\$ 150	3	10%	10%	\$ 21,780	\$ 7,260.00		\$ 2,178	\$ 436
n/a	Mileage for site visits and maintenance			miles	200	\$ 0.580	60	10%		\$ 8,422	\$ 2,807.20		\$ 842	\$ 168
	Annual Total									\$ 91,242				
	Total annual admin costs (included in totals)									\$ 5,433				
	Total Interim Security (First three years only)									\$ 273,726				

*Exotic Plants refer to terrestrial and aquatic species
**IMP Element codes: GM = General Maintenance Task; PS - Performance Standard Monitoring Task; RT = Reporting Task

Exhibit D-2

Endowment Fund Analysis and Schedule

ENDOWMENT FUND ANALYSIS AND SCHEDULE

The Endowment Amount is the amount that section VI.F. of the BEI requires Bank Sponsor provide to the Endowment Holder to fund the Endowment Fund. Endowment Deposit is the deposit or series of deposits made by the Bank Sponsor to Endowment Holder to fund the Endowment Fund. The Endowment Fund is a sum of money in a long-term stewardship account, held in trust, in a fund designated in the Endowment Agreement (Exhibit D-3 of the BEI), for use in funding the costs of perpetual long-term management activities prescribed in the Long-term Management Plan (Exhibit D-5 of the BEI). The estimated costs for managing the Bank Property are provided in the Property Analysis Record (PAR) prepared by Glenn Lukos Associates with revisions made by WRA, Inc. dated 10/16/20, a copy of which is attached hereto. The Endowment Amount is \$1,508,159.24, subject to adjustments noted below.

Endowment Funding Schedule

As outlined in section VI.F of the BEI, the Bank Sponsor will furnish to the Endowment Holder Endowment Deposits until 100% of the Endowment Amount has been funded. Endowment Deposits will begin prior to the second Credit Release in accordance with section VI.F.1.a of the BEI. Subsequent Credit Releases are, in part, dependent on certain percentage of the Endowment Amount being funded, as outlined in section VII.A.1 and VII.B.1 of the BEI. As described in Section VI.F.2 of the BEI, each year that the Endowment Amount is not 100% funded, the Endowment Amount will be increased (but not decreased) to account for inflation. The Bank Sponsor must make this adjustment annually on or before April 1 ("Adjustment Year") beginning in the calendar year following execution of the BEI based upon the change in the Consumer Price Index (CPI) in the Los Angeles Area (includes Los Angeles, Long Beach, and Anaheim), All Urban Consumers, All Items ("Index"), as published by the California Department of Industrial Relations, Division of Labor Statistics and Research. The Bank Sponsor shall determine the change in the Index by comparing the Index published in March of the Adjustment Year to the Index published in March of the year in which this BEI is fully executed. The Endowment Amount in this Exhibit D-2 shall be increased by the percent change in the CPI and the product shall be the Endowment Amount for the Adjustment Year. If the percentage change in the CPI is less than or equal to zero for any Adjustment Year, then no adjustment will be made for that year. No further Endowment Deposits shall be required once the Endowment Amount has been 100% funded.

Upper Los Cerritos Wetlands Mitigation Bank Long-term Management Endowment

LTMP Element MT = Monitoring Task MgT - Management Task RT = Reporting Task	Task	Specific Description	Unit	# of Units	Cost Per Unit	Freq (Yrs)	Contingency	Admin cost	Total	Annual Cost	Admin Cost (Total)	Admin Cost (Annual)
	Physical Attributes											
MT-C.1	Tidal Range Survey	Deployment, calibration, data collection from water level loggers	Hrs	40	\$ 125	3	10%	10%	\$ 6,050	\$ 2,017	\$ 500	\$ 167
MT-C.1	Equipment	Repair/Replacement	Each	4	\$ 500	5	10%	10%	\$ 2,420	\$ 484	\$ 200	\$ 40
MT-E.1	Water Quality Monitoring	Handheld monitoring labor	Hrs	80	\$ 125	5	10%	10%	\$ 12,100	\$ 2,420	\$ 1,000	\$ 200
MT-E.1	Water Quality Monitoring	Equipment	Each	4	\$ 35	5	10%	10%	\$ 169	\$ 34	\$ 14	\$ 3
MT-C.2	Breach Sediment Level	Topo Survey	Each	1	\$ 5,000	3	10%	10%	\$ 6,050	\$ 2,017	\$ 500	\$ 167
	Biological Surveys											
MT-A.1, B.1, F.2	Plant Ecologist	Vegetation Community Mapping	Hrs	24	\$ 90	3	10%	10%	\$ 2,614	\$ 871	\$ 216	\$ 72
MT-B.1, F.1, H.1, H.2	Resource Monitor	General Surveys	Hrs	8	\$ 90	1	10%	10%	\$ 871	\$ 871	\$ 72	\$ 72
MT-D.1, D.2	Wildlife Biologist	Marine Bird Survey	Hrs	24	\$ 90	3	10%	10%	\$ 2,614	\$ 871	\$ 216	\$ 72
	Habitat Maintenance and Enhancement											
MgT-B-I	Exotic Plant Control*	Herbicide	Gallons	5	\$ 25	1	10%	10%	\$ 151	\$ 151	\$ 13	\$ 13
MgT-B-I	Exotic Plant Control	Herbicide applicator	Hrs	8	\$ 150	1	10%	10%	\$ 1,452	\$ 1,452	\$ 120	\$ 120
MgT-B-I	Exotic Plant Control	Hand Removal/Labor	Hrs	40	\$ 55	1	10%	10%	\$ 2,662	\$ 2,662	\$ 220	\$ 220
	Security, Safety, and Public Access Management											
MT-G.1, MgT G-1	Trash/Debris Removal	Labor	Hrs	100	\$ 60	1	10%	10%	\$ 7,260	\$ 7,260	\$ 600	\$ 600
MgT-F-1	Trail	repair and maintenance	LF	1500	\$ 2	1	10%	10%	\$ 4,229	\$ 4,229	\$ 350	\$ 350
MgT-H-1	Trail and Signage	Maintenance	Hrs	20	\$ 75	1	10%	10%	\$ 1,815	\$ 1,815	\$ 150	\$ 150
MgT-H-1	Signs	Replace signs on property	LS	1	\$ 170	1	10%	10%	\$ 206	\$ 206	\$ 17	\$ 17
MgT-H-1	Gate	Electric	LS	1	\$ 2,500	10	10%	10%	\$ 3,025	\$ 303	\$ 250	\$ 25
MgT-H-1	Gate	Additional Materials	LS	2	\$ 1,500	10	10%	10%	\$ 3,630	\$ 363	\$ 300	\$ 30
MgT-H-1	Fence	Materials	LF	250	\$ 80	5	50%	10%	\$ 33,000	\$ 6,600	\$ 2,000	\$ 400
	Data Management and Reports											
n/a	Annual Work Plan	Plan and PAR Budget	Hrs	10	\$ 150	1	10%	10%	\$ 1,815	\$ 1,815	\$ 150	\$ 150
RT-I	Annual Reports	Summary	Hrs	50	\$ 90	1	10%	10%	\$ 5,445	\$ 5,445	\$ 450	\$ 450
n/a	Project Management	Manage Project and Staff	Hrs	40	\$ 150	1	10%	10%	\$ 7,260	\$ 7,260	\$ 600	\$ 600
n/a	Mileage for site visits and maintenance		miles	200	\$ 0.580	1	10%	10%	\$ 140	\$ 140	\$ 12	\$ 12
MgT-A-1, B-1, C-1, C-2, D-1, E-1, and Section IV	Adaptive Management	n/a	event	n/a	n/a	10	10%	10%	\$ 35,000	\$ 3,500	\$ 2,900	\$ 290
	Total								\$ 139,978			
	Total annual admin costs (included in PAR total)								\$ 4,218			
	Annual Total								\$ 52,786			

*Exotic Plants refer to terrestrial and aquatic species

** SRMA amount is the easement compliance endowment, not long-term management endowment

PAR

\$ 1,508,159.24

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit D
Bank Management and Operation Documents*

Exhibit D-3

Endowment Funding and Management Agreement

**UPPER LOS CERRITOS WETLANDS MITIGATION BANK
ENDOWMENT FUNDING AND MANAGEMENT AGREEMENT**

This UPPER LOS CERRITOS WETLANDS MITIGATION BANK ENDOWMENT FUNDING AND MANAGEMENT AGREEMENT (“Agreement”) is entered by and between Los Cerritos Wetlands, LLC (“Bank Sponsor” and “Property Owner”) and Southwest Resource Management Association, a California nonprofit corporation (“Endowment Holder” or “SRMA”), each a “Party” and collectively the “Parties,” for the creation and management of a Upper Los Cerritos Wetland Mitigation Bank Endowment Fund as of the “Effective Date” as hereinafter defined.

RECITALS

WHEREAS, the Bank Sponsor and Property Owner, U.S. Army Corps of Engineers, Los Angeles District (“USACE”), U.S. Environmental Protection Agency Region IX (“USEPA”), United States Fish and Wildlife Service (“USFWS”), and the California Coastal Commission (“CCC”) (together, the USACE, USEPA, USFWS, and CCC are referred to collectively as the “Signatory Agencies”) entered into the Bank Enabling Instrument (“BEI”) establishing the Upper Los Cerritos Wetlands Mitigation Bank (“Bank”) located on certain real property containing approximately 68.74 acres in Long Beach, Los Angeles County, State of California (the “Bank Property”). The Bank Property is more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference; and

WHEREAS, the BEI obligates the Property Owner to undertake certain in-perpetuity, ongoing long-term maintenance and management obligations with respect to the Bank Property (“Land Management Activities”); and

WHEREAS, to ensure that the Property Owner has adequate funding to perform the Land Management Activities on the Bank Property, the Bank Sponsor will establish a long-term financing or funding mechanism to provide ongoing payment for land management for the Bank Property; and

WHEREAS, a budget created by or on behalf of Bank Sponsor and reviewed by the Signatory Agencies based on a property analysis record or similar analysis for the Bank Property (referred to herein as the “Long-term Management Endowment Assessment”) calculated the amount of money necessary to provide a source of perpetual funding for Land Management Activities for the Bank (referred to as the “Long-term Management Endowment Amount,” is attached as **Exhibit B** and incorporated herein by reference; and

WHEREAS, Bank Sponsor will pay the Long-term Management Endowment Amount in one or more Endowment Deposits for the Bank to Endowment Holder, to be managed and administered in accordance with this Agreement; and

WHEREAS, the Parties intend that Property Owner will perform the Land Management Activities on the Bank in accordance with the Long-term Management Plan (“LTMP”), the BEI, and the Long-term Management Endowment Assessment, using funds from the Endowment Fund in accordance with the terms of this Agreement; and

WHEREAS, Property Owner will grant, concurrent with execution of this Agreement, to SRMA a perpetual conservation easement (“Conservation Easement”) over the Bank Property; and

WHEREAS, the Conservation Easement obligates SRMA, as the grantee, to undertake compliance monitoring inspections and reporting to ensure the purposes of the Conservation Easement are being accomplished (“Grantee Duties”); and

WHEREAS, to ensure SRMA has adequate funding to perform the Grantee Duties related to the Conservation Easement, Bank Sponsor will establish a long-term financing or funding mechanism to provide ongoing payment for Grantee Duties on the Bank Property; and

WHEREAS, the budget created by SRMA and reviewed by the Signatory Agencies based on a “property analysis record” or similar analysis for the Bank Property (referred to herein as the “Grantee Duties Endowment Assessment”) calculated the amount of money necessary to provide a source of perpetual funding for Grantee Duties (the “Grantee Duties Endowment Amount”), is attached as **Exhibit C** and incorporated herein by reference; and

WHEREAS, SRMA further prepared an estimate of additional amounts required to reimburse SRMA for the legal enforcement of the Conservation Easement (the “Legal Enforcement and Defense Fund”), also included in the budget at Exhibit C; and

WHEREAS, the Parties intend that SRMA will perform the Grantee Duties on the Bank Property in accordance with the Conservation Easement and the Grantee Duties Endowment Assessment, using funds from the Endowment Fund in accordance with the terms of this Agreement; and

WHEREAS, the Bank Sponsor and Property Owner desire to enter into this Agreement to provide for the establishment and management of the Endowment Fund, defined below, by Endowment Holder; and

WHEREAS, Endowment Holder is a nonprofit California corporation exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code (“Code”), a public charity described in Section 170(b)(1)(A)(vi) of the Code, and qualified to hold conservation easements under California Civil Code Section 815.3, and accordingly, is an appropriate institution to hold and manage the Endowment Fund; and

WHEREAS, Endowment Holder has certified that it meets all of the requirements of California Government Code section 65968(e); the certification is attached hereto as **Exhibit D**.

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

1. NAME OF ENDOWMENT FUND. There is hereby established with the Endowment Holder a fund designated as the Upper Los Cerritos Wetlands Mitigation Bank Endowment Fund (“Endowment Fund”) to receive contributions in the form of money. Endowment Holder is to administer same. The Endowment Fund shall be comprised of two separate endowment accounts:

a long-term management account and a conservation easement compliance account. In addition, Bank Sponsor shall also provide directly to SRMA, at the time of conveyance of the Conservation Easement, the Legal Enforcement and Defense Fund to be held and managed separately from the Endowment Fund.

2. PURPOSE AND USE OF ENDOWMENT FUND. The primary purpose of the long-term management account portion of the Endowment Fund shall be to fund the costs of Land Management Activities on the Bank Property as described in the LTMP and BEI. The primary purpose of the conservation easement compliance account portion of the Endowment Fund shall be to fund costs of Grantee Duties on the Bank Property as described in the Conservation Easement. Property Owner shall be responsible for implementing Land Management Activities, which will be funded by the long-term management account portion of the Endowment Fund. SRMA, for so long as it is the grantee of the Conservation Easement, shall be responsible for conducting the Grantee Duties on the Bank Property described in the Conservation Easement.

- a. The use of the Endowment Fund will be limited by the amount of money available in the Endowment Fund at any given time, and by the stated purposes as described in this Agreement, Conservation Easement, and the BEI. Endowment Fund interest and earnings will be apportioned and prioritized as follows: (1) to provide for growth of the Endowment Fund commensurate with inflation; (2) to pay the Land Management Activities and Grantee Duties on the Bank Property. In the event that Endowment Holder, Bank Sponsor, or the Property Owner become aware of a conflict between the direction provided by this Agreement and that provided by the LTMP, BEI or Conservation Easement, Endowment Holder, Bank Sponsor or the Property Owner shall consult with the Signatory Agencies to resolve the issue to the mutual satisfaction of the Parties.
- b. The Parties acknowledge that, per the BEI, disbursements will not be made from the long-term management account portion of the Endowment Fund to fund Land Management Activities any earlier than completion of the Interim Management Period, defined in the BEI, as confirmed in writing by the Signatory Agencies.
- c. The Parties acknowledge that, under resource agency regulations and practices, disbursements will not be made from the conservation easement compliance account portion of the Endowment Fund to fund the Grantee Duties for the first three years after establishment of the Bank. Concurrent with execution of the Conservation Easement, Bank Sponsor agrees to provide separate funding for the first three years of Grantee Duties, in one lump sum payment, directly to SRMA.

3. DEFINITIONS.

- a. "Account Holder" or "Account Holders" shall mean respectively one or more financial institution(s) that is a member of the Federal Deposit Insurance Corporation ("FDIC") or

Securities Investor Protection Corporation (“SIPC”) or any successor organization to the FDIC or SIPC.

- b. “Agreement” shall mean this Endowment Funding and Management Agreement entered into between Property Owner, Bank Sponsor and Endowment Holder, which is intended to qualify as a “mitigation agreement” as defined in California Government Code 65965(f)(1), establishing the terms and conditions pursuant to which the Endowment Holder will accept custody of and manage the Endowment Fund and disperse funds for the benefit of the Bank Property.
- c. “Effective Date” shall mean the date of the signature of the last Party to sign this Agreement.
- d. “Endowment Deposits” means the deposits required to be made by Bank Sponsor to the Endowment Holder to fund the long-term management account portion of the Endowment Fund.
- e. “Endowment Fund,” for purposes of this Agreement, is a sum of money in a long-term stewardship account, held in trust in a fund designated by the Endowment Holder. The Endowment Fund is to be maintained and managed in perpetuity in strict accordance with Government Code Sections 65965-65968, Probate Code Sections 18501-18510, and this Agreement to generate earnings and appreciation in value for use in funding the Land Management Activities and Grantee Duties. The Endowment Fund shall comprise the total amount of deposits into the Endowment Fund, including principal and all interest, dividends, gains, losses, other earnings, additions and appreciation thereon, as well as any additions thereto, less fees and disbursements made to support the Bank Property.
- f. “Grantee Duties Endowment Assessment” shall mean the analysis of the costs of Grantee Duties on the Bank Property and associated calculation of the “Grantee Duties Endowment Amount,” as required by the Conservation Easement. The Grantee Duties Endowment Assessment has been calculated by way of a “property analysis record” or equivalent analysis.
- g. “Long-term Management Endowment Assessment” shall mean the analysis of the costs of perpetual Land Management Activities on the Bank Property and associated calculation of the “Long-term Management Endowment Amount,” as required by the BEI. The Long-term Management Endowment Assessment has been calculated by way of a “property analysis record” or equivalent analysis.
- h. “Qualified Charitable Conservation Organization” means an organization described in Section 501(c)(3) of the Code and that is other than a private foundation under Section 509(a) of the Code and which is qualified to hold a conservation easement under California Civil Code Section 815.3.

- i. “Reporting Period” shall mean January 1 of each calendar year to December 31 of each calendar year, unless the Agreement is terminated, in which case the final Reporting Period shall be thirty days prior to the date of termination of this Agreement.
4. FUNDING.
 - a. Long-term management account portion of the Endowment Fund. The Bank Sponsor is required to provide a total of \$1,508,159.24, in endowment funding (as increased by any inflation adjustment as described in Section VI.E.2 of the BEI), via Endowment Deposits, to Endowment Holder for the Land Management Activities on the Bank Property.
 - b. Conservation easement compliance account portion of the Endowment Fund. Concurrent with execution of the Conservation Easement, Bank Sponsor shall pay, in a lump sum payment of \$179,086, to Endowment Holder for the Grantee Duties Endowment Amount.
 - c. Upon the effective date of this Agreement, Endowment Holder agrees to establish the Endowment Fund with an Account Holder, into which the Long-term Management Endowment Amount, as adjusted, and the Grantee Duties Endowment Amount shall be deposited pursuant to the terms of this Agreement and Endowment Holder’s investment policy as amended from time to time.
5. DISTRIBUTION.
 - a. Long-term management account portion of the Endowment Fund. Upon full funding of the Long-term Management Endowment Amount, as adjusted, plus three years (“Funding Date”), the annual earnings allocable to the long-term management account portion of the Endowment Fund, net of fees and expenses (including Endowment Holder’s management fee and third-party investment fees), shall be committed, granted or disbursed solely for the purposes of the Land Management Activities as set forth in Section 2 above, provided, however, that pursuant to Section 2.b., above, that disbursements will not be made from the long-term management account portion of the Endowment Fund to fund Land Management Activities any earlier than completion of the Interim Management Period. Prior to the Funding Date, Bank Sponsor shall reimburse Endowment Holder for all outstanding costs and expenses incurred by Endowment Holder prior to the Funding Date in connection with its accepting and managing the long-term management account portion of the Endowment Fund, within thirty (30) days of Bank Sponsor’s receipt of an invoice for such fees and expenses.
 - i. Withdrawals. Beginning on the Funding Date, the Property Owner shall have the right to request quarterly distributions from the interest earned on the long-term management account portion of the Endowment Fund to carry out the requirements of the LTMP and other qualifying Land Management Activities on the Bank Property (after fees and expenses are first reimbursed to Endowment Holder). The Property Owner shall request distributions by providing a written

request to Endowment Holder. Endowment Holder shall, upon receiving such written request from Land Manager, disburse such amounts indicated in the request within 30 calendar days of receipt, in the manner specified by Property Owner. Disbursements to Property Owner may be made more frequently than quarterly in case of an Act of God adversely affecting the Bank Property or other documented emergency. Such requested disbursements shall not be unreasonably withheld or unduly delayed.

Notwithstanding California Probate Code sections 18501-18510, in the event either (a) the value of the Endowment Fund has decreased to levels that may threaten its continued existence as a source of perpetual funding for Land Management Activities, whether due to unexpected investment performance or otherwise; or (b) if Land Management Activities expenses exceed those estimated in the Endowment Fund Analysis and Schedule (**Exhibit D-2** of the BEI), the Property Owner shall consult with the Signatory Agencies and SRMA, as the Grantee of the Conservation Easement, to identify the most effective means to implement the management measures and tasks with the resources available. Property Owner shall submit a proposed temporary revised LTMP and Endowment Fund Analysis in writing to the Signatory Agencies and SRMA within 60 calendar days after completion of Property Owner's consultation with the Signatory Agencies and SRMA. Upon written approval of the temporary revised LTMP and Endowment Fund Analysis by the Signatory Agencies and notification to the Endowment Holder, in accordance with this Agreement, the Property Owner shall implement the approved revised management measures and tasks with the interest earned on the long-term management account portion of the Endowment Fund. Endowment Holder shall be provided a copy of the temporary revised LTMP and Endowment Fund Analysis approved by the Signatory Agencies. The original LTMP shall be restored in full force and effect upon expiration of the temporary revised LTMP or sooner if the circumstances in subsections (a) or (b) above, as the case may be, cease to exist.

- b. Conservation easement compliance account portion of the Endowment Fund. Upon receipt of the Grantee Duties Endowment Amount, plus three years, the annual earnings allocable to the conservation easement compliance account portion of the Endowment Fund, net of fees and expenses (including Endowment Holder's management fee and third-party investment fees), shall be committed, granted or disbursed solely for the purposes of the Grantee Duties as set forth in Section 2 above.
 - i. Withdrawals. SRMA shall be eligible to receive annual distributions from the interest earned on the conservation easement compliance account portion of the Endowment Fund to carry out its Grantee Duties under the Conservation Easement.

c. Record Keeping/Financial Information.

- i. Endowment Holder shall maintain complete and accurate records relating to the Endowment Fund, interest earned, and disbursements from the Endowment Fund using generally accepted accounting principles (GAAP), developed by the Federal Accounting Standards Advisory Board.
- ii. Long-term management account portion of the Endowment Fund. Endowment Holder shall provide annually to the Property Owner and Interagency Review Team (“IRT”) members, identified in the BEI, financial information regarding the long-term management account portion of the Endowment Fund by September 1 (or another date as mutually agreed to by the Property Owner and Endowment Holder in writing). Pursuant to California Government Code Section 65966(e), the information to be included in this report shall include the following information:
 1. The balance of the long-term management account portion of the Endowment Fund at the beginning of the Reporting Period;
 2. The amount of any contribution to the Endowment Fund during the Reporting Period including, but not limited to, gifts, grants, and contributions received, as well as the long-term management account portion of the Endowment Fund balance reinvested by Endowment Holder into the long-term management account portion of the Endowment Fund to provide for growth of the long-term management account portion of the Endowment Fund commensurate with inflation (consumer price index calculations shall be provided);
 3. The net amounts of investment earnings, gains, and losses during the Reporting Period, including both realized and unrealized amounts;
 4. The administrative expenses charged to the long-term management account portion of the Endowment Fund from internal or third-party sources during the Reporting Period;
 5. All expenses invoiced by the Property Owner, including adaptive management, performed during the Reporting Period;
 6. The balance of the long-term management account portion of the Endowment Fund at the end of the Reporting Period;
 7. The specific asset allocation percentages including, but not limited to, cash, fixed income, equities, and alternative investments; and
 8. The most recent financial statements for Endowment Holder audited on an organizational basis by an independent auditor who is, at minimum, a certified public accountant.
- iii. Conservation easement compliance account portion of the Endowment Fund.
 1. The balance of the conservation easement compliance account portion of the Endowment Fund at the beginning of the Reporting Period;

2. The amount of the conservation easement compliance account portion of the Endowment Fund balance reinvested by Endowment Holder into the conservation easement compliance account portion of the Endowment Fund to provide for growth of the conservation easement compliance account portion of the Endowment Fund commensurate with inflation (consumer price index calculations shall be provided);
 3. The net amounts of investment earnings, gains, and losses during the Reporting Period, including both realized and unrealized amounts;
 4. The administrative expenses charged to the conservation easement compliance account portion of the Endowment Fund from internal or third-party sources during the Reporting Period;
 5. The balance of the conservation easement compliance account portion of the Endowment Fund at the end of the Reporting Period;
 6. The specific asset allocation percentages including, but not limited to, cash, fixed income, equities, and alternative investments; and
 7. The most recent financial statements for Endowment Holder audited on an organizational basis by an independent auditor who is, at minimum, a certified public accountant.
- iv. The proportionate cost of the organizational audit or report requested by the Bank Sponsor, Property Owner or the IRT shall be paid from the interest earned on the Endowment Fund or, if insufficient interest funds are available in the Endowment Fund, by the Bank Sponsor or Property Owner. The cost of any single source audit or report of the Endowment Fund requested by the Bank Sponsor, Property Owner or the IRT shall be paid from the interest earned on the Endowment Fund or, if insufficient interest funds are available, by the Bank Sponsor or Property Owner.
- v. Endowment Holder agrees to maintain its financial records for possible audit by an IRT agency or by Property Owner for a minimum of three (3) years following the relevant calendar year, unless a longer period of records retention is stipulated.
6. **SUBSTITUTION OF ENDOWMENT HOLDER.** If Endowment Holder ceases to be a Qualified Charitable Conservation Organization, if Endowment Holder proposes to dissolve, if Endowment Holder goes into bankruptcy, or if the Endowment Fund is dissolved, the assets of the Endowment Fund shall after Endowment Holder fees due and owing have been paid in full and accounted for in an itemized invoice, be distributed to a third-party entity qualified to hold the Endowment Fund designated by the Bank Sponsor or Property Owner and approved by the Signatory Agencies. Bankruptcy shall include: i) the filing of a voluntary petition under any federal or state law for the relief of debt; ii) the continued pendency of an involuntary proceeding under any such law on the 60th day after its filing, or the entry of an order for relief under any such involuntary proceeding, whichever occurs first; iii) the making of a general assignment for

the benefit of Endowment Holder's creditors; or iv) the seizure by a sheriff, receiver, or trustee of a substantial portion of Endowment Holder's assets.

7. INVESTMENT OF FUNDS. Endowment Holder shall:

- a. Have all powers necessary or in its sole discretion desirable to carry out the purposes of managing the Endowment Fund, including, but not limited to, the power to retain, invest, and reinvest the monies in the Endowment Fund; provided that Endowment Holder shall use these powers only as consistent with its fiduciary duty and duty of loyalty to the Signatory Agencies, Bank Sponsor, and Property Owner as set forth in Sections 7.b and 7.c, and consistent with the investment objectives set forth in Section 7.f, below.
- b. Have a fiduciary duty to the Signatory Agencies and Property Owner to invest the monies in the Endowment Fund to mitigate circumstances under which the principal amounts of the Endowment Fund would need to be used to carry out the purposes of the Endowment Fund and to only invade the principal in extraordinary circumstances, with the concurrence of the Signatory Agencies. An investment loss of any amount of the Endowment Fund is not the responsibility of Endowment Holder provided that Endowment Holder acted in accordance with its fiduciary duty.
- c. Have a duty of loyalty to the Signatory Agencies and Property Owner and shall not use the Endowment Fund for its own personal benefit.
- d. Not delegate the responsibility for managing the Endowment Fund to a third party, but may delegate authority to invest monies in the Endowment Fund with Endowment Holder's oversight in accordance with the investment objectives outlined in this Agreement.
- e. Act with prudence when delegating authority and in the selection of agents.
- f. Implement the following investment objectives for the Endowment Fund:
 - i. Safety: It shall be the duty and responsibility of Endowment Holder to protect, preserve, and maintain the Endowment Fund principal amounts.
 - ii. Liquidity: Subject to Endowment Holder receiving adequate notice regarding the need for Endowment Fund disbursements from Property Owner by March 1, an adequate percentage of the interest in the long-term management account of the Endowment Fund shall be maintained in liquid, short term securities which can be converted to cash if necessary to meet all operating requirements anticipated. Nothing in this provision prevents quarterly distributions to Property Owner as described in Section 5(a) of this Agreement.
 - iii. Return on Investment: Endowment Holder shall design an investment portfolio for the Endowment Fund with the objective of attaining a market rate of return or

better throughout budgetary and economic cycles, taking into account the Endowment Holder's risk constraints and the cash flow characteristics of the portfolio.

- iv. Diversification: Endowment Holder shall diversify the investment portfolio for the Endowment Fund to avoid incurring unreasonable risks regarding specific security types or individual financial institution.
 - v. Growth: Endowment Holder shall invest the Endowment Fund with the objective of maintaining the real (after inflation) value of the Endowment assets and with the objective of increasing the total value of the Endowment assets.
- g. If the Bank Sponsor or Property Owner is concerned that Endowment Holder is not achieving a sufficient rate of return to support the primary purposes of the Endowment Fund set forth in Section 2 while preserving the principal amount of the long-term management account portion of the Endowment Fund, then at the request of the Bank Sponsor or Property Owner, Endowment Holder, Bank Sponsor and Property Owner shall discuss adjusting the asset allocation of the Endowment Fund in order to achieve a better rate of return. Endowment Holder shall consider in good faith any suggestions by the Bank Sponsor and/or Property Owner regarding asset reallocation.
- h. Credit the Endowment Fund for all interest earned and, as appropriate, re-invest all such interest not otherwise used for Land Management Activities on the Bank Property, the Grantee Duties, or for the other purposes permitted by this Agreement.
- i. Discharge its duties with respect to the Endowment Fund with the care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, and shall exercise wise and prudent investment strategies in order to minimize risk, while maximizing the interest earned.
8. **TERMINATION.** This Agreement may be terminated under the following circumstances:
- a. Upon mutual written agreement of Endowment Holder, Signatory Agencies, Bank Sponsor and Property Owner.
 - b. Subject to the Meet and Confer Period requirements described in Section 8(c), below, if any of the Endowment Holder, Bank Sponsor, or Property Owner fail to observe the terms and conditions of this Agreement, the other parties may agree to terminate this Agreement upon sixty (60) days written notice of termination. Any notice for termination of this Agreement for default shall specify the nature of the default. The defaulting party may utilize the sixty (60) days following the receipt of such notice to cure the specified default. Timely cure of a specified default will avoid termination for that default.

- c. If the Bank Sponsor, Property Owner or Endowment Holder desires to terminate this Agreement for any reason, the Party seeking to terminate this Agreement shall provide notice to the other Parties stating each reason it desires to terminate this Agreement. The Parties shall meet and use commercially reasonable efforts to seek to resolve any differences among them for ninety (90) days ("Meet and Confer Period").
 - i. If after the expiration of the Meet and Confer Period, the Parties have not resolved their differences, any Party may seek to terminate this Agreement with the consent of the Signatory Agencies, provided that, concurrently with any such termination Bank Sponsor or Property Owner shall, at Endowment Holder's election, replace SRMA with a different third party as the grantee of the Conservation Easement. Bank Sponsor or Property Owner shall also conditionally release Endowment Holder from all claims, demands, losses and liabilities arising under this Agreement (other than fraud, gross malfeasance, or breach of fiduciary duty), including without limitation, all claims arising under California Civil Code Section 1541 ("Release"), which Release shall be in form and substance acceptable to Endowment Holder.
 - ii. Before termination of the Agreement, Bank Sponsor or Property Owner must obtain the approval of the Signatory Agencies to terminate this Agreement and substitute a qualified third party to replace Endowment Holder as holder of the Endowment Fund.
 - iii. Upon the receipt by Bank Sponsor or Property Owner of the fully executed Release and the written approval from the Signatory Agencies, this Agreement shall terminate and Endowment Holder shall have no further duties and obligations to the Signatory Agencies, Bank Sponsor and Property Owner, except for the obligation of Endowment Holder to cooperate in the transfer of the Endowment Fund and, if requested by Endowment Holder, the conveyance of its interest in the Conservation Easement to a qualified entity eligible to hold the Endowment Fund and/or Conservation Easement. After such transfer is complete, the Parties shall have no further rights or obligations under this Agreement.
9. QUALIFIED CHARITABLE CONSERVATION ORGANIZATION. Nothing in this Agreement shall affect the status of Endowment Holder as an entity that is a Qualified Charitable Conservation Organization. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirements of the Code and any regulations issued pursuant thereto applicable to the intended status of Endowment Holder.
10. CONDITIONS FOR ACCEPTANCE OF FUNDS. Endowment Holder accepts the Long-term Management Endowment Amount and all adjustments and the Grantee Duties Endowment Amount with the understanding that the terms of this Agreement govern the rights and duties of

the Parties relating to investment and disbursement of monies from the Endowment Fund to support the Land Management Activities and Grantee Duties.

11. NOTICE. Any notice, demand, request, consent, approval, or other communication between the Parties or with the Signatory Agencies shall be addressed as follows:

To Bank Sponsor: Los Cerritos Wetlands, LLC
6433 E. 2nd Street
Long Beach, CA 90803
Attn: John McKeown

To Endowment Holder: Southwest Resource Management Association
4500 Glenwood Dr.
Riverside, CA 92501
Attn: Shelli Lamb

With a copy to: Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, CA 92501
Attn: Steve Anderson

To USACE: U.S. Army Corps of Engineers
Los Angeles District
Chief, Regulatory Division
915 Wilshire Blvd.
Los Angeles, CA 90017

With copy to: U.S. Army Corps of Engineers
60 S. California Street, Suite 201
Ventura, CA 93001
Attn: Office of Counsel

To USEPA: U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105
Attn: Director, Water Division

To USFWS: U.S. Fish and Wildlife Service
Carlsbad Office
2177 Salk Avenue, Suite 250

Attn: Field Supervisor

To CCC: California Coastal Commission
455 Market Street, Suite 228
San Francisco, CA 94105

or to such other address a Party or Signatory Agency shall designate by written notice to the Parties. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

12. ACCOUNTING. The receipts and disbursements of the Endowment Fund shall be accounted for separately and apart from those of the other endowment funds of Endowment Holder.
13. AMENDMENT. This Agreement may be amended only by written agreement of the Parties and with the written concurrence of the Signatory Agencies.
14. TRANSFER AND ASSIGNMENT. The Property Owner may not transfer or assign this Agreement, in whole or in part, to any other individual or legal entity without the prior written consent of Endowment Holder, in consultation with the Signatory Agencies, which consent may be withheld. Except as provided in Section 6 and Section 8.c.ii of this Agreement, the Endowment Holder may not assign this Agreement, in whole or in part, to any other individual or entity.
15. SEVERABILITY. If any provision of this Agreement is held to be unlawful or invalid by any court of law with duly established jurisdiction over this Agreement, the Parties intend that the remainder of this Agreement shall remain in full force and effect notwithstanding the severance of the unlawful or invalid provision(s).
16. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.
17. THIRD PARTY BENEFICIARIES. This Agreement confers rights and remedies upon the Signatory Agencies, as third party beneficiaries, insofar as this Agreement is intended to carry out the requirements and obligations set forth in the BEI and Conservation Easement. No person, other than the parties of said named third party beneficiaries, has any rights or remedies under this Agreement. The Parties may not amend or terminate this Agreement without the prior written consent of the Signatory Agencies.

18. WARRANT OF AUTHORITY. Each Party to this Agreement warrants to the other that its respective signatory has full right and authority to enter into and consummate this Agreement and the transactions contemplated hereby.

19. EXHIBITS. All Exhibits referred to in this Agreement are attached and incorporated by reference.

[REMAINDER LEFT INTENTIONALLY BLANK]

SIGNATURE PAGE TO UPPER LOS CERRITOS WETLANDS MITIGATION BANK
ENDOWMENT FUNDING AND MANAGEMENT AGREEMENT

IN WITNESS WHEREOF, Bank Sponsor, Property Owner, and Endowment Holder have executed this Agreement as of the Effective Date.

Bank Sponsor and Property Owner

Los Cerritos Wetlands, LLC

By: _____
(Signature) (Date)

Name: _____
John McKeown, CEO

Southwest Resource Management Association, a California non-profit corporation

By: _____
(Signature) (Date)

Name: _____
(Name and Title)

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit D-3
Endowment Funding Agreement*

Exhibit A
Bank Property Legal Description

EXHIBIT "A"

CONSERVATION EASEMENT

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE SOUTH HALF OF SECTION 2, TOGETHER WITH A PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 SOUTH, RANGE 12 WEST, ALL IN THE RANCHO LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A RECORD OF SURVEY RECORDED IN BOOK 273, PAGES 83 THROUGH 85, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 2, SAID POINT ALSO BEING THE INTERSECTION OF STUDEBAKER AND 2ND STREET AS SHOWN ON SAID RECORD OF SURVEY;

THENCE NORTHERLY ALONG THE CENTERLINE OF STUDEBAKER NORTH 00°15'44" EAST 567.81 FEET;

THENCE LEAVING SAID CENTERLINE NORTH 89°57'32" WEST 63.86 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 89°13'04" WEST 130.99 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY WITH A RADIUS OF 160.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 27°32'07" AN ARC LENGTH OF 76.89 FEET;

THENCE SOUTH 61°40'57" WEST 29.69 FEET;

THENCE SOUTH 82°43'48" WEST 28.55 FEET;

THENCE SOUTH 79°25'03" WEST 2.50 FEET;

THENCE NORTH 65°57'35" WEST 13.26 FEET;

THENCE NORTH 39°40'16" WEST 69.29 FEET;

THENCE NORTH 89°06'58" WEST 166.68 FEET;

THENCE SOUTH 83°25'21" WEST 10.78 FEET;

THENCE NORTH 40°13'05" WEST 3.61 FEET;

THENCE SOUTH 85°53'06" WEST 5.82 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 96.00 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $3^{\circ}11'34''$, AN ARC LENGTH OF 5.35 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 16.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH $7^{\circ}18'28''$ WEST;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $14^{\circ}43'56''$, AN ARC LENGTH OF 4.11 FEET;

THENCE NORTH $82^{\circ}34'32''$ WEST 3.43 FEET;

THENCE SOUTH $80^{\circ}56'43''$ WEST 9.32 FEET;

THENCE NORTH $82^{\circ}22'22''$ WEST 7.69 FEET;

THENCE SOUTH $11^{\circ}10'40''$ WEST 7.73 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 22.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $25^{\circ}36'10''$, AN ARC LENGTH OF 9.83 FEET;

THENCE SOUTH $36^{\circ}46'50''$ WEST 1.23 FEET;

THENCE SOUTH $9^{\circ}20'43''$ WEST 6.49 FEET;

THENCE SOUTH $33^{\circ}50'43''$ EAST 4.30 FEET;

THENCE SOUTH $13^{\circ}03'00''$ WEST 17.52 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 18.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $63^{\circ}58'59''$, AN ARC LENGTH OF 20.10 FEET;

THENCE SOUTH $77^{\circ}01'59''$ WEST 14.02 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 115.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $48^{\circ}33'23''$, AN ARC LENGTH OF 97.46 FEET;

THENCE NORTH $54^{\circ}24'38''$ WEST 36.96 FEET;

THENCE NORTH $47^{\circ}25'22''$ WEST 1,210.05 FEET;

THENCE NORTH $56^{\circ}33'36''$ WEST 41.78 FEET;

THENCE NORTH $4^{\circ}52'58''$ WEST 65.69 FEET;

THENCE SOUTH $89^{\circ}02'43''$ WEST 59.21 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 14°18'01" WEST 17.31 FEET;

THENCE NORTH 37°58'18" WEST 17.11 FEET;

THENCE NORTH 88°09'09" WEST 30.60 FEET;

THENCE SOUTH 83°10'36" WEST 38.76 FEET;

THENCE SOUTH 79°12'57" WEST 28.12 FEET;

THENCE SOUTH 67°39'07" WEST 32.01 FEET;

THENCE SOUTH 46°16'23" WEST 20.94 FEET;

THENCE SOUTH 18.09 FEET;

THENCE SOUTH 8°31'51" WEST 39.91 FEET;

THENCE SOUTH 87°27'12" WEST 58.53 FEET TO THE BEGINNING OF A CURVE,
CONCAVE SOUTHERLY, HAVING A RADIUS OF 1,200.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3°13'40" AN
ARC LENGTH OF 67.60 FEET;

THENCE SOUTH 84°13'32" WEST 105.21 FEET;

THENCE WEST 138.80 FEET;

THENCE SOUTH 1°19'56" WEST 28.29 FEET;

THENCE SOUTH 78°06'41" EAST 19.16 FEET;

THENCE SOUTH 59°37'15" EAST 33.17 FEET;

THENCE SOUTH 43°43'37" EAST 20.94 FEET;

THENCE SOUTH 3°34'35" WEST 21.09 FEET;

THENCE SOUTH 34°44'35" WEST 24.82 FEET;

THENCE SOUTH 61°33'58" WEST 76.67 FEET;

THENCE SOUTH 73°34'58" WEST 38.40 FEET;

THENCE SOUTH 89°10'11" WEST 22.70 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 84°59'13" WEST 18.82 FEET;

THENCE SOUTH 47°30'41" WEST 53.08 FEET;

THENCE NORTH 58°31'06" WEST 68.65 FEET;

THENCE SOUTH 48°33'02" WEST 27.07 FEET;

THENCE SOUTH 52°41'59" EAST 286.97 FEET TO THE BEGINNING OF A CURVE,
CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 150.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 56°36'16"
AN ARC LENGTH OF 148.19 FEET;

THENCE SOUTH 3°54'18" WEST 123.06 FEET;

THENCE NORTH 86°54'26" WEST 159.87 FEET;

THENCE SOUTH 0°50'44" WEST 178.46 FEET;

THENCE SOUTH 89°43'24" WEST 273.80 FEET;

THENCE NORTH 161.37 FEET;

THENCE NORTH 88°54'53" WEST 50.48 FEET;

THENCE NORTH 1°03'39" WEST 35.42 FEET;

THENCE NORTH 86°54'26" WEST 3.03 FEET;

THENCE NORTH 1°38'12" WEST 151.97 FEET;

THENCE NORTH 2°51'45" WEST 35.08 FEET;

THENCE NORTH 1°36'32" WEST 239.50 FEET;

THENCE SOUTH 89°41'37" WEST 81.16 FEET;

THENCE SOUTH 2°54'52" WEST 238.73 FEET;

THENCE NORTH 89°41'00" WEST 157.34 FEET;

THENCE SOUTH 88°21'24" WEST 79.59 FEET;

THENCE SOUTH 70°17'40" WEST 33.48 FEET;

THENCE NORTH 86°45'37" WEST 110.59 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 89°53'49" WEST 27.71 FEET TO A POINT ON THE EASTERLY LINE OF TRACT NO. 1779 FILED IN BOOK 22, PAGES 25 THROUGH 27 OF MAPS, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID EASTERLY LINE, NORTH 44°19'34" EAST 1191.65 FEET;

THENCE LEAVING SAID EASTERLY LINE, SOUTH 47°23'29" EAST 12.03 FEET;

THENCE NORTH 88°43'47" EAST 20.69 FEET;

THENCE SOUTH 62°33'12" EAST 15.49 FEET;

THENCE NORTH 82°58'39" EAST 14.72 FEET;

THENCE NORTH 36°29'18" EAST 33.81 FEET;

THENCE NORTH 35°43'39" EAST 25.59 FEET;

THENCE SOUTH 73°21'14" EAST 16.02 FEET;

THENCE NORTH 76°35'25" EAST 24.51 FEET;

THENCE SOUTH 74°43'02" EAST 20.29 FEET;

THENCE NORTH 80°04'48" EAST 26.30 FEET;

THENCE NORTH 55°30'56" EAST 37.31 FEET;

THENCE SOUTH 45°41'44" EAST 19.85 FEET;

THENCE NORTH 75°08'47" EAST 13.80 FEET;

THENCE NORTH 64°32'48" EAST 31.13 FEET;

THENCE NORTH 65°14'53" EAST 29.46 FEET;

THENCE NORTH 51°06'02" EAST 7.36 FEET;

THENCE NORTH 78°49'43" EAST 48.33 FEET;

THENCE SOUTH 74°43'20" EAST 14.78 FEET;

THENCE SOUTH 78°09'37" WEST 10.73 FEET;

THENCE NORTH 63°59'18" EAST 29.02 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 89°52'07" EAST 22.07 FEET;

THENCE NORTH 69°33'38" EAST 73.40 FEET;

THENCE SOUTH 77°26'08" EAST 21.49 FEET;

THENCE NORTH 73°30'59" EAST 21.81 FEET;

THENCE NORTH 58°51'02" EAST 18.31 FEET;

THENCE SOUTH 78°13'23" EAST 29.83 FEET;

THENCE NORTH 68°58'10" EAST 19.50 FEET;

THENCE SOUTH 68°18'36" EAST 17.15 FEET;

THENCE SOUTH 78°58'17" EAST 37.17 FEET;

THENCE SOUTH 52°54'03" EAST 16.23 FEET;

THENCE SOUTH 45°41'23" EAST 15.39 FEET;

THENCE SOUTH 71°52'38" EAST 8.79 FEET;

THENCE SOUTH 89°23'36" EAST 32.58 FEET;

THENCE SOUTH 68°54'36" EAST 11.52 FEET;

THENCE SOUTH 89°05'03" EAST 16.97 FEET;

THENCE NORTH 87°18'14" EAST 15.85 FEET;

THENCE NORTH 73°02'28" EAST 18.46 FEET;

THENCE NORTH 72°13'57" EAST 15.91 FEET;

THENCE NORTH 38°23'19" EAST 9.65 FEET;

THENCE SOUTH 86°28'57" EAST 7.71 FEET;

THENCE SOUTH 43°06'49" EAST 9.35 FEET;

THENCE NORTH 75°28'12" EAST 15.43 FEET;

THENCE NORTH 60°19'23" EAST 7.24 FEET;

THENCE NORTH 77°16'11" EAST 44.52 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE NORTH 69°54'08" EAST 11.68 FEET;

THENCE SOUTH 56°05'26" EAST 5.94 FEET;

THENCE NORTH 77°12'37" EAST 13.67 FEET;

THENCE NORTH 71°04'15" EAST 58.27 FEET;

THENCE SOUTH 59°26'19" EAST 12.40 FEET;

THENCE SOUTH 83°26'52" EAST 18.25 FEET;

THENCE NORTH 67°15'09" EAST 34.66 FEET;

THENCE NORTH 66°27'04" EAST 23.28 FEET;

THENCE NORTH 61°37'05" EAST 25.53 FEET;

THENCE SOUTH 81°58'25" EAST 8.24 FEET;

THENCE SOUTH 33°05'54" EAST 16.78 FEET;

THENCE NORTH 51°04'41" EAST 14.82 FEET;

THENCE NORTH 34°34'15" EAST 36.87 FEET;

THENCE SOUTH 77°42'24" EAST 8.73 FEET;

THENCE SOUTH 0°25'29" WEST 17.62 FEET;

THENCE SOUTH 62°52'56" EAST 8.50 FEET;

THENCE NORTH 67°19'29" EAST 16.10 FEET;

THENCE SOUTH 53°30'06" EAST 25.29 FEET;

THENCE SOUTH 78°46'16" EAST 25.11 FEET;

THENCE SOUTH 85°45'11" EAST 49.54 FEET;

THENCE SOUTH 45°39'34" EAST 26.11 FEET;

THENCE NORTH 76°57'58" EAST 27.85 FEET;

THENCE SOUTH 66°08'02" EAST 46.52 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE SOUTH 78°53'04" EAST 9.18 FEET;

THENCE SOUTH 32°34'09" EAST 32.09 FEET;

THENCE NORTH 74°58'55" EAST 14.40 FEET;

THENCE SOUTH 73°10'32" EAST 95.54 FEET;

THENCE NORTH 52°16'18" EAST 15.68 FEET;

THENCE NORTH 32°36'46" EAST 24.33 FEET;

THENCE NORTH 70°10'31" EAST 16.81 FEET;

THENCE NORTH 0°19'45" EAST 16.37 FEET;

THENCE NORTH 34°28'05" EAST 45.13 FEET;

THENCE NORTH 18°54'08" EAST 53.07 FEET;

THENCE NORTH 11°21'55" EAST 21.61 FEET;

THENCE NORTH 72°42'07" WEST 21.98 FEET;

THENCE NORTH 23°39'51" WEST 14.37 FEET;

THENCE NORTH 85°18'41" WEST 40.78 FEET;

THENCE NORTH 46°43'54" WEST 3.73 FEET;

THENCE NORTH 66°15'27" WEST 7.13 FEET;

THENCE NORTH 74°57'08" EAST 9.74 FEET;

THENCE SOUTH 85°18'41" EAST 44.79 FEET;

THENCE NORTH 16°22'53" EAST 6.52 FEET;

THENCE NORTH 80°54'11" EAST 30.17 FEET;

THENCE SOUTH 60°54'44" EAST 16.78 FEET;

THENCE NORTH 2°22'12" EAST 34.49 FEET;

THENCE NORTH 68°52'18" EAST 17.27 FEET;

THENCE NORTH 51°42'22" EAST 42.97 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 76°03'55" EAST 31.36 FEET;

THENCE NORTH 66°01'21" EAST 23.49 FEET;

THENCE SOUTH 84°47'54" EAST 16.76 FEET;

THENCE SOUTH 87°55'49" EAST 16.83 FEET;

THENCE SOUTH 81°09'16" EAST 30.72 FEET;

THENCE NORTH 52°32'54" EAST 12.36 FEET;

THENCE NORTH 54°19'29" EAST 24.71 FEET;

THENCE NORTH 87°22'26" EAST 25.23 FEET;

THENCE NORTH 55°28'17" EAST 15.63 FEET;

THENCE SOUTH 69°22'43" EAST 20.01 FEET;

THENCE SOUTH 71°45'48" EAST 21.43 FEET;

THENCE SOUTH 26°26'09" EAST 23.76 FEET;

THENCE SOUTH 35°49'59" EAST 7.12 FEET;

THENCE SOUTH 33°31'07" EAST 24.87 FEET;

THENCE SOUTH 72°30'00" EAST 28.41 FEET;

THENCE NORTH 63°55'17" EAST 15.63 FEET;

THENCE NORTH 44°02'43" EAST 10.18 FEET;

THENCE SOUTH 82°45'13" EAST 9.81 FEET;

THENCE SOUTH 26°39'43" EAST 24.97 FEET;

THENCE SOUTH 50°43'00" EAST 25.36 FEET;

THENCE SOUTH 44°47'29" EAST 8.16 FEET;

THENCE SOUTH 61°13'05" EAST 33.21 FEET;

THENCE SOUTH 30°19'04" EAST 12.23 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE SOUTH 88°48'49" EAST 30.87 FEET;

THENCE NORTH 41°40'33" EAST 21.19 FEET;

THENCE NORTH 18°02'13" EAST 38.51 FEET;

THENCE SOUTH 82°47'36" EAST 12.89 FEET;

THENCE SOUTH 3°45'10" EAST 11.27 FEET;

THENCE NORTH 16°27'37" EAST 15.25 FEET;

THENCE NORTH 27°24'01" EAST 24.48 FEET;

THENCE NORTH 8°31'19" WEST 7.49 FEET;

THENCE NORTH 55°35'44" EAST 4.69 FEET;

THENCE NORTH 3°13'50" WEST 57.11 FEET;

THENCE NORTH 77°12'01" EAST 24.12 FEET;

THENCE NORTH 12°57'39" EAST 8.67 FEET;

THENCE NORTH 47°26'10" EAST 6.34 FEET;

THENCE NORTH 16°43'14" WEST 25.25 FEET;

THENCE NORTH 40°41'33" WEST 5.91 FEET;

THENCE NORTH 78°27'57" EAST 56.26 FEET TO A POINT ON THE NORTHEASTERLY
LINE OF INSTRUMENT #20072448368, OF OFFICIAL RECORDS, AS SHOWN ON SAID
RECORD OF SURVEY, BOTH RECORDED IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 48°54'48" EAST 328.72 FEET;

THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 25°44'47" WEST 28.06 FEET;

THENCE SOUTH 14°29'13" WEST 190.52 FEET;

THENCE SOUTH 13°31'29" WEST 69.55 FEET;

THENCE SOUTH 12°04'54" WEST 34.78 FEET;

THENCE SOUTH 78°18'05" WEST 14.62 FEET;

THENCE SOUTH 11°44'59" WEST 10.05 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE SOUTH 89°19'57" EAST 29.09 FEET;

THENCE SOUTH 10°53'11" WEST 39.08 FEET;

THENCE NORTH 54°33'08" WEST 24.85 FEET;

THENCE NORTH 45°30'20" WEST 7.59 FEET;

THENCE SOUTH 11°44'59" WEST 11.97 FEET;

THENCE SOUTH 42°04'30" EAST 17.81 FEET;

THENCE SOUTH 9°49'01" WEST 12.69 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2,000.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 9°33'20", AN ARC LENGTH OF 333.55 FEET;

THENCE SOUTH 0°15'41" WEST 253.72 FEET;

THENCE SOUTH 54°54'10" WEST 17.63 FEET;

THENCE SOUTH 0°51'38" WEST 10.29 FEET;

THENCE NORTH 70°21'46" EAST 6.27 FEET;

THENCE NORTH 65°33'52" EAST 25.96 FEET;

THENCE SOUTH 0°15'39" WEST 47.32 FEET;

THENCE NORTH 66°20'15" WEST 25.96 FEET;

THENCE NORTH 49°00'28" WEST 7.73 FEET;

THENCE SOUTH 0°51'38" WEST 13.11 FEET;

THENCE SOUTH 52°29'44" EAST 18.61 FEET;

THENCE SOUTH 0°15'41" WEST 436.16 FEET;

THENCE SOUTH 35°36'35" EAST 11.95 FEET;

THENCE SOUTH 0°15'41" WEST 82.07 FEET TO THE **TRUE POINT OF BEGINNING;**

CONTAINING 68.740 AC., MORE OR LESS.

EXHIBIT "A"

CONSERVATION EASEMENT

RESERVING AND EXCEPTING THEREFROM:

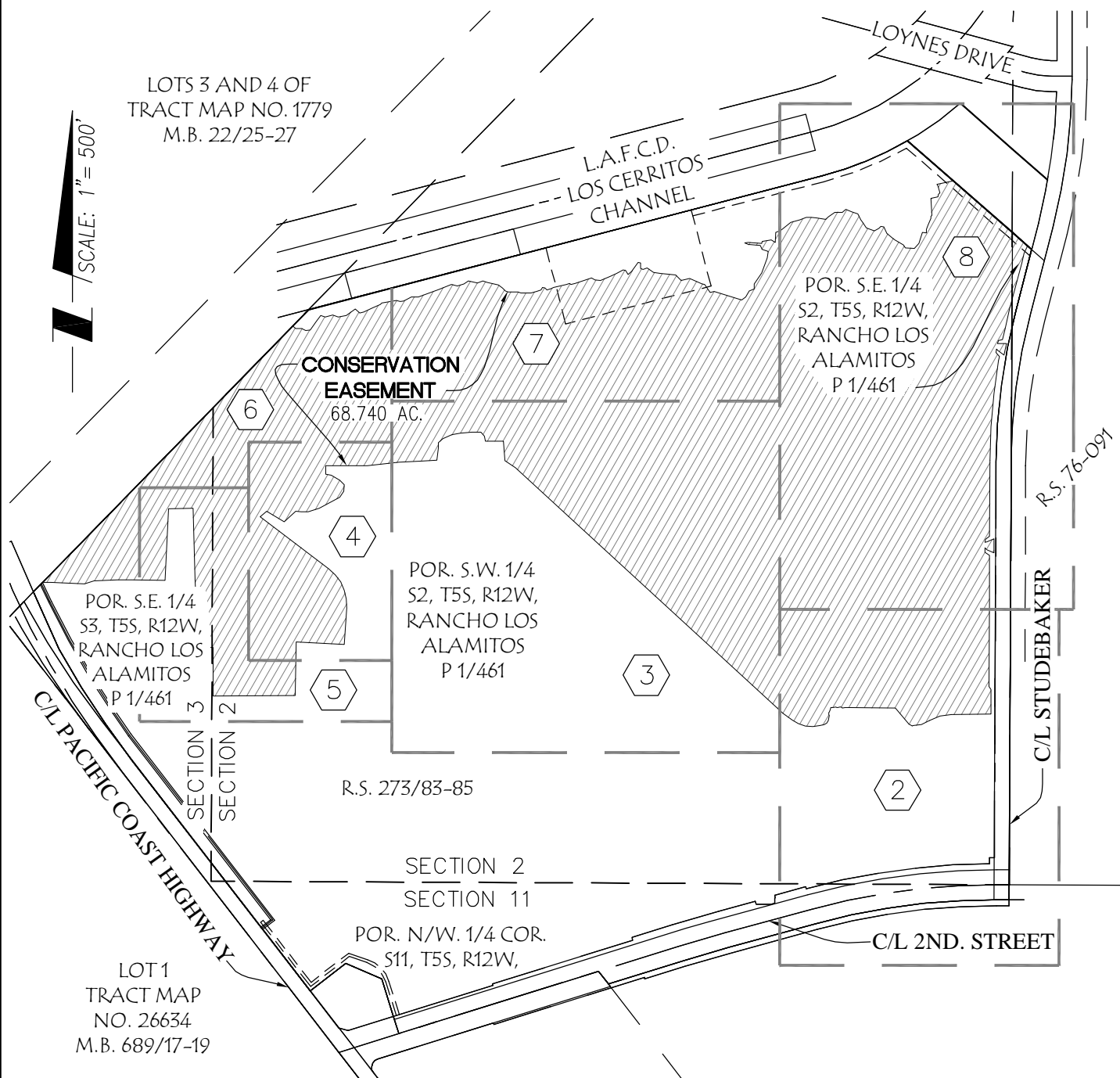
ALL RIGHT, TITLE, AND INTEREST IN AND TO THE MINERAL ESTATE UNDERLYING THE ABOVE DESCRIBED PROPERTY, INCLUDING ALL OIL AND GAS, MINERALS, MINERAL RIGHTS, OIL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE PARCEL OF PROPERTY HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND STORING IN AND REMOVING THE SAME FROM SAID PROPERTY OR ANY OTHER PROPERTY, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM PROPERTIES OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY HEREINAFTER DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN, AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE OR OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE PROPERTY HEREINABOVE DESCRIBED.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY OF RECORD IF ANY.

PREPARED BY:

SCOTT M. WILSON DATE
P.L.S. 7434
EXPIRES 12/31/21





MY LICENSE EXPIRES 12/31/21
SCOTT M. WILSON, P.L.S.

LEGEND:



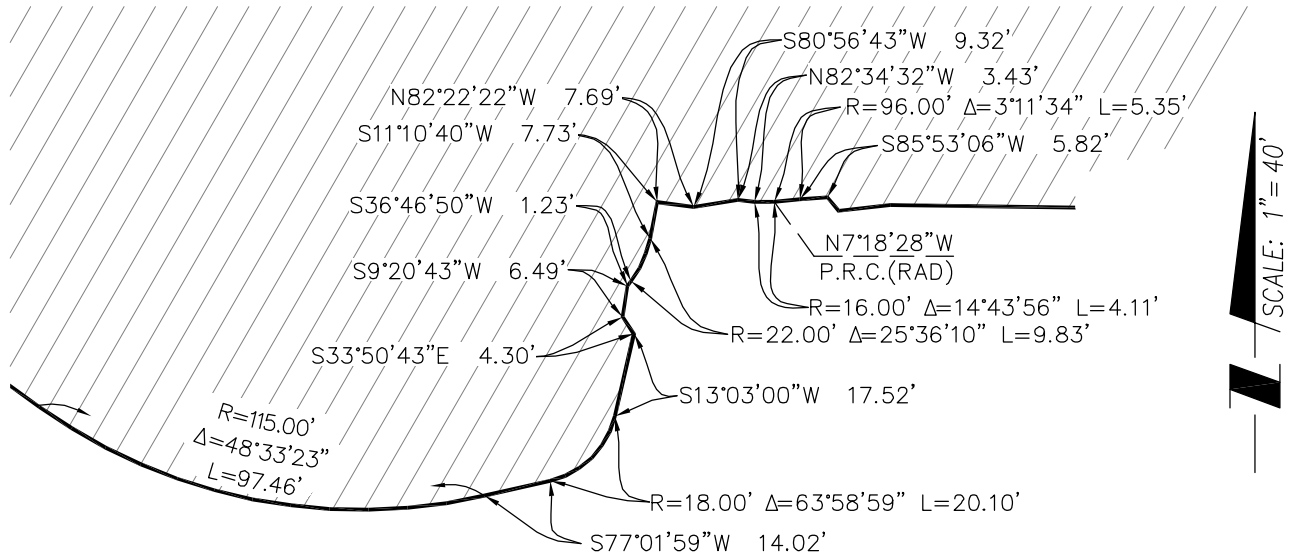
 EASEMENT AREA
 PAGE REFERENCE



EXHIBIT "B"

CONSERVATION EASEMENT



DETAIL "A"

SCALE: 1"=40'

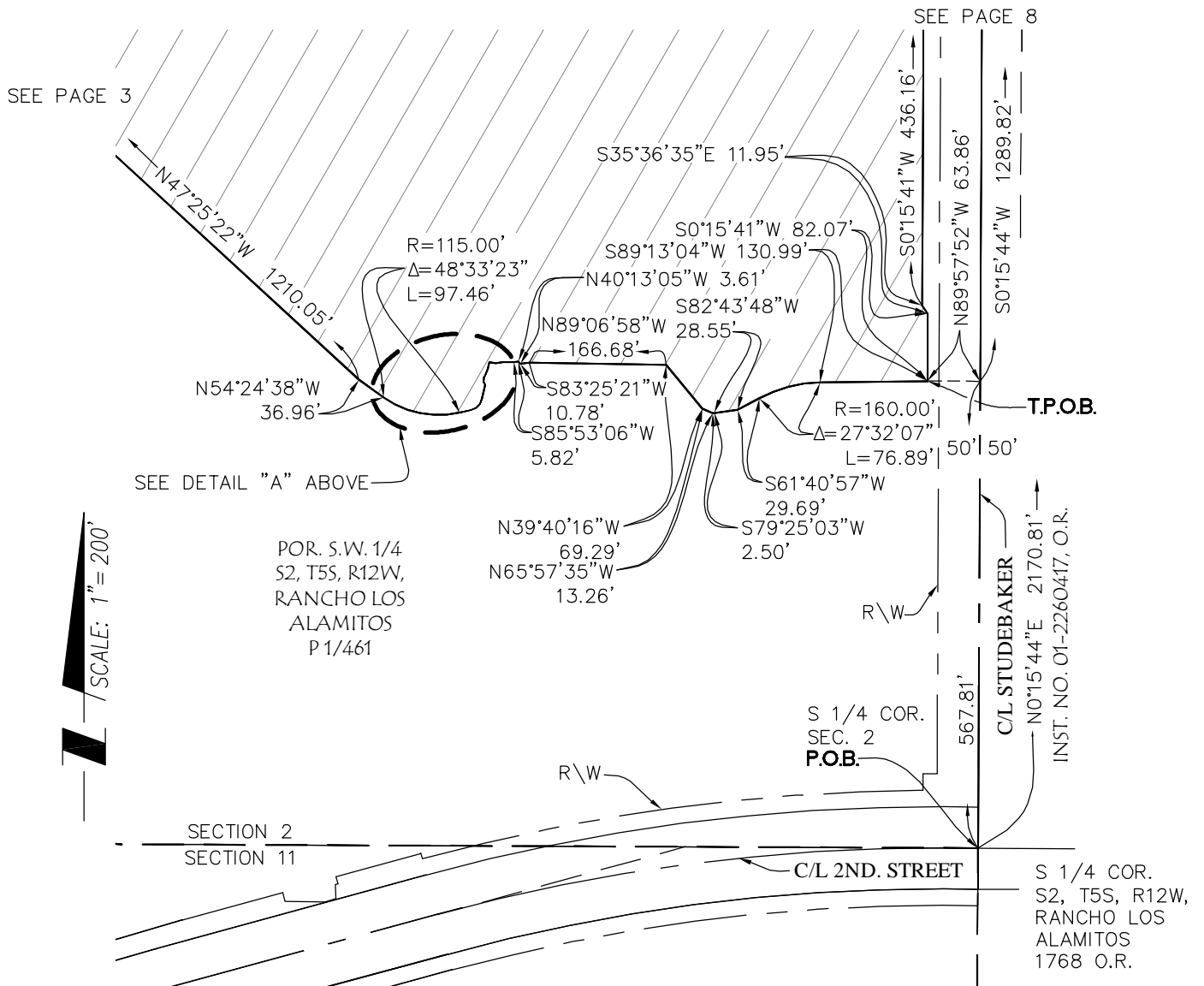


EXHIBIT "B" CONSERVATION EASEMENT

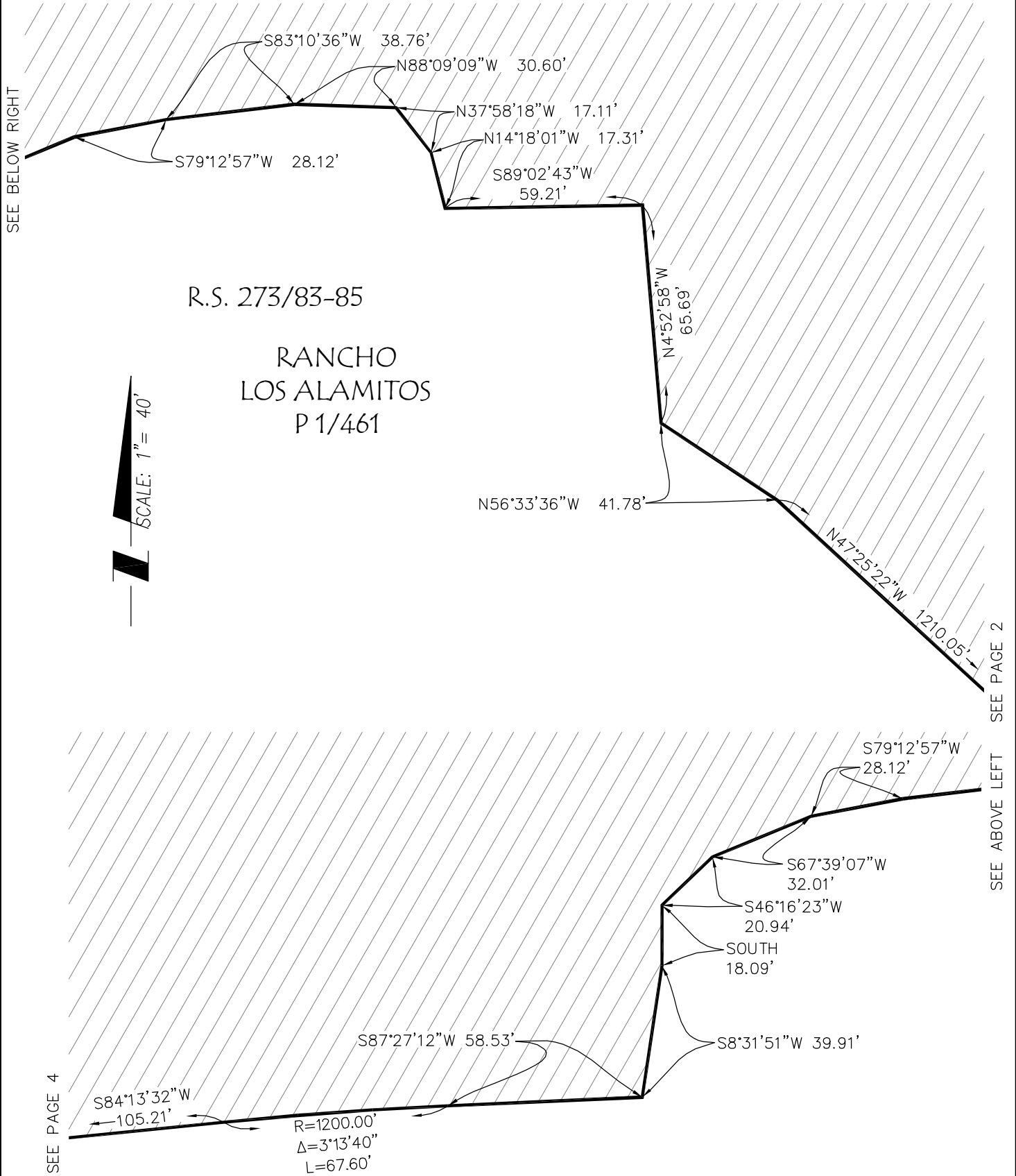
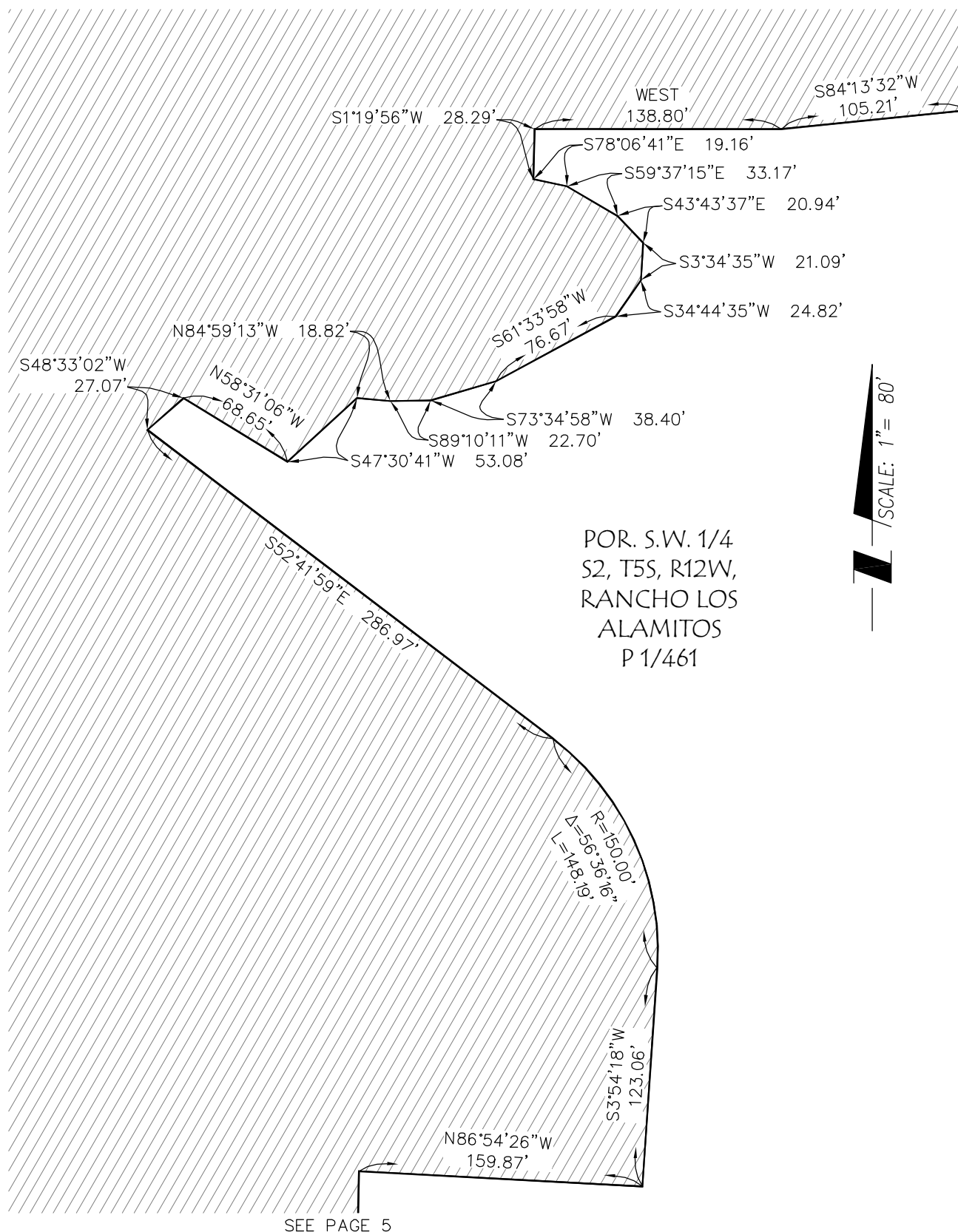


EXHIBIT "B"

CONSERVATION EASEMENT



POR. S.W. 1/4
S2, T5S, R12W,
RANCHO LOS
ALAMITOS
P 1/461

SEE PAGE 6

EXHIBIT "B" CONSERVATION EASEMENT

PAGE 5 OF 10

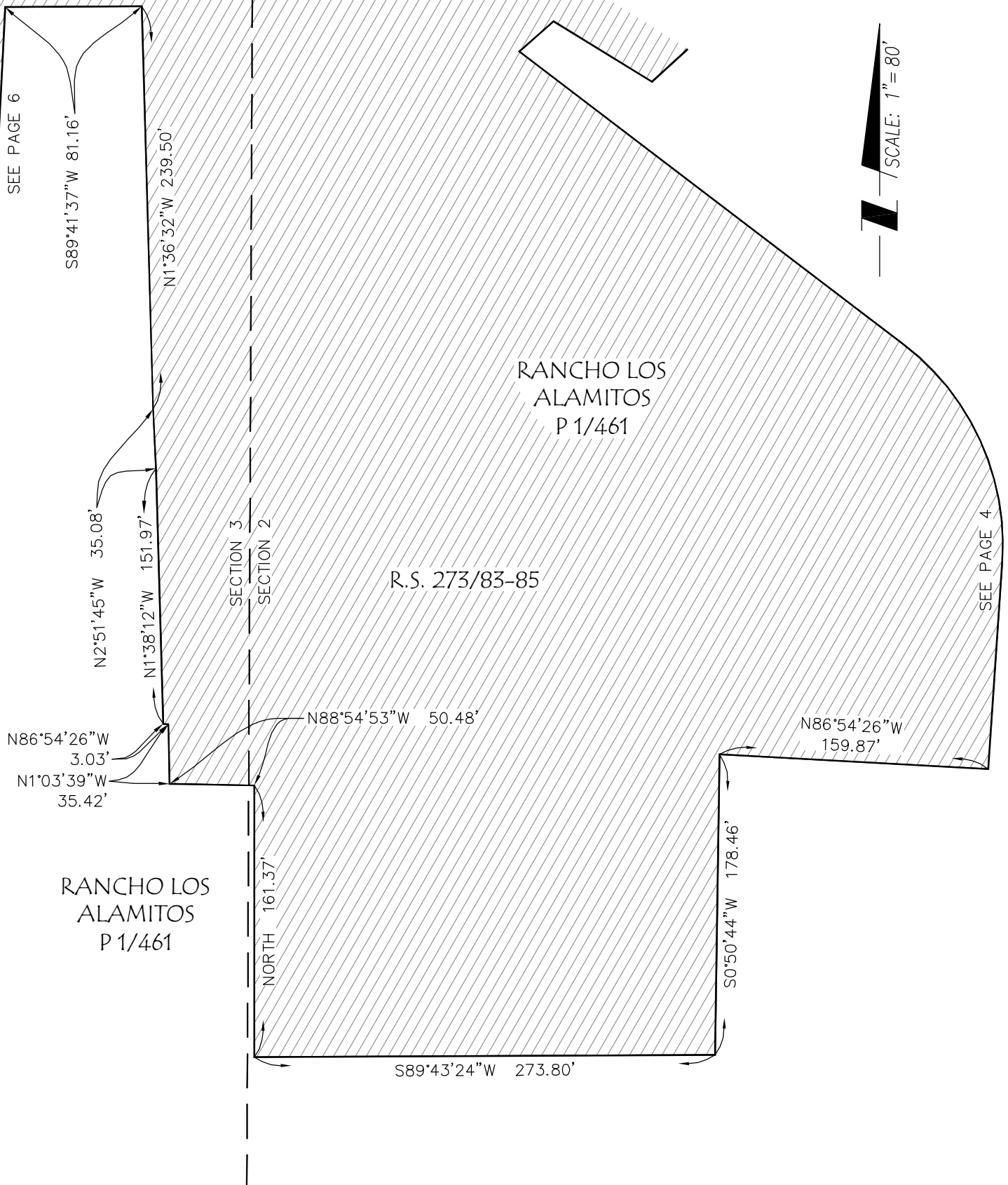
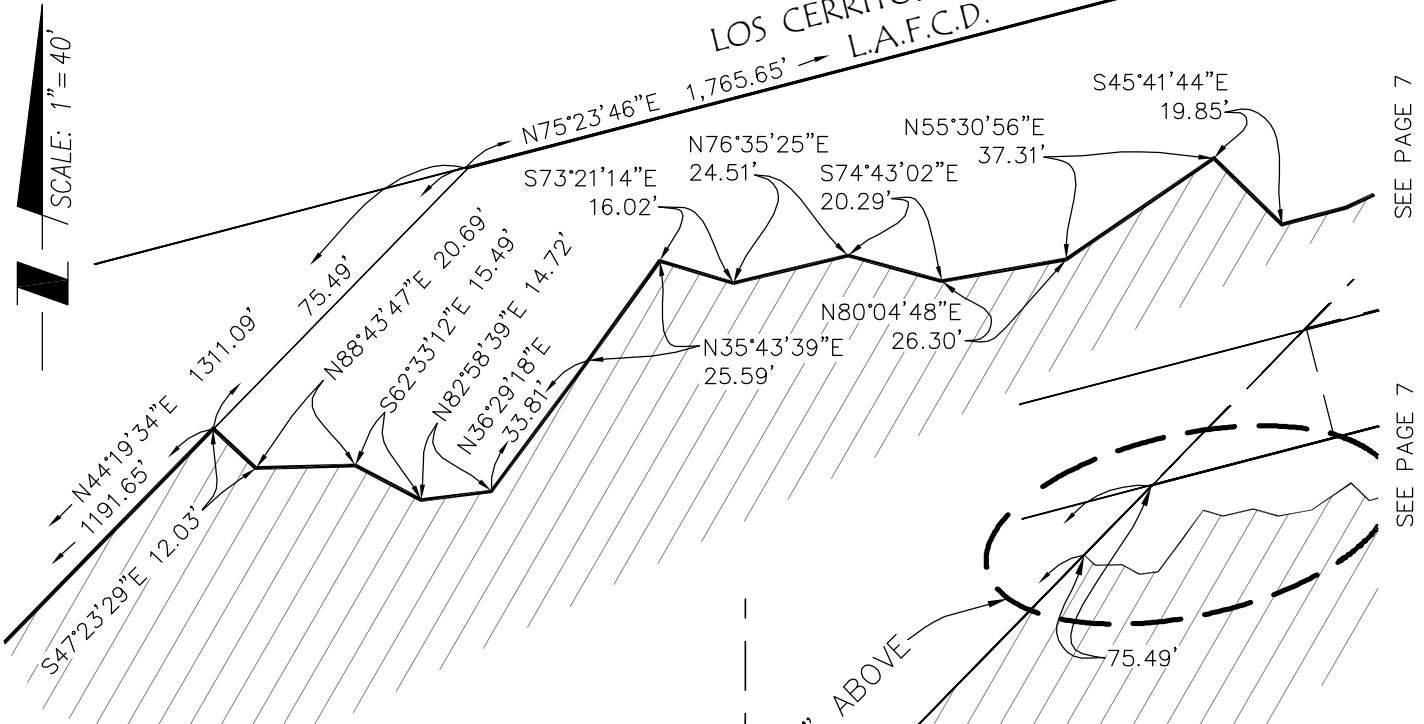


EXHIBIT "B" CONSERVATION EASEMENT

LOS CERRITOS CHANNEL
L.A.F.C.D.



SEE PAGE 7

SEE PAGE 7

DETAIL "B"
SCALE: 1"=40'

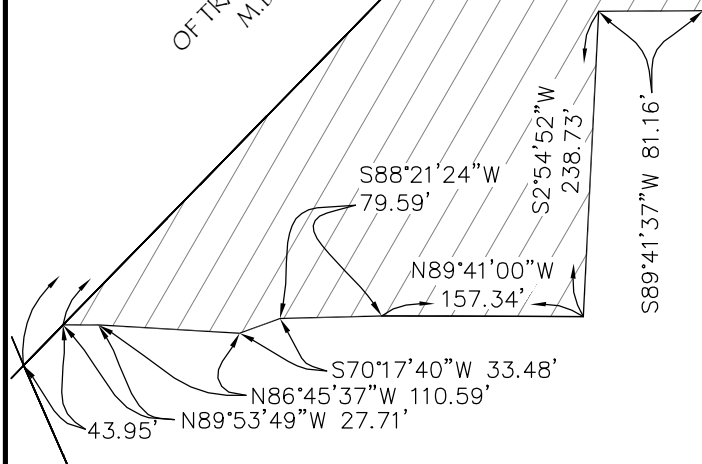
SEE DETAIL "B" ABOVE

R.S. 273/83-85

RANCHO LOS
ALAMITOS
P 1/461

LOTS 3 AND 4
OF TRACT MAP NO. 1779
M.B. 22/25-27

SECTION 3
SECTION 2



SEE PAGE 5

SCALE: 1"=150'

EXHIBIT "B"

CONSERVATION EASEMENT

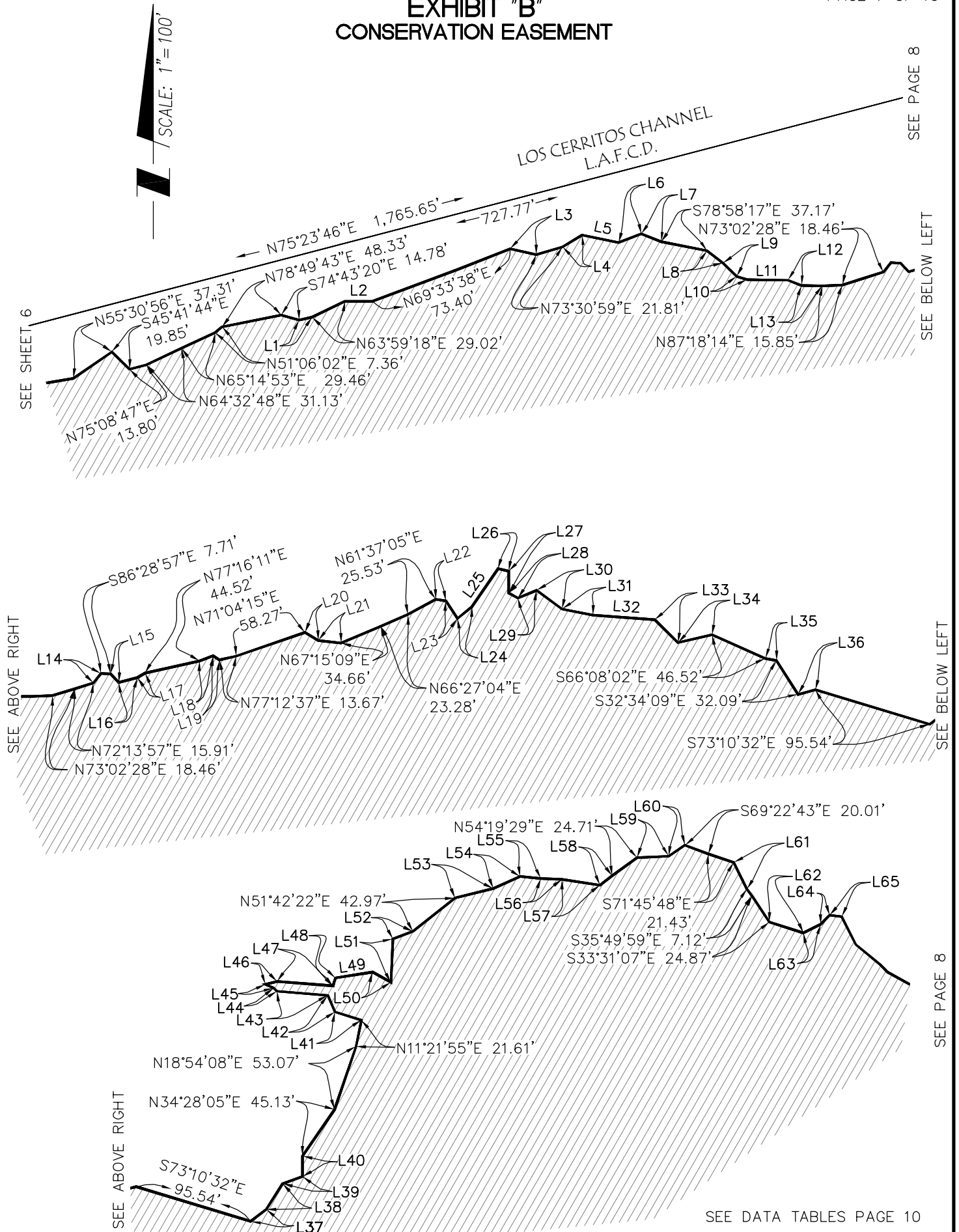


EXHIBIT "B" CONSERVATION EASEMENT

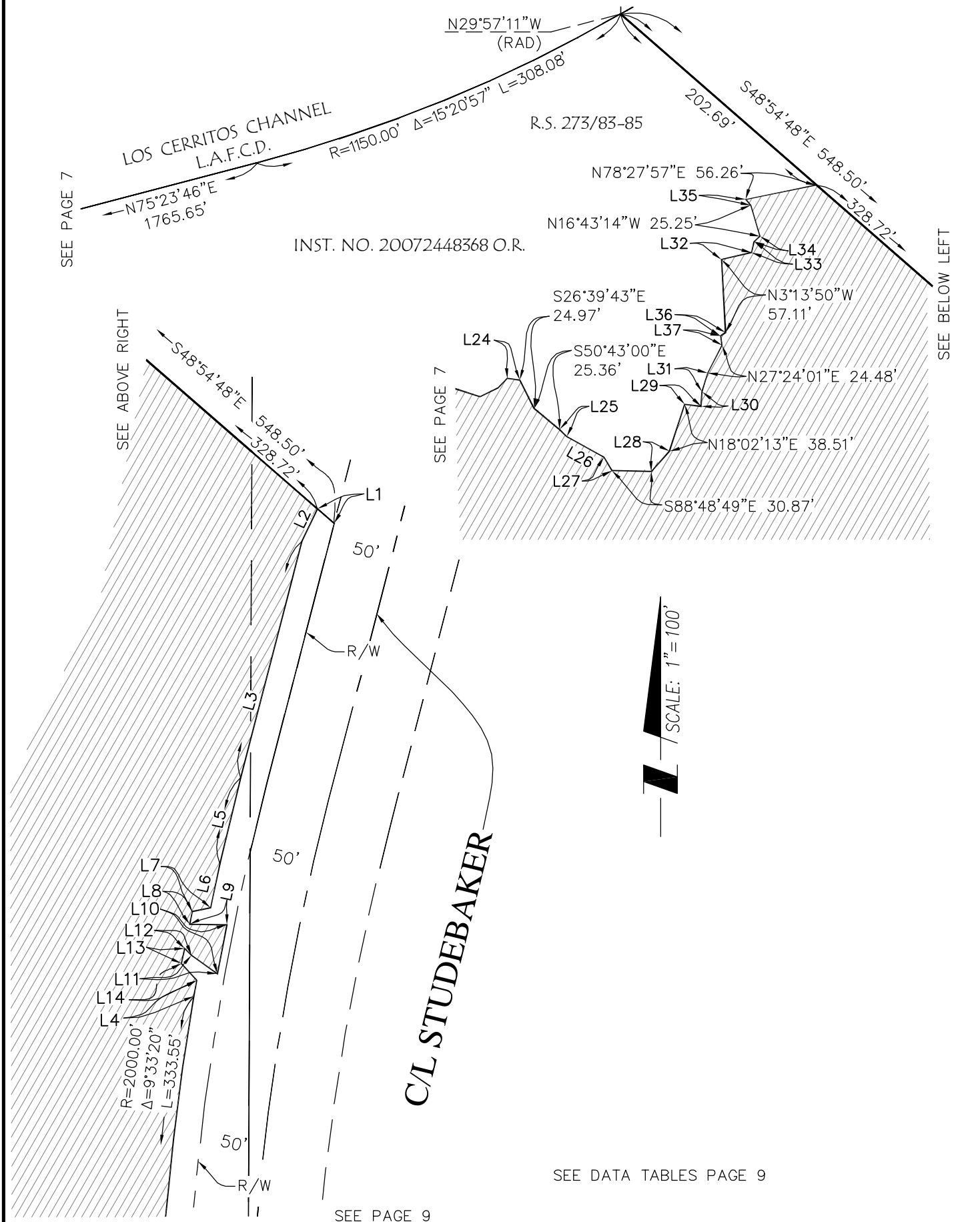
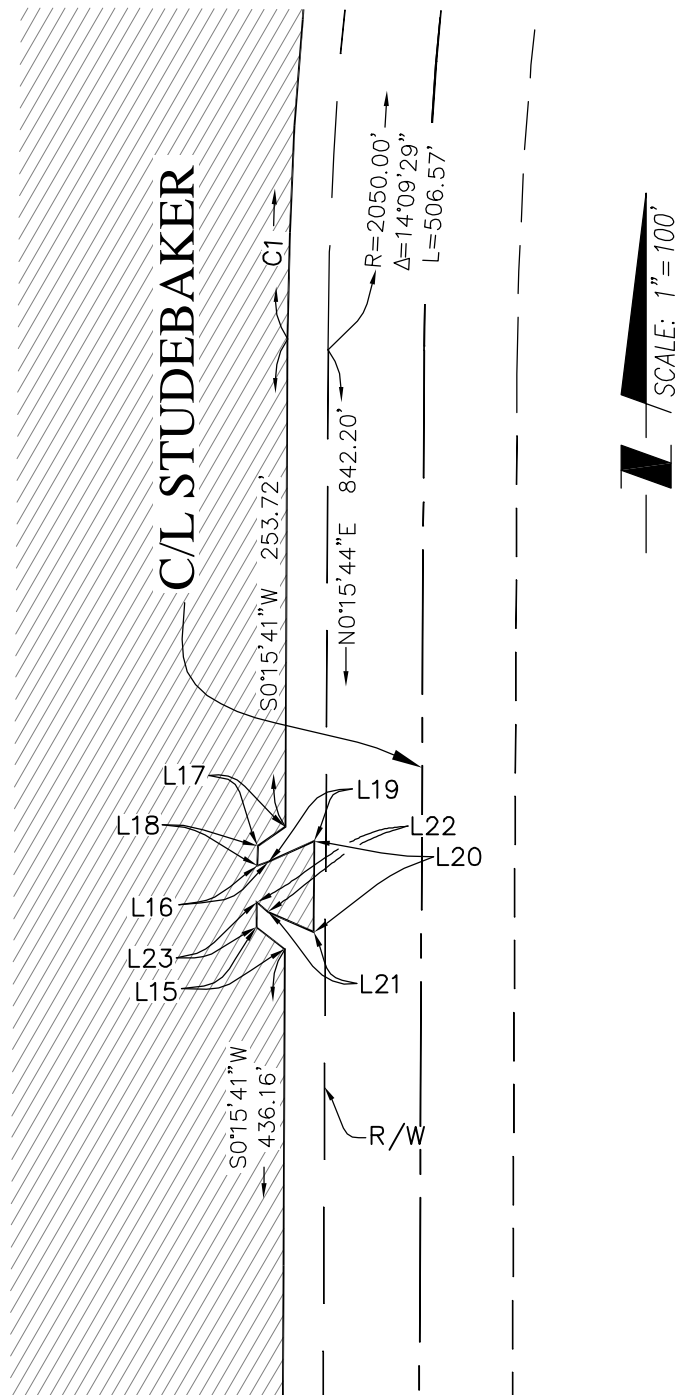


EXHIBIT "B"

CONSERVATION EASEMENT

SEE PAGE 8

CURVE TABLE - SHEET 8 & 9 ONLY			
CURVE	RADIUS	DELTA	LENGTH
C1	2000.00'	9°33'20"	333.55'



SEE PAGE 2

LINE TABLE - SHEET 8 & 9 ONLY		
LINE	BEARING	LENGTH
L1	S48°54'48"E	17.09'
L2	S25°44'47"W	28.06'
L3	S14°29'13"W	190.52'
L4	S9°49'01"W	12.69'
L5	S13°31'29"W	69.55'
L6	S12°04'54"W	34.78'
L7	S78°18'05"W	14.62'
L8	S11°44'59"W	10.05'
L9	S89°19'57"E	29.09'
L10	S10°53'11"W	39.08'
L11	N54°33'08"W	24.85'
L12	N45°30'20"W	7.59'
L13	S11°44'59"W	11.97'
L14	S42°04'30"E	17.81'
L15	S52°29'44"E	18.61'
L16	N70°21'46"E	6.27'
L17	S54°54'10"W	17.63'
L18	S0°51'38"W	10.29'
L19	N65°33'52"E	25.96'
L20	S0°15'39"W	47.32'
L21	N66°20'15"W	25.96'
L22	N49°00'28"W	7.73'
L23	S0°51'38"W	13.11'
L24	S82°45'13"E	9.81'
L25	S44°47'29"E	8.16'
L26	S61°13'05"E	33.21'
L27	S30°19'04"E	12.23'
L28	N41°40'33"E	21.19'
L29	S82°47'36"E	12.89'
L30	N3°45'10"E	11.27'
L31	N16°27'37"E	15.25'
L32	N77°12'01"E	24.12'
L33	N12°57'39"E	8.67'
L34	N47°26'10"E	6.34'
L35	N40°41'33"W	5.91'
L36	N55°35'44"E	4.69'
L37	N8°31'19"W	7.49'

EXHIBIT "B"

CONSERVATION EASEMENT

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L1	S78°09'37"W	10.73'
L2	N89°52'07"E	22.07'
L3	S77°26'08"E	21.49'
L4	N58°51'02"E	18.31'
L5	S78°13'23"E	29.83'
L6	N68°58'10"E	19.50'
L7	S68°18'36"E	17.15'
L8	S52°54'03"E	16.23'
L9	S45°41'23"E	15.39'
L10	S71°52'38"E	8.79'
L11	S89°23'36"E	32.58'
L12	S68°54'36"E	11.52'
L13	S89°05'03"E	16.97'
L14	N38°23'19"E	9.65'
L15	S43°06'49"E	9.35'
L16	N75°28'12"E	15.43'
L17	N60°19'23"E	7.24'
L18	N69°54'08"E	11.68'
L19	S56°05'26"E	5.94'
L20	S59°26'19"E	12.40'
L21	S83°26'52"E	18.25'
L22	S81°58'25"E	8.24'

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L23	S33°05'54"E	16.78'
L24	N51°04'41"E	14.82'
L25	N34°34'15"E	36.87'
L26	S77°42'24"E	8.73'
L27	S0°25'29"W	17.62'
L28	S62°52'56"E	8.50'
L29	N67°19'29"E	16.10'
L30	S53°30'06"E	25.29'
L31	S78°46'16"E	25.11'
L32	S85°45'11"E	49.54'
L33	S45°39'34"E	26.11'
L34	N76°57'58"E	27.85'
L35	S78°53'04"E	9.18'
L36	N74°58'55"E	14.40'
L37	N52°16'18"E	15.68'
L38	N32°36'46"E	24.33'
L39	N70°10'31"E	16.81'
L40	N0°19'45"E	16.37'
L41	N72°42'07"W	21.98'
L42	N23°39'51"W	14.37'
L43	N85°18'41"W	40.78'
L44	N46°43'54"W	3.73'

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L45	N66°15'27"W	7.13'
L46	N74°57'08"E	9.74'
L47	S85°18'41"E	44.79'
L48	N16°22'53"E	6.52'
L49	N80°54'11"E	30.17'
L50	S60°54'44"E	16.78'
L51	N2°22'12"E	34.49'
L52	N68°52'18"E	17.27'
L53	N76°03'55"E	31.36'
L54	N66°01'21"E	23.49'
L55	S84°47'54"E	16.76'
L56	S87°55'49"E	16.83'
L57	S81°09'16"E	30.72'
L58	N52°32'54"E	12.36'
L59	N87°22'26"E	25.23'
L60	N55°28'17"E	15.63'
L61	S26°26'09"E	23.76'
L62	S72°30'00"E	28.41'
L63	N63°55'17"E	15.63'
L64	N44°02'43"E	10.18'
L65	S82°45'13"E	9.81'

Exhibit B

Long-term Management Endowment Amount

Upper Los Cerritos Wetlands Mitigation Bank Long-term Management Endowment

LTMP Element MT = Monitoring Task MgT - Management Task RT = Reporting Task	Task	Specific Description	Unit	# of Units	Cost Per Unit	Freq (Yrs)	Contingency	Admin cost	Total	Annual Cost	Admin Cost (Total)	Admin Cost (Annual)
	Physical Attributes											
MT-C.1	Tidal Range Survey	Deployment, calibration, data collection from water level loggers	Hrs	40	\$ 125	3	10%	10%	\$ 6,050	\$ 2,017	\$ 500	\$ 167
MT-C.1	Equipment	Repair/Replacement	Each	4	\$ 500	5	10%	10%	\$ 2,420	\$ 484	\$ 200	\$ 40
MT-E.1	Water Quality Monitoring	Handheld monitoring labor	Hrs	80	\$ 125	5	10%	10%	\$ 12,100	\$ 2,420	\$ 1,000	\$ 200
MT-E.1	Water Quality Monitoring	Equipment	Each	4	\$ 35	5	10%	10%	\$ 169	\$ 34	\$ 14	\$ 3
MT-C.2	Breach Sediment Level	Topo Survey	Each	1	\$ 5,000	3	10%	10%	\$ 6,050	\$ 2,017	\$ 500	\$ 167
	Biological Surveys											
MT-A.1, B.1, F.2	Plant Ecologist	Vegetation Community Mapping	Hrs	24	\$ 90	3	10%	10%	\$ 2,614	\$ 871	\$ 216	\$ 72
MT-B.1, F.1, H.1, H.2	Resource Monitor	General Surveys	Hrs	8	\$ 90	1	10%	10%	\$ 871	\$ 871	\$ 72	\$ 72
MT-D.1, D.2	Wildlife Biologist	Marine Bird Survey	Hrs	24	\$ 90	3	10%	10%	\$ 2,614	\$ 871	\$ 216	\$ 72
	Habitat Maintenance and Enhancement											
MgT-B-I	Exotic Plant Control*	Herbicide	Gallons	5	\$ 25	1	10%	10%	\$ 151	\$ 151	\$ 13	\$ 13
MgT-B-I	Exotic Plant Control	Herbicide applicator	Hrs	8	\$ 150	1	10%	10%	\$ 1,452	\$ 1,452	\$ 120	\$ 120
MgT-B-I	Exotic Plant Control	Hand Removal/Labor	Hrs	40	\$ 55	1	10%	10%	\$ 2,662	\$ 2,662	\$ 220	\$ 220
	Security, Safety, and Public Access Management											
MT-G.1, MgT G-1	Trash/Debris Removal	Labor	Hrs	100	\$ 60	1	10%	10%	\$ 7,260	\$ 7,260	\$ 600	\$ 600
MgT-F-1	Trail	repair and maintenance	LF	1500	\$ 2	1	10%	10%	\$ 4,229	\$ 4,229	\$ 350	\$ 350
MgT-H-1	Trail and Signage	Maintenance	Hrs	20	\$ 75	1	10%	10%	\$ 1,815	\$ 1,815	\$ 150	\$ 150
MgT-H-1	Signs	Replace signs on property	LS	1	\$ 170	1	10%	10%	\$ 206	\$ 206	\$ 17	\$ 17
MgT-H-1	Gate	Electric	LS	1	\$ 2,500	10	10%	10%	\$ 3,025	\$ 303	\$ 250	\$ 25
MgT-H-1	Gate	Additional Materials	LS	2	\$ 1,500	10	10%	10%	\$ 3,630	\$ 363	\$ 300	\$ 30
MgT-H-1	Fence	Materials	LF	250	\$ 80	5	50%	10%	\$ 33,000	\$ 6,600	\$ 2,000	\$ 400
	Data Management and Reports											
n/a	Annual Work Plan	Plan and PAR Budget	Hrs	10	\$ 150	1	10%	10%	\$ 1,815	\$ 1,815	\$ 150	\$ 150
RT-I	Annual Reports	Summary	Hrs	50	\$ 90	1	10%	10%	\$ 5,445	\$ 5,445	\$ 450	\$ 450
n/a	Project Management	Manage Project and Staff	Hrs	40	\$ 150	1	10%	10%	\$ 7,260	\$ 7,260	\$ 600	\$ 600
n/a	Mileage for site visits and maintenance		miles	200	\$ 0.580	1	10%	10%	\$ 140	\$ 140	\$ 12	\$ 12
MgT-A-1, B-1, C-1, C-2, D-1, E-1, and Section IV	Adaptive Management	n/a	event	n/a	n/a	10	10%	10%	\$ 35,000	\$ 3,500	\$ 2,900	\$ 290
	Total								\$ 139,978			
	Total annual admin costs (included in PAR total)								\$ 4,218			
	Annual Total								\$ 52,786			

*Exotic Plants refer to terrestrial and aquatic species

** SRMA amount is the easement compliance endowment, not long-term management endowment

PAR

\$ 1,508,159.24

Exhibit C

Grantee Duties Endowment Amount

SRMA Upper Los Cerritos Wetlands Mitigation Bank Compliance Monitoring Endowment
68.74 acres

Item	Description	Hours	Rate	Total
	Enforcement/Monitoring	Bi-		
1	Annually	19	100	1900
2	Reporting	6	75	450
3	Process Disbursement Requests	2	75	150
4	legal			350
	accounting (SB 1094 compliance			
5	requirement)			460
6	audit			500
7	third party insurance			250
8	mileage (IRS rate) & tolls			300
9	equipment			250
10	subtotal			4610
11	Contingency (10%)			461
12	subtotal			5071
13	Adm (20%)			1014
14	subtotal			6085
15	Inflation (3% of Items 1-14)			183
16	Total			6268
	Endowment at 3.5%			\$179,086

Footnotes:

- (1) These costs assume that the Owner will be responsible for the long term management
- (2) These costs assume that the Owner will be responsible to construct, maintain, repair and replace any fences, signs and gates.
- (3) These costs assume that SRMA will have no responsibility to construct, maintain, repair or replace any roads or trails.
- (4) These costs do not include additional requirements by regulatory agencies beyond bi-annual monitoring and reporting.
- (5) These costs do not include legal enforcement endowment funds.

Legal Enforcement and Defense Endowment

Legal Enforcement and Defense Endowment shall mean funds in the amount of TEN THOUSAND AND No/100 DOLLARS (\$10,000) to be paid to Endowment Holder for the purpose of funding costs and expenses incurred by SRMA in enforcing the Conservation Easement.

Exhibit D

Endowment Holder certification of California Government Code section 65968(e)



April 15, 2020

To Whom It May Concern

SRMA CERTIFIES THAT:

- (1) SRMA has the capacity to effectively manage the mitigation funds.
- (2) SRMA has the capacity to achieve reasonable rates of return on the investment of those funds similar to those of other prudent investors for endowment funds and shall manage and invest the endowment in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances, consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).
- (3) SRMA utilizes generally accepted accounting practices as promulgated by either of the following:
 - (A) The Financial Accounting Standards Board or any successor entity for nonprofit organizations.
 - (B) The Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5.
- (4) SRMA will be able to ensure that funds are accounted for, and tied to, a specific property.
- (5) SRMA has an investment policy that is consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501). of Division 9 of the Probate Code).

Sincerely,

A handwritten signature in purple ink that reads "Shelli Lamb".

SHELLI LAMB
Chief Executive Officer

Exhibit D-4

Interim Management Plan

INTERIM MANAGEMENT PLAN

I. INTRODUCTION

This Interim Management Plan (IMP) describes management activities including maintenance, monitoring, and reporting at the Upper Los Cerritos Wetlands Mitigation Bank (Bank) during the Interim Management Period. The Interim Management Period begins following submittal of the as-built report and concludes when the Performance Standards have been attained and the endowment fund has been fully funded for three years. The Bank Sponsor, Los Cerritos Wetlands, LLC, will be responsible for financing and carrying out the interim management activities.

The Bank Sponsor will have resource monitors, plant ecologists, and wildlife biologists with appropriate credentials and experience in native habitat restoration (including coastal salt marsh), perform the activities described in this plan. Resource monitors will have training in plant species identification, non-native invasive plant species hand removal, infrastructure (e.g. sheetpile wall, perimeter fencing) inspection, and irrigation system inspection. Plant ecologists will be qualified to identify coastal salt marsh, transitional, and upland plants and map habitats to the vegetation alliance, as well as propose pest control management actions to the Bank Sponsor and the IRT. Wildlife biologists will be qualified to identify bird species, including by guild, as well as perform infaunal, fish, and macro-epifaunal surveys and species identification. Wildlife biologists performing Belding's savannah sparrow surveys will be trained in appropriate survey techniques.

Maintenance actions outlined below are tailored to four areas of the Bank Property: the Steamshovel Slough preservation area, the coastal salt marsh restoration area, the transitional Buffers, and the non-transitional Buffers. The coastal salt marsh restoration areas refer to coastal salt marsh rehabilitation and re-establishment areas, transitional Buffers refer to transitional habitats included within the Buffer credit type, and non-transitional Buffers refer to saltbush/goldenbush and mulefat scrub habitats within the Buffer credit type. Although the transitional and non-transitional Buffers are part of the same credit type, they are monitored and managed separately within this plan due to different habitat needs and requirements. The purposes of the maintenance plan are to ensure 1) the functions of the restoration areas are established as anticipated in the Development Plan, and 2) the baseline condition of Steamshovel Slough is maintained following implementation of the Development Plan.

Monitoring of the Steamshovel Slough preservation area, restored coastal salt marsh, transitional Buffers, and non-transitional Buffers will include qualitative and quantitative monitoring of the status of flora and fauna, as well as monitoring for water quality and physical changes. Performance Standards provided herein are expected to be met within the Interim Management Period, following the completion of installation of plant material for the intended habitat types within the restoration areas.

Exhibits 1 and 2 depict the proposed locations for various types of vegetation and faunal monitoring within Steamshovel Slough preservation area and the restoration areas. Exhibit 3 provides locations for physical and water quality monitoring and Exhibit 4 provides California Rapid Assessment Method (CRAM) assessment and reference standard locations within the Bank Property. Table 1 provides the maintenance schedule and Table 2 provides the monitoring schedule for vegetation, faunal, physical, and water quality monitoring.

II. MAINTENANCE ACTIVITIES DURING THE INTERIM MANAGEMENT PERIOD

A. Site Maintenance

A plant ecologist will supervise and direct all aspects of the revegetation effort including plant procurement, translocation, installation, and maintenance. The plant ecologist will have the experience and knowledge in the proposed wetland and upland habitat restoration to execute the monitoring and management actions of this IMP. All personnel performing maintenance and management tasks will be overseen by the plant ecologist and will be fully informed regarding the restoration activities so they understand the goals of the effort and the maintenance requirements. The plant ecologist will work with these personnel, including resource monitors, wildlife biologists, and laborers to detect any problems at an early state. Potential problems could arise from erosion, vandalism, competition from weeds and invasive species, unacceptable levels of disease and predation, and irrigation.

B. General Maintenance Tasks and Duties

Qualified personnel, overseen by the plant ecologist, will perform the following tasks and general maintenance duties during the maintenance period:

1) Plant inspection

For a period of 120 days following completion of plant installation, a plant ecologist will inspect the site twice monthly, once at high tide and once at low tide,¹ to note and document the condition of plantings at high and low tide and identify any efforts necessary to ensure the health and survival of the plant material. Following the 120-day establishment period, site inspections will occur on a monthly basis for the remainder of Year 1 and Year 2. Beginning in Year 3, inspections will occur on a quarterly basis.

2) Weed control

The Bank Property contains a host of non-native species, with ratings of "high" or "moderate" level of invasiveness by the California Invasive Plant Council (Cal-IPC). Target species including ornamental trees, Pampas grass, iceplant mats, fields of London rocket, five horn smotherweed, tocalote, sweet clover, and non-native grasses that primarily occur in the uplands in the proposed trail location along Studebaker Road and on the berm separating Steamshovel Slough from the southern portion of the Bank Property.

All undesirable exotic plants will be eradicated either during initial site grading or prior to site preparation. If grading precedes planting by more than a few months in these areas, it will be necessary to eradicate all undesirable exotic plants that have become established prior to planting and seeding, though it is expected that introduction of tidal water will result in the elimination of many of the non-native weeds that would otherwise infest the site. If deemed necessary by the plant ecologist, a "grow-and-kill" cycle will be established during that period. The grow-and-kill operation will begin immediately after irrigation installation

¹ National Oceanic and Atmospheric Administration (NOAA) tide charts will be consulted to determine site visit times during high and low tides.

in the high marsh transitional and non-transitional Buffer areas. In areas subject to tidal exchange, weed abatement will occur at low tide; the shallow subtidal habitats of Steamshovel Slough are wadable at low tide.

After plantings, the coastal salt marsh restoration area, as well as the transitional and non-transitional Buffer areas will be inspected regularly for weeds and, as necessary, eradication actions will be implemented. These inspections will occur at least monthly for the first year of this interim management period, monthly during Years 2 and 3, and quarterly in the remaining years. In addition, any "moderate" or "high" non-native invasive species identified and mapped during the qualitative site visit (see Section III.A.) will be reported for eradication.

The initial eradication of pest plants shall be performed by hand, by herbicides (upland areas only), or by other methods approved by the plant ecologist. The type, quantity, and method of herbicide application will be determined by a California licensed Pest Control Advisor (PCA) who will inspect the site, write project recommendations and submit same to the plant ecologist for approval. Herbicide recommendations shall include, but are not limited to, the type of chemical to be used, rates of application, methods of application, and areas to be treated. Herbicides will not be used in the Steamshovel Slough in order to avoid incidental overspray of native plant species.

A licensed Pest Control Operator (PCO) may work under the supervision of the PCA who will employ best management practices regarding the timing, quantity, and type of herbicide for each species. At no time shall pre-emergent herbicides be used. The PCO will be trained in coastal salt marsh, transitional, and upland plant species identification to ensure accurate removal of only non-native invasive plant species. The PCA will determine both immediate and follow-up herbicide application for each species. The PCA shall notify the plant ecologist at least 24 hours prior to each application of herbicide and shall indicate the hours of application.

Herbicides, which will be used only in Buffer areas, shall be mixed in accordance with the instructions provided on the applicable registered label. Prior to mixing any herbicide, a copy of the registered label for the chemical to be mixed shall be given to the plant ecologist, or when such copy is unavailable, the plant ecologist shall be permitted to read the label on the container.

Herbicides for weed control shall be applied with a photosensitive dye that will produce a contrasting color when sprayed upon the ground. The color shall disappear between 2 and 3 days after being applied. The dye shall not stain any surfaces nor injure plant or animal life when applied at the manufacturer's recommended application rate.

Where control of non-native vegetation is required and the use of herbicides is necessary, and there is a possibility that the herbicides will contact water, the PCA shall recommend only those herbicides that are approved for aquatic use. If surfactants are required, they shall be restricted to non-ionic chemicals that are approved for aquatic use.

Herbicides shall not be applied when weather conditions, including wind conditions, are unsuitable for such work. Wind velocities shall not exceed five miles per hour during application of herbicides. No herbicides shall be used on native vegetation.

3) Trash and debris removal

The Steamshovel Slough is inundated daily by tidal waters that may carry trash and debris of human origin conveyed through the Los Cerritos Channel. Removal of trash and floating debris will be a main focus of maintenance within the coastal salt marshes of the Bank Property. All areas of the Bank Property shall be kept clean and free of litter, trash, and debris, and all trash will be removed from the Bank Property and disposed of off-site as permitted by law. Surveys for trash will occur monthly. Small accumulations, or isolated occurrences of trash should be removed by surveyor when observed. Removal of larger accumulations of trash should be organized monthly to maintain the site free of trash.

Trash removal activities will be coordinated with the plant ecologist and ornithologist to ensure that impact to plantings will be avoided and that nesting birds are not disturbed. Driftwood and other natural woody debris shall be left in place in the revegetation areas.

4) Irrigation water volume and frequency (transitional and non-transitional Buffers)

A plant ecologist will ensure sufficient irrigation water to adequately establish new plant materials within the high marsh, transitional and non-transitional Buffers, and germinate and establish the applied seed. The Bank Sponsor will have the irrigation system field-designed with the plant ecologist as part of site preparation. After the initial plant establishment period, water will be applied infrequently and only as required to prevent the mortality of plants and seedlings. The irrigation methods employed will attempt to mimic wet rainfall years by incorporating evenly spaced, infrequent, deep applications of water to encourage deep root growth. Soil will dry down to approximately 50- to 60-percent of field capacity (in the top six or 10 inches after germination and during seedling establishment) before the next irrigation cycle. Wetting of the full root zone and drying of the soil between irrigation events is essential to the maintenance of the plants and the promotion of a deep root zone that will support the vegetation in the years after establishment. High marsh, transitional Buffer, and non-transitional Buffer areas will be supported by the short-term automatic irrigation system as well as rainfall. The container stock in these areas will be irrigated as long as necessary to establish the root systems in the native soils, but for no longer than three years following installation. The critical period for irrigation is during the first winter and early spring following planting. Systems may need to be on for as-long-as six to eight hours at a time to get complete water penetration to the lower soil horizons to encourage deep root growth. A soil probe or shovel shall be used to examine soil moisture and rooting depth directly.

Since the plant ecologist will be conducting plant inspections twice monthly for the first 120 days, the irrigation schedule, frequency, and duration will be determined during this time. Adjustments to the irrigation schedule, frequency, and duration may be made continually during the first two to three years depending on seasonal rainfall variations. Therefore, a schedule for irrigation will be provided as part of the as-built report, with any adjustments to it documented in subsequent annual reports. Vegetation within the Bank Property must be sustained for at least two years without artificial irrigation.

5) General maintenance of irrigation system (as applicable)

The irrigation system will be inspected twice monthly for the first 120 days during the plant inspections. Afterwards, the irrigation system will be inspected at least monthly during qualitative site surveys (Section III.A). Any issues will be reported immediately to the resource monitor to be addressed as soon as

possible. The resource monitor will conduct regular maintenance and repair of all aspects of the irrigation system. Poorly functioning or non-functioning parts shall be repaired and/or replaced immediately so-as-to not endanger the plantings and to limit encroachment of Argentine ants (*Linepithema humile*) into the restoration site. General system checks shall be conducted no less than weekly for the first month after installation to assure the system is functioning correctly, and monthly thereafter, except during periods when the irrigation system is not in operation as recommended by the plant ecologist. The Bank Sponsor will repair any erosion or slippage of soil caused by inadequate maintenance or operation of irrigation facilities.

6) Pest control (as necessary and only as directed by the Restoration Ecologist)

Plants will be monitored for signs of disease and insect and/or predator damage, and treated as necessary. The plant ecologist may recommend pruning of badly damaged plants to prevent spreading of the pestilence or replaced in kind if removed. Excessive foraging by predators is not expected, but could necessitate protective screening around plants. The plant ecologist will be consulted on any pest control measures to be implemented.

The use of chemical pesticides will be strictly prohibited within the Bank Property. Pesticides shall include but shall not be limited to insecticides, fungicides, rodenticides, germicides, nematocides, bactericides, inhibitors, fumigants, defoliants, desiccants, and soil sterilants. Any substance or mixture of substances intended for preventing, repelling, mitigating, or destroying insects, diseases, rodents, or nematodes and any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant shall be considered a pesticide.

7) Plant replacement (as required)

The plant ecologist may recommend to the Bank Sponsor replacement of dead/dying plants with appropriate species, size, and spacing as specified for the plants being replaced. If purchased, replacement plants shall be purchased from inventory at the same native plant nursery as were the contract-grown plant stock. If collected from onsite sources, the plant ecologist, at his/her discretion, may make recommendations to the Bank Sponsor in terms of location of donor plants and method and timing of procurement. A determination that replacement plants are needed will be informed by overall performance such as recruitment, total cover, and species diversity such that mortality of some container stock may not trigger the need for replacement, for example if recruitment of native saltmarsh species compensates for the lost container stock.

Any areas where inadequate seed establishment has taken place will be reseeded on an annual basis between November 1st and March 31st to take advantage of the winter rainy season. These areas shall be reseeded with site appropriate species as recommended by the plant ecologist and other remedial measures may be implemented based on-site specific conditions. Deviations from the original plant palette or source location will be approved by the Signatory Agencies, in coordination with the IRT. Plants will not be replaced within the Bank Property during the last two years of the Interim Management Period (i.e., at termination of artificial irrigation). Plant replacement during the first three years may require extension of the monitoring period, as determined on a case by case basis by the Signatory Agencies, in coordination with the other IRT members.

8. Infrastructure Monitoring – Sheetpile Wall, Tidal Flap Gates, Perimeter Fencing and Trail

The sheetpile wall and tidal flap gates constructed as part of the Bank Development Plan, and the fencing around the perimeter of the Property, will be maintained solely by Synergy Oil and Gas, LLC, as documented in the covenant between Synergy and the Bank Sponsor (Exhibit K-5). The purpose of the sheetpile wall is to prevent tidal water from entering the oil operations area and to prevent oil operations-related contaminants from entering the Bank Property. The purpose of the tidal flap gates is to maintain existing tidal exchange into areas immediately south of the Bank Property, where muted coastal salt marsh habitats or mudflats have established. As it is not the intent of the Bank to cut off tidal exchange to any areas, two connection flap gates will be installed as part of the Bank Development Plan and will be constructed as part of the sheetpile wall. Once oil operations have ceased and oil infrastructure has been fully abandoned and the area remediated, the sheetpile wall and tidal flap gates will be removed by Synergy Oil and Gas, LLC. Oil operations will cease and the sheetpile wall and flap gates will be removed prior to the Termination of Oil Operations Date.² Upon the Termination of Oil Operations Date, responsibility for maintaining, repairing, and replacing the chain link fence will transfer to the Property Owner.

Because Synergy holds sole responsibility for the maintenance of the sheetpile wall and tidal flap gates, the cost for sheetpile wall and tidal flap gate maintenance is not included in this IMP or Interim Management Analysis and Schedule (Exhibit D-1 of the BEI). However, the sheetpile wall and tidal flaps will be inspected by the resource monitor as part of the qualitative monitoring of the Bank Property, as described in section III.A. below. Any issues limiting tidal exchange through the tidal flap gates or evidence of erosion or damage, which could reduce the effectiveness of the sheetpile wall, identified during the qualitative survey will be reported immediately to Synergy Oil and Gas, LLC and the IRT. Synergy Oil and Gas, LLC will be required to respond to and manage any reported deficiencies according to the terms of the covenant.

Similarly, maintenance and monitoring of the existing chain-link fence around the Property, and of the gate in the southern portion of the Property, which provides selective access to the trail, will be the responsibility of Synergy Oil and Gas, LLC during the Interim Management Period. However, the resource monitor will also evaluate the fence during the qualitative monitoring and Performance Standard monitoring and management (as described below), and any issues detected will be immediately reported to Synergy Oil and Gas, LLC, who will be responsible for repairing or replacing any issues as described in the covenant.

The trail will also be maintained by the resource monitor. It will be used by the public, on an exclusively docent-led-basis, from dawn to dusk, and no dogs will be allowed. Signs will be installed by the Bank Sponsor to inform the public of appropriate trail use. Given that access is gated and will be overseen, maintenance needs are expected to be relatively minor. Maintenance needs could include actions such as material replacement and trail boundary stabilization.

² The Termination of Oil Operations Date is the 20th anniversary from the date the City of Long Beach issues a certificate of occupancy for a new office building on the property located at 7001 E. Pacific Coast Highway, Long Beach, California commonly referred to as the "Pumpkin Patch Site."

C. Maintenance Schedule

The maintenance and monitoring activities will begin immediately following the construction process and continue for a minimum of five years following the completion of plant installation. Table 1 below indicates the maintenance schedule of tasks to perform on a monthly, quarterly, or annual basis.

TABLE 1 MAINTENANCE SCHEDULE					
Maintenance Task	Year				
	1	2	3	4	5
Plant Inspection	Twice monthly for the first 120 days, monthly thereafter	Monthly	Quarterly	Quarterly	Quarterly
Weed Control	Minimum of Monthly	Monthly	Monthly	Quarterly	Quarterly
Trash and Debris Removal	Monthly	Monthly	Monthly	Monthly	Monthly
Irrigation System Inspection (transitional and non-transitional Buffer areas)	Twice monthly for the first 120 days, monthly thereafter	Monthly	Monthly	N/A	N/A
Pest Control (if necessary)	As directed by Restoration Ecologist	As directed by Restoration Ecologist	As directed by Restoration Ecologist	As directed by Restoration Ecologist	As directed by Restoration Ecologist
Plant Replacement/Seeding (if necessary)	As directed by Restoration Ecologist and approved by the Signatory Agencies in coordination with other IRT members.	As directed by Restoration Ecologist and approved by the Signatory Agencies in coordination with other IRT members.	As directed by Restoration Ecologist and approved by the Signatory Agencies in coordination with other IRT members.	N/A	N/A

D. Responsible Parties

The Bank Sponsor will be responsible for financing and carrying out the maintenance and management activities during the Interim Management Period.

III. MONITORING PLAN DURING INTERIM MANAGEMENT PERIOD

The primary objective of this monitoring plan is to ensure the success of the Steamshovel Slough preservation area, coastal salt marsh restoration areas, and associated transitional and non-transitional Buffer habitats within the Bank Property. During the Interim Management Period, maintenance and monitoring will occur of the progress of Steamshovel Slough preservation, coastal salt marsh restoration, and Buffer habitat areas. This monitoring plan provides a set of biological and physical metrics to assess the development of the intended habitats.

The monitoring plan consists of both qualitative and quantitative measurement of performance indicators and the assessment of these indicators relative to established Performance Standards and reference sites, as applicable. The Bank Sponsor will have a qualified plant ecologist, wildlife biologist or resource monitor, with appropriate credentials and experience in native habitat restoration, perform monitoring tasks as appropriate. Continuity of monitoring personnel and methodology shall be maintained insofar as possible to ensure consistency of assessments.

Exhibits 1 and 2 depict the proposed locations for various types of vegetation and faunal monitoring within the Steamshovel Slough preservation area and restoration areas. Exhibit 3 provides locations for physical and water quality monitoring and Exhibit 4 provides CRAM assessment and reference standard locations within the Bank Property.

A. Qualitative Monitoring

A resource monitor will conduct qualitative monitoring surveys on a monthly basis for the first year and quarterly thereafter for the remainder of the Interim Management Period. Qualitative surveys will consist of a general site walkover to evaluate habitat characterization and note general observations, such as fitness and health of the planted species, pest problems, weed establishment, mortality, habitat conversion, natural recruitment and observations on wildlife use, and presence of special-status species such as Belding's savannah sparrow. This qualitative survey will also evaluate the integrity and functioning of the irrigation system, tidal flaps, the sheetpile wall, and the perimeter fence. A summary of the qualitative surveys will be included in each year's annual report and will include any mortality and other problems such as insect damage, weed infestation, accretion and erosion within tidal channels and inlets, and wildlife use. The resource monitor will assess remedial measures necessary to facilitate compliance with Performance Standards. All remedial measures will be undertaken in accordance with Section VIII.F of the Bank Enabling Instrument and will be referenced in the annual monitoring report to the IRT.

1. Early Detection Rapid Response

Early Detection Rapid Response (EDRR) is a management approach focused on early identification of newly introduced invasive plant populations into a region, or a specific site where the invasive species did not previously exist. Implementation of an EDRR program will enable identification and prompt removal of invasive species that may not currently occur onsite but may have been noted within the region by natural resource managers and biologists or are considered an “alert” species by Cal-IPC.

As a part of routine qualitative monitoring visits, the resource monitor will perform a thorough walk through of the Steamshovel Slough preservation area and the newly restored coastal salt marsh at low tide, to identify potential new occurrences of a) non-native invasive species known to occur in the region including smooth cordgrass, Canarian sea lavender (*Limonium perezii*), brass buttons (*Cotula coronopifolia*), etc., and b) new invasive species such as stinknet (*Oncosiphon piluliferum*) and stinkwort, (*Dittirichia graveolens*) that have not previously existed in the region, or have been observed outside their known range. The resource monitor will review priority detection, or “alert” species, as listed on the Cal-IPC and CalWeedMapper websites for new potential invasive species in the region. Upon detection, the resource monitor will document the finding and make recommendations to the Bank Sponsor for immediate eradication. The plant ecologist will consult with the resource monitor to coordinate weed management actions, based on the results of all relevant surveys, including the qualitative surveys, weed control surveys, and plant inspection surveys.

2. Photo-Documentation

Permanent stations for photo-documentation will be established prior to or during the first qualitative monitoring event. Photographs shall be taken quarterly during qualitative monitoring surveys and annually during the qualitative monitoring survey described above (Section III.A) from the same photo-point and in the same compass direction. Photographs will include date, GPS coordinates, compass bearing, and a description of location and subject. Photographs shall reflect material discussed in the annual monitoring report.

B. Reference Standard Area

Steamshovel Slough – Vegetation and Faunal Reference for Steamshovel Slough Preservation Area and Coastal Salt Marsh Restoration Areas

Glenn Lukos Associates performed vegetation surveys in Steamshovel Slough in March 2015 and November 2019 to determine baseline vegetation within the existing coastal salt marsh. The 2019 survey collected baseline data in the low, mid, and upper marsh, while the 2015 survey collected baseline data only in the mid and upper marsh. This baseline vegetation data, as well as data from the CRAM analyses performed, will be used to monitor potential vegetation changes in the Steamshovel Slough preservation area over time, and evaluate the vegetative progress of the restored coastal salt marsh habitats. In addition, baseline faunal species diversity in the Steamshovel Slough will also be used as a reference for comparison with the coastal salt marsh restoration areas.

C. Performance Standards

1. Plant Community Monitoring Approach and Performance Standards

Progress of the Steamshovel Slough preservation area, the coastal salt marsh restoration area, and the transitional Buffer area will be measured through assessment of dominance of native hydrophytes, native

plant species richness, and percent cover by native and non-native plant species, with thresholds set forth on percent cover by non-native and invasive species. Progress of non-transitional Buffer habitats will be measured through assessing native plant species richness, as well as native and non-native plant species cover. Approximate vegetation monitoring locations are shown on Exhibit 1; however, the exact transect locations in the restoration areas will be decided upon, in consultation with the IRT, following restoration and submittal of the as-builts. Monitoring will occur annually during low tide in the spring season; the shallow subtidal habitats of Steamshovel Slough are wadable at low tide.

Vegetation Sampling Methods for Coastal Salt Marshes and Transitional Buffer Habitats

Percent vegetative cover will be measured by using one-meter quadrats that will be placed along 50-meter and 100-meter transects³ within representative areas on a 200-foot monitoring grid overlaid on both the Steamshovel Slough preservation area, the coastal salt marsh restoration areas, and the transitional Buffers. Transects will be placed perpendicular to the margins of the Steamshovel Slough and reestablishment areas as shown on Exhibit 1 – Vegetation Monitoring. Monitoring locations within the Steamshovel Slough will also include areas on each side of the berm breaches, and will be representative of low, mid, and high marsh elevations. Transects are located such that they will not cover mudflats or open water marsh zones so as to allow for appropriate calculation of vegetative cover. As described above, the exact transect locations may be adjusted following submittal of the as-builts, with IRT approval.

Transect locations will be marked using PVC pipe and a measuring tape will be located as shown on Exhibit 1. Quadrats will be placed on the centerline of each transect at equal intervals such that quadrat locations will be the same each year. Quadrats will be placed every 10 meters along each transect within the Steamshovel Slough and at every 5 meters along each transect in the coastal salt marsh restoration and transitional Buffer areas to ensure representative sampling points for the preservation and restoration areas. Vegetative cover will be visually estimated within each quadrat for each species detected and recorded on a data sheet. Species observed during the sampling that do not fall within a quadrat will be recorded and included on the list of species for the reestablishment and preservation sites.

The transect locations as depicted (excluding those in Steamshovel Slough) may require minor adjustments in the field to reflect the as-built grade/elevations of the reestablishment areas. Any proposed adjustments to monitoring locations will be provided to the IRT in the as-built report such that any further adjustments that may be required would be made prior to the first scheduled annual monitoring.

Sampling Method for the Non-transitional Buffer Areas

Due to the larger stature of the vegetation expected to establish in the non-transitional Buffers, quadrat monitoring will not be practical. Therefore, percent vegetative cover in the non-transitional Buffer areas will be measured using the point-intercept sampling method on two 50-meter long transects per acre. The transects will be randomly located for the first sampling event and permanently marked in the field to ensure consistency in subsequent years. At each 0.5-meter interval along each transect (beginning at the 50-cm mark and ending at 50-meter), a point is projected vertically into the vegetation. Each plant species intercepted by a point is recorded, providing a tally of hits for each species in the herbaceous, shrub, and tree canopies, making it possible to record more than 100 hits in any 50-meter transect. Percent cover for

³ The different length of transects is to accommodate placement in irregularly shaped or narrower restoration areas.

each species, within each vegetation layer (herb, shrub, and tree) can be calculated from these data. A list of all additional species along the transect is subsequently made.

a) Dominance of Native Hydrophytes⁴

The USACE Uniform Performance Standard (UPS)⁵ defines hydrophytes as Obligate (OBL) or Facultative Wet (FACW) in terms of frequency of occurrence in USACE's defined wetlands.

The Steamshovel Slough reference standard baseline data in 2015 and 2019 indicated 91-percent⁶ dominance of native hydrophytes in the assessment areas in mid-marsh elevations.

Steamshovel Slough Preservation Areas

The Steamshovel Slough will be preserved and baseline conditions are expected to remain stable. Therefore, the Performance Standard for dominance of native hydrophytes within Steamshovel Slough preservation area will be 91-percent. This represents 100-percent of the reference standard baseline data, which would result in 91-percent of the species comprising native cover for each of the five years during the Interim Management Period.

Coastal Salt Marsh Restoration Areas

It is anticipated that the restoration areas of the Bank Property will exhibit similar dominance of native hydrophytes to Steamshovel Slough. Therefore, the annual Performance Standard for dominance of native hydrophytes within the restoration areas will be 95 percent of the reference standard baseline data, which would result in 86-percent of the species comprising native cover for each of the five years during the Interim Management Period.

The UPS targets greater than or equal to 75-percent of the reference standard; however, because the coastal salt marsh restoration areas will be tidally influenced, it is expected that only hydrophytes will be present.

Transitional Buffer Areas

No reference data were collected for transitional habitat Buffer areas. In this instance, the UPS⁷ requires at least 50-percent dominance by native hydrophytes as the annual Performance Standard. This standard will be applied for each of the five years during the Interim Management Period. This is a reasonable standard for transitional habitat areas as they will not be inundated, and therefore the potential for FAC, FACU, and UPL species to be present increases.

⁴ UPS Code: Flora-27

⁵ Uniform Performance Standards (UPS) are observable or measurable physical (including hydrological), chemical and/or biological attributes that are used to determine if a compensatory mitigation project meets its objectives. The performance standards used in this Interim Management Plan are relative to the baseline standards. The USACE UPS is provided to demonstrate that the performance standards for this Bank is higher than the UPS.

⁶ UPS requires OBL or FACW only for this criterion. FAC indicators such as saltgrass are not considered hydrophytes per the UPS (even though they have federal standing as a wetland species when delineating USACE wetlands).

⁷ UPS Code: Flora-27

Non-transitional Buffer Areas

This Performance Standard for the Dominance of Native Hydrophytes does not apply to non-transitional Buffer areas.

b) Native Plant Coverage⁸

The Steamshovel Slough reference baseline data⁹ indicated 95-percent cover in 2015 by native species in mid to high marsh elevations and 91-percent cover in 2019 by native species in low, mid, and high marsh elevations. Baseline data was not collected in low marsh areas in 2015.

Steamshovel Slough Preservation Areas

The Steamshovel Slough will be preserved and no change is expected to baseline conditions. The Performance Standard for native plant coverage within Steamshovel Slough preservation area will be $\geq 91\%$. This represents 100% of the reference baseline data from 2019, which was based on sampling from transects in 60 separate quadrats on 10 individual transects at different low, mid, and high marsh elevations and is more representative of the entire Steamshovel Slough as compared to the data collected in 2015, which was taken only in mid to high marsh areas.

The monitoring locations for the Interim Management Period are placed in the same locations as where the baseline 2019 data was taken, which is along transects in 60 separate quadrats on 10 individual transects at different low, mid, and high marsh elevations.

Coastal Salt Marsh Restoration Areas

The proposed monitoring locations within the coastal salt marsh restoration areas are located across a range of elevations and will capture some low marsh areas and mudflats. As such, the final Performance Standard for percent cover of native plant species across all strata will be $\geq 86\%$. This represents 95-percent of the reference standard baseline data from 2019 of 91-percent.

Transitional Buffer Areas

No reference data were collected for transitional Buffer habitat areas; however, it is expected that native cover in these areas will be high and similar to the cover by native species recorded in the Steamshovel Slough. Therefore, Performance Standards for native plant coverage within the transitional Buffer areas will be the same as the reference standard baseline data at Steamshovel Slough, which would result in 91-percent in the fifth year.

Non-transitional Buffer Areas

The non-transitional Buffers will have a minimum of 80-percent native shrub cover in the fifth year.

⁸ UPS Code: Flora-28

⁹ Glenn Lukos Associates March 2015 and November 2019 baseline vegetation data from tidal marsh areas within the Steamshovel Slough.

c) Non-Native Plant Coverage¹⁰

Control of non-native and invasive¹¹ species, as rated “High” risk by Cal-IPC, and early detection of new invasive species that may become introduced to the region will be a focus of the monitoring plan. Percent cover targets represent relative cover targets.

Steamshovel Slough Preservation Areas

The Steamshovel Slough reference baseline data¹² indicated less than 1-percent cover by non-native and invasive species in mid to high marsh elevations and less than 2-percent cover by non-native and invasive species in low, mid, and high marsh elevations. The Steamshovel Slough will be preserved and no change is expected to baseline conditions. The Performance Standards for non-native plant coverage within Steamshovel Slough preservation area will be less than 2-percent and 0-percent for invasive species for each of the five years during the Interim Management Period. This represents 100-percent of the reference baseline data from 2019, which was based on sampling from transects in 60 separate quadrats on 10 individual transects at different low, mid, and high marsh elevations and is more representative of the entire Steamshovel Slough as compared to the data collected in 2015, which was only taken in mid to high marsh areas.

Coastal Salt Marsh Restoration Areas

Non-native plant cover for combined strata will be less than 5-percent, and 0-percent invasive species absolute cover for each year of monitoring.

Transitional Buffer Areas

Excluding graminoid species, non-native plant cover for transitional Buffer areas will be less than 5-percent, and 0-percent invasive species absolute cover for each year of monitoring. Graminoid invasive species will not exceed 10-percent cover.

Non-transitional Buffer Areas

Non-native plant cover for non-transitional Buffer areas will be less than 5-percent, and 0-percent invasive species absolute cover for each year of monitoring. Graminoid invasive species will not exceed 10-percent cover.

¹⁰ UPS Code: Flora-29

¹¹ As rated by Cal-IPC as “high” level of invasiveness.

¹² Glenn Lukos Associates March 2015 and November 2019 baseline vegetation data from tidal marsh areas within the Steamshovel Slough.

d) Plant Species Richness

The Steamshovel Slough reference baseline data taken in 2015 and 2019 indicated 11 native species in the composition. Plant species composition and diversity is expected to stay stable within the Steamshovel Slough.

Steamshovel Slough Preservation Areas

The Performance Standard for plant species richness within Steamshovel Slough preservation area will be 11 native species. This represents 100-percent of the reference baseline data.

Coastal Salt Marsh Restoration Areas

Species richness is expected to develop and increase over time and will be measured in the third and fifth years of the five-year monitoring period. The third-year Performance Standard will be 75-percent of reference (8 species) and the fifth-year Performance Standard will be 90-percent species diversity (10 species) as compared to reference standard sites.

Transitional Buffer Areas

No reference data were collected for transitional Buffer areas. Therefore, the Performance Standard is 80-percent of the diversity of the plant palette. With 10 species represented in the plant palette, the Performance Standard requires eight species to be represented each year.

Non-transitional Buffer Areas

No reference data were collected for non-transitional Buffer areas. Therefore, the Performance Standard is 80-percent of the diversity of the plant palette. With 20 species represented in the plant palette, the Performance Standard requires 16 species to be represented each year. No one species will comprise more than 40-percent of the total native vegetation cover.

e) Wetland Delineation

In Years 3 and 5 a wetland delineation will be conducted to detect any conversion of habitats between mudflat, marsh, subtidal and upland areas. The performance standard is that each area (Steamshovel Slough Preservation, Coastal Salt Marsh Restoration, Transitional Buffer and Non-transitional Buffer) will be within 10% of the as-built condition. The wetland delineation will be performed by the plant ecologist.

2. Faunal Performance Standards

Prior to Bank construction, baseline data will be collected within Steamshovel Slough for each faunal metric, using the methods and frequency described below. The Bank Sponsor will collect baseline data over a two year period (in the fall 2020, winter 2021, fall 2021, and winter or spring 2022). Construction is planned to begin in 2022. The baseline data will be used as the reference standard for Steamshovel Slough preservation area and the coastal salt marsh restoration areas [Exhibit 2 – Faunal Monitoring]. Faunal Performance Standards apply only to the Steamshovel Slough preservation area and the coastal salt marsh restoration areas. While observation of Belding savannah sparrow anywhere on the Bank Property contributes towards attainment of the Belding savannah sparrow Performance Standard, that Performance Standard will apply only to the Tidal Preservation Credits.

a) Infaunal and Macro-Epifaunal Species Richness and Density

Annual core samples for infaunal invertebrates will be collected at low tide when intertidal mudflats are exposed. These samples will be taken twice annually: once in spring/summer and once in fall/winter. Cores will be taken below the low marsh in intertidal locations where marsh plant detritus and algae decompose. To determine species richness, samples will be identified to the lowest reasonable taxonomic level, as determined by the analyzing biologist. Infaunal density will be calculated by dividing the number of individuals by the volume of the core samples.

Annual infaunal sampling points will include at least three cores on each shore of Steamshovel Slough, one near each inlet of the Steamshovel Slough berm, and at least 3 others throughout the rehabilitated portions of the restoration site as shown in Exhibit 2 and taken within a three-day period. The number of sampling points will be sufficient to provide a statistically viable determination of change over time in species richness and density. Core sampling for invertebrate biodiversity will be coordinated with sampling for sediment grain size. Data will be compared across the restoration site sampling locations and with the Steamshovel Slough reference areas.

Epifaunal diversity and density will be recorded during biannual surveys conducted over a three-day period as part of fish surveys (Section III.C.2(d)). The presence of all epifaunal invertebrate species collected in the seines will be recorded over the three-day period. Results will be averaged based on their location (i.e. the sample locations within the Steamshovel Slough preservation area will be averaged together to measure diversity and density within the coastal salt marsh preservation area).

The Performance Standard for infaunal and epifaunal community (average annual) species density and diversity within the coastal salt marsh restoration areas will be at least 80% of the reference standard by year 5. Within the Steamshovel Slough preservation area, the Performance Standard is that no substantial change will occur to infaunal or macro-epifaunal average annual density or diversity relative to baseline conditions, beyond the range of variability as defined by one standard deviation from average annual baseline, for each of the five years during the Interim Management Period.

b) Marine Bird Diversity and Density

The Bank Sponsor will have qualified ornithologist(s) with at least ten years of experience conduct bird surveys over a three-day period, each quarter of the year. The surveys will be performed at both low and high tides, as waterfowl will be prevalent during high tide surveys and shorebirds will be prevalent during low tide surveys. Eight permanent monitoring stations will be established along the northern and eastern edges of Steamshovel Slough to monitor Steamshovel Slough (points 1-4) and along the southern berm of the coastal salt marsh restoration areas to monitor the coastal salt marsh restoration area (points 5-8), as shown in Exhibit 2. The same survey route will be followed for each survey to allow for viewpoints into all portions of the restoration site and to eliminate the potential for double counting. Each monitoring location will be monitored for ten minutes.

All birds will be counted and identified to species. The use of binoculars and a spotting scope will be used. Results will be tallied and averaged across surveys for each year. The species of each bird seen or heard, and their abundance will be recorded for each survey area. Furthermore, the type of habitats being used,

the type of behaviors being performed, bird locations, and the presence of juvenile individuals will be recorded for each species at each area.

The Performance Standard for marine bird diversity in the coastal salt marsh restoration areas is the presence of at least one marine bird species from each of the following guilds: waterfowl, wading/marsh birds, small shorebirds, large shorebirds, aerial foragers, and gulls, by year 5. Within Steamshovel Slough preservation area, the Performance Standard is one standard deviation of the reference area diversity documented during baseline surveys for each of the five years during the Interim Management Period. One standard deviation from the reference standard for Steamshovel Slough preservation area is appropriate, because unlike vegetation, faunal monitoring is subject to natural daily and seasonal variability.

Bird density will be determined by the total number of birds per hectare identified within each location. Birds will be recorded by guild, but the density Performance Standards are for total birds across all guilds. Marine bird (average annual) species density within the coastal salt marsh restoration area will be at least 80% of the reference standard by year 5. Within Steamshovel Slough preservation area, the Performance Standard will be within one standard deviation of the reference area density documented during baseline surveys for each of the five years during the Interim Management Period.

c) Belding Savannah Sparrow Abundance

The purpose of this performance standard is to ensure that bank construction activities did not negatively affect the Bank Property's abundance of Belding's savannah sparrow nesting pairs. This performance standard will apply to the Steamshovel Slough preservation area.

Annually, in the spring, a qualified ornithologist will survey the Bank Property for nesting pairs of Belding's savannah sparrows. Nesting pairs observed on any portion of the Bank Property will count towards this Performance Standard. By year 5, the annual population of Belding's savannah sparrow nesting pairs will be at least 95% of pre-construction baseline population, as documented in baseline surveys.

d) Fish Species Abundance & Diversity

Bi-annual beach seines will be performed over a three-day period in winter and summer to survey marine fish populations. Fish will be surveyed at three locations within Steamshovel Slough and another three locations from within the open channels of the coastal salt marsh [Exhibit 2]. One seine per location will be taken during each sampling event. The total number of individuals of each species of fish will be tallied and averaged, and those data will be used to determine fish abundance and diversity. The standard length (distance from the tip of the snout to the last vertebrae) for the first 50 individuals of each species will be measured at each sampling site. Data will be compared across the restoration site sampling locations and with the Steamshovel Slough reference standard.

The final Performance Standard for fish species (average annual) abundance and diversity within the open channel areas is at least 80% of the reference standard by year 5. Within Steamshovel Slough preservation area, the Performance Standard will be 95-percent of the reference standard for each of the five years during the Interim Management Period. A 5-percent deviation from the reference standard for

Steamshovel Slough preservation area is appropriate, because unlike vegetation, faunal monitoring is subject to natural daily variability.

3. Physical Attributes Performance Standards

a) Tidal Range – Water Level Survey

A tidal gauge (water level logger) will be stationed permanently in four locations (one in Steamshovel Slough and three within the established tidal channels) to record the lowest low tides [Exhibit 3 – Physical & WQ Monitoring]. An additional tidal gauge will be stationed outside the Bank Property within Los Cerritos Channel. The recorded water levels from the tidal gauge within Los Cerritos Channel will be compared against those within the Bank Property to determine if tidal range on the Bank Property tracks with tidal range within Los Cerritos Channel. Tidal range monitoring will be coordinated with water quality monitoring, and data will be retrieved quarterly during the Interim Management Period. The Performance Standard for the post-construction water level (via tide gauge) in the tidal channel will be 100% of the tidal range of the tidal gauge within Los Cerritos Channel, annually.

b) Sediment Surface Elevations

Sediment surface elevations will be measured annually, using a form of topographic survey (e.g., elevation poles along a transect) to measure potential sedimentation or erosion as compared to elevations measured within the Steamshovel Slough and as-built graded elevations within the tidal channels in the restoration areas [Exhibit 3]. Eight transects will be placed on either side of the berm breaches they monitor and will run parallel to the berm breaches: two will monitor the berm breach for the eastern wetland complex, and six will monitor the three eastern berm breaches. Additionally, one transect will be placed on the northern side of Steamshovel Slough, west of Berm Removal Central Segment 3. The transects will extend the width of the berm breaches. The exact location of the transects will be determined following restoration and submittal of the as-builts, and will be reviewed by the IRT. The baseline elevations will be taken within 48 hours following completion of the breaches and introduction of tidal water into the tidal channels.

Steamshovel Slough Preservation Areas

Elevations within the Steamshovel Slough preservation areas will be within 6 inches of the baseline elevations at the Steamshovel Slough for each year of monitoring during the Interim Management Period. Changes within 6 inches of the baseline will be evaluated to determine the trajectory and cause of the change and to inform potential management actions.

Coastal Salt Marsh Restoration Areas

Elevations within the established tidal channels on the opposite sides of the breach points from Steamshovel Slough will be within 6 inches of the as-built elevations for each year of monitoring during the Interim Management Period.

c) Water Quality – Dissolved Oxygen and Water Temperature

Water dissolved oxygen and water temperature monitoring will be conducted using continuous measurement via underwater data sondes. Within the Bank, four data sondes will be deployed; one within Steamshovel Slough and the other three in the southern area of the established tidal channels. The

sondes will continuously measure dissolved oxygen and water temperature. Untended data sondes will be affixed to posts such that the probes are suspended 1 foot from the bottom within the Bank Property. Since the restored tidal channels in the bank property are entirely intertidal they will drain completely during low tides and instrumentation will be exposed. Therefore, slight adjustments may be necessary to maintain the health of probes and maintain consistency with sondes that may be located where intertidal elevations are lower. The elevation of the sondes in the bank property will be measured so that the instrumentation deployed at Jack Dunster Marine Reserve, which is mostly subtidal, is deployed at elevation equal to the average of the sonde elevations deployed within the Bank Property. Sondes will be checked at higher frequencies initially and recalibrated or repositioned until all instrumentation are collecting consistent data.

In an effort to understand any changes to circulation in the Los Cerritos Channel and Alamitos Bay resulting from cessation of pumping at the Applied Energy Services (AES) and Los Angeles Department of Water and power plants¹³, two control locations will be monitored during the Interim Management Period. These control locations will provide an indication of any regional water quality anomalies. One location will be in the Los Cerritos Channel, immediately outside of the Bank Property and near the mouth of Steamshovel Slough, and the other will be further downstream within the Jack Dunster Marine Biological Reserve, near the entrance to Marine Stadium in Alamitos Bay. Jack Dunster is far enough from the Bank that it will not be influenced by the Bank Development Plan while it is within the same embayment as the Bank. The additional location in the Los Cerritos Channel, immediately outside of the Bank Property, would provide additional information on the potential effects of the cessation of pumping. Although the water quality Performance Standards described below are not designed in reference to these control sites, the water quality data collected at the Bank Property will be interpreted relative to the control locations for an understanding of regional conditions.

Within the Bank Property, the daily dissolved oxygen mean shall not fall below 5 mg/L, with no individual measurement falling below 3 mg/L for more than 12 hours and temperatures shall not exceed 82 degrees F. In the event that these Performance Standards are not met, the Bank Sponsor will have its resource monitor examine whether the dissolved oxygen and water temperature levels result in any adverse effect on faunal, infaunal, and habitat within the Bank, document these effects in the monitoring reports, and propose Adaptive Management measures to remedy the adverse effects as necessary.

Additional monitoring will include using handheld water quality monitors to identify if water quality issues are localized or uniform across the Bank Property. Localized issues could be related to tidal flow issues, which could correspond with tidal muting or sedimentation issues that cause water stagnation. Localized water quality issues could be rectified via sediment removal. If water quality issues are not localized to a single area of the Bank Property, the Bank Sponsor will coordinate adaptive management with the IRT.

¹³ Three AES pumps have already been decommissioned as of October 2020, and the remaining three are expected to be decommissioned by December 2023.

Table 2 below outlines ecological Performance Standards for this Bank.

TABLE 2 ECOLOGICAL PERFORMANCE STANDARDS						
Performance Standards	Monitoring Method	Year 1	Year 2	Year 3	Year 4	Year 5
VEGETATION						
a) Dominance of Hydrophytes (percentage of total native species)						
Steamshovel Slough	Quadrats	≥91%	≥91%	≥91%	≥91%	≥91%
Coastal Salt Marsh Restoration	Quadrats	≥86%	≥86%	≥86%	≥86%	≥86%
Transitional Buffer	Quadrats	≥50%	≥50%	≥50%	≥50%	≥50%
Non-transitional Buffer	Quadrats	N/A	N/A	N/A	N/A	N/A
b) Native Plant Coverage (absolute cover)						
Steamshovel Slough	Quadrats	≥91%	≥91%	≥91%	≥91%	≥91%
Coastal Salt Marsh Restoration	Quadrats	≥30%	≥40%	≥60%	≥70%	≥86%
Transitional Buffer	Quadrats	≥30%	≥40%	≥60%	≥80%	≥91%
Non-transitional Buffer	Point-Intercept	≥30%	≥40%	≥60%	≥80%	≥80% shrub cover
c) Non-Native Plant Coverage/Invasive Plant Species Coverage (absolute cover)						
Steamshovel Slough	Quadrats	≤2% Non-Native 0% Invasive	≤2% Non-Native 0% Invasive	≤2% Non-Native 0% Invasive	≤2% Non-Native 0% Invasive	≤2% Non-Native 0% Invasive
Coastal Salt Marsh Restoration	Quadrats	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive
Transitional Buffer	Quadrats	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive*
Non-transitional Buffer	Point-Intercept	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive	≤5% Non-Native 0% Invasive*
d) Plant Species Richness (number of species)						
Steamshovel Slough	Quadrats	11	11	11	11	11
Coastal Salt Marsh Restoration	Quadrats	N/A	N/A	<u>8</u>	N/A	<u>10</u>
Transitional Buffer	Quadrats	8	8	8	8	8
Non-transitional Buffers	Point-Intercept	16	16	16	16	16
e) Wetland Delineation						
Steamshovel Slough	Mapping	N/A	N/A	10% of baseline	N/A	10% of baseline
Coastal Salt Marsh Restoration	Mapping	N/A	N/A	10% of baseline	N/A	10% of baseline
Transitional Buffer	Mapping		N/A	10% of baseline	N/A	10% of baseline

Non-transitional Buffers		Mapping	N/A	N/A	10% of baseline	N/A	10% of baseline
FAUNAL (percentage relative to Steamshovel Slough reference standard)							
Steamshovel Slough							
a)	Infaunal and Macro-Epifaunal Species Richness	Core Sampling	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline
b)	Infaunal and Macro-Epifaunal Community Species Density	Core Sampling	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline
c)	Marine Bird Diversity	Quarterly Bird Surveys	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline
d)	Marine Bird Density	Quarterly Bird Surveys	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline	within one st. deviation of baseline
e)	Belding's Savannah Sparrow Abundance	Annual Survey	N/A	N/A	N/A	N/A	≥95% of baseline
f)	Fish Species Abundance & Diversity	Beach Seine	≥95% of baseline	≥95% of baseline	≥95% of baseline	≥95% of baseline	≥95% of baseline
Coastal Salt Marsh Restoration							
a)	Infaunal and Macro-Epifaunal Species Richness	Core Sampling	≥30% of baseline	≥40% of baseline	≥50% of baseline	≥60% of baseline	≥80% of baseline
b)	Infaunal and Macro-Epifaunal Community Species Density	Core Sampling	≥30% of baseline	≥40% of baseline	≥50% of baseline	≥60% of baseline	≥80% of baseline
c)	Marine Bird Diversity	Quarterly Bird Surveys	N/A	N/A	N/A	N/A	Presence of one member of the following guilds: waterfowl, wading/marsh birds, small shorebirds, large shorebirds, aerial foragers, and gulls
d)	Marine Bird Density	Quarterly Bird Surveys	≥30% of baseline	≥40% of baseline	≥50% of baseline	≥60% of baseline	≥80% of baseline
e)	Fish Species Abundance & Diversity	Beach Seine	≥30% of baseline	≥40% of baseline	≥50% of baseline	≥60% of baseline	≥80% of baseline

PHYSICAL & WATER QUALITY							
Steamshovel Slough							
a)	Tidal Range – Water Level Survey	Water level measurement via tide gauge	<u>100% of Los Cerritos Channel</u>	N/A	N/A	N/A	<u>100% of Los Cerritos Channel</u>
b)	Sediment Surface Elevations	Topographic Survey	+/- .6 inches of baseline	+/- 6 inches of baseline	+/- 6 inches of baseline	+/- 6 inches of baseline	+/- 6 inches of baseline
c)	Water Quality – Dissolved Oxygen and Water Temperature	Continuous measurement via data sonde	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F
Coastal Salt Marsh Restoration							
a)	Tidal Range – Water Level Survey	Water level measurement via tide gauge	100% of Los Cerritos Channel	N/A	N/A	N/A	100% of Los Cerritos Channel
b)	Sediment Surface Elevations	Topographic Survey	+/- 6 inches of baseline/as-built	+/- 6 inches of baseline/as-built	+/- 6 inches of baseline/as-built	+/- 6 inches of baseline/as-built	+/- 6 inches of baseline/as-built
c)	Water Quality – Dissolved Oxygen and Water Temperature	Continuous measurement via data sonde	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F	Daily DO ≥5 mg/l, no measurement ≥ 3 mg/L ≤82°F

D. CRAM Monitoring and Performance Standards

1. CRAM Monitoring

CRAM assessments will be conducted during years 3 and 5 to compare to the baseline CRAM. The most current version of CRAM should be used to assess the condition of the site during each monitoring period to ensure consistency of scoring. However, the original version of CRAM may be consulted to explain any scoring changes that may have occurred due to changes in the CRAM methodology. Permanent photo-documentation stations were established during the baseline CRAM and will be used for future CRAM assessments. CRAM assessments will be conducted during the growing season, generally March through September, and will follow CRAM guidelines. Scores will be uploaded to eCRAM. CRAM assessment locations within Steamshovel Slough are depicted as Exhibit 4.

2. CRAM Performance Standards

Scores for the Steamshovel Slough are not expected to increase based on the activities being performed (i.e., trash removal) and the CRAM scoring methodology, but were considered when projecting scores for the AAs subject to restoration activities. The Assessment Areas (AAs) associated with the restored marsh habitats are

located in highly disturbed lands as a result of discontinuity with Steamshovel Slough and adjacent oil drilling operations. All of these AAs will benefit from revegetation efforts including adding dominant plant species and additional plant layers and removing invasive species. Light recontouring activities are expected to increase scores for some AAs in the Physical Structure Attribute, and also provide an opportunity for additional plant zonation. Although freshwater influence on the site is generally associated with urban development from the upstream watershed, tidal influence into these AAs has been restricted as a result of anthropogenic-induced flow diversions and restrictions. The removal or breaching of these existing man-made hydrologic features (i.e. berms, levees, ditches, access roads) that currently restrict tidal ingress/egress will improve the site hydrology. All of these activities are expected to increase CRAM scores over time. Buffer scores are not expected to change as the areas in the lowlands that are not subject to restoration contribute to a large majority of the Buffer for the AAs; however, it is important to note there will be improvement in immediately adjacent Buffers that will likely not be captured by CRAM. Tables 3 and 4 below provide the baseline and projected CRAM scores for AA-1 through AA-3 and AA-7 through AA-8, respectively. The site is expected to meet the projected CRAM score for each of these AAs by year 5.

Table 3: CRAM Scores by Metric – Baseline and Year 5 Projections AA-1 Through AA-3												
	AA-1 Baseline		AA-1 Year 5		AA-2 Baseline		AA-2 Year 5		AA-3 Baseline		AA-3 Year 5	
Attribute 1: Buffer and Landscape Context												
Aquatic Area Abundance	B	9	B	9	C	6	C	6	C	6	C	6
Buffer Submetrics (A-C)												
A) Percent of AA with Buffer	A	12	A	12	A	12	A	12	A	12	A	12
B) Average Buffer Width ¹⁴	B	9	B	9	A	12	A	12	A	12	A	12
C) Buffer Condition	C	6	C	6	C	6	C	6	C	6	C	6
Raw Attribute Score ¹⁵	16.90		16.90		14.49		14.49		14.49		14.49	
Final Attribute Score = (Raw Score/24) x 100	70.40%		70.40%		60.36%		60.36%		60.36%		60.36%	
Attribute 2: Hydrology												
Water Source	C	6	C	6	C	6	C	6	C	6	C	6
Hydroperiod	D	3	A	12	D	3	A	12	D	3	A	12
Hydrologic Connectivity	D	3	A	12	D	3	A	12	D	3	A	12
Raw Attribute Score	12		30		12		30		12		30	

¹⁴ The Year 5 score assumes the ultimate condition, which is removal of the sheet pile wall in 20 years.

¹⁵ Raw Buffer Attribute Score = $D + [C \times (A \times B)^{1/2}]^{1/2}$ whereas A = Percent of AA with Buffer, B = Average Buffer Width, C = Buffer Condition, and D = Aquatic Area Abundance.

Table 3: CRAM Scores by Metric – Baseline and Year 5 Projections AA-1 Through AA-3												
Final Attribute Score = (Raw Score/36) x 100	33.3%		83.3%		33.3%		83.3%		33.3%		83.3%	
Attribute 3: Physical Structure												
Structural Patch Richness	C	6	C	6	C	6	C	6	D	3	D	3
Topographic Complexity	D	3	C	6	D	3	A	12	D	3	C	6
Raw Attribute Score	9		12		9		18		6		9	
Final Attribute Score = (Raw Score/24) x 100	37.5%		50%		37.5%		75%		25%		37.5%	
Attribute 4: Biotic Structure												
Plant Community Submetrics (A-C):												
A) Number of Plant Layers	C	6	C	6	C	6	C	6	B	9	B	9
B) Number of Co-Dominant Species	C	6	B	9	C	6	B	9	C	6	B	9
C) Percent Invasion	A	12	A	12	A	12	A	12	A	12	A	12
Plant Community Average Score	8		9		8		9		9		10	
Horizontal Interspersion	C	6	B	9	C	6	B	9	C	6	B	9
Vertical Biotic Structure	C	6	B	9	C	6	B	9	C	6	B	9
Raw Attribute Score	20		27		20		27		21		28	
Final Attribute Score = (Raw Score/36) x 100	55.5%		75%		55.56%		75%		58%		77.78%	
Overall AA Score (average of four final Attribute Scores)	49%		70%		47%		73%		44%		65%	

Table 4: CRAM Scores by Metric – Baseline and Year 5 Projections AA-7 Through AA-8								
	AA-7 Baseline		AA-7 Year 5		AA-8 Baseline		AA-8 Year 5	
Attribute 1: Buffer and Landscape Context								
Aquatic Area Abundance	B	9	B	9	B	9	B	9

Table 4: CRAM Scores by Metric – Baseline and Year 5 Projections AA-7 Through AA-8								
Buffer Submetrics (A-C)								
A) Percent of AA with Buffer	A	12	A	12	A	12	A	12
B) Average Buffer Width ¹⁶	A	12	A	12	A	12	A	12
C) Buffer Condition	C	6	C	6	C	6	C	6
Raw Attribute Score ¹⁷	17.49		17.49		17.49		17.49	
Final Attribute Score = (Raw Score/24) x 100	73.076%		73.076%		73.076%		73.076%	
Attribute 2: Hydrology								
Water Source	C	6	C	6	C	6	C	6
Hydroperiod	D	3	B	9	D	3	B	9
Hydrologic Connectivity	D	3	A	12	D	3	A	12
Raw Attribute Score	12		27		12		27	
Final Attribute Score = (Raw Score/36) x 100	33.3%		75%		33.3%		75%	
Attribute 3: Physical Structure								
Structural Patch Richness	D	3	B	9	D	3	B	9
Topographic Complexity	D	3	A	12	D	3	A	12
Raw Attribute Score	6		21		6		21	
Final Attribute Score = (Raw Score/24) x 100	25%		87.5%		25%		87.5%	
Attribute 4: Biotic Structure								
Plant Community Submetrics (A-C)								
A) Number of Plant Layers	C	6	B	9	C	6	B	9
B) Number of Co-Dominant Species	C	6	A	12	C	6	A	12
C) Percent Invasion	A	12	A	12	A	12	A	12
Plant Community Average Score	8		11		8		11	

¹⁶ The Year 5 score assumes the ultimate condition, which is removal of the sheet pile wall in 20 years.

¹⁷ Raw Buffer Attribute Score = $D + [C \times (A \times B)^{1/2}]^{1/2}$ whereas A = Percent of AA with Buffer, B = Average Buffer Width, C = Buffer Condition, and D = Aquatic Area Abundance.

Table 4: CRAM Scores by Metric – Baseline and Year 5 Projections AA-7 Through AA-8								
Horizontal Interspersion	C	6	A	12	C	6	A	12
Vertical Biotic Structure	D	3	B	9	D	3	B	9
Raw Attribute Score	17		32		17		32	
Final Attribute Score = (Raw Score/36) x 100	47.22%		88.89%		47.22%		88.89%	
Overall AA Score (average of four final Attribute Scores)	45%		81%		45%		81%	

E. Monitoring Schedule

It is anticipated that all vegetation will be installed at the same time and will be on a common monitoring cycle. The initial monitoring will commence the first May/June following the first growing season after installation and every year thereafter until all five-year Performance Standards, as confirmed in writing by the USACE and CCC, have been met. Table 5 provides a monitoring schedule for the various types of monitoring activities.

TABLE 5
MONITORING SCHEDULE

MONITORING TYPE	METHOD	Year 1	Year 2	Year 3	Year 4	Year 5
Qualitative	Visual	Monthly	Quarterly	Quarterly	Quarterly	Quarterly
Photo-Documentation	Photographs	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Quantitative		Year 1	Year 2	Year 3	Year 4	Year 5
CRAM Monitoring	Assessment Areas	N/a	N/A	Annually	N/A	Annually
Dominance of Hydrophytes	Quadrats	Annually	Annually	Annually	Annually	Annually
Native Plant Coverage	Quadrats	Annually	Annually	Annually	Annually	Annually
Non-Native Plant Coverage	Quadrats	Annually	Annually	Annually	Annually	Annually
Plant Species Richness	Quadrats	Annually	Annually	Annually	Annually	Annually
Infaunal and Macro-Epifaunal Diversity	Core Sampling	Annually	Annually	Annually	Annually	Annually
Infaunal Community Species Density	Fish Seines	Biannually	Biannually	Biannually	Biannually	Biannually
Marina Bird Diversity	Sitewide Surveys	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Marine Bird Density	Sitewide Surveys	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Belding's Savannah Sparrow Abundance	Sitewide Surveys	Annually	Annually	Annually	Annually	Annually
Fish Species Abundance and Diversity	Fish Seines	Biannually	Biannually	Biannually	Biannually	Biannually
Tidal Range – Water Level Survey	Tidal Gauges	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Sediment Surface Elevations	Topographic Survey	Annually	Annually	Annually	Annually	Annually
Water dissolved oxygen and water temperature	Continuous measurement via data sondes	Continuous	Continuous	Continuous	Continuous	Continuous

F. Annual Monitoring Reports

At the end of each of the monitoring period growing seasons, for the duration of the monitoring period, an annual report will be prepared for submittal to the IRT reviewing the Bank progress. These reports will assess both attainment of yearly targets and progress toward final Performance Standards. These reports shall include the survival and/or replacement of tree and shrub container stock, percent cover of native vegetation, wildlife use, diversity, and water quality data. These reports will also include additional information regarding development of hydric soils and CRAM scores for each specific year subject to these assessments. Each

report will contain the following.

- A list of names, titles, and companies of all persons who prepared the content of the annual report and participated in monitoring activities for that year;
- A vicinity map indicating location of the Bank Property;
- A site plan identifying target habitat types and mitigation type, transect locations, photo-point locations, photo-point geographic coordinates (latitude and longitude) and the compass direction in which the photograph was taken, and other information as appropriate;
- Copies of all ground photographs;
- Copies of soil pit and CRAM data, as appropriate;
- An analysis of all qualitative and quantitative monitoring data that includes a summary of the field data sheets;
- An assessment of whether performance standards have been met for that year;
- Description of management activities undertaken over the year;
- Description of funds disbursed for management activities undertaken over the year; and
- Recommendations for remedial actions (if necessary), and Adaptive Management actions as appropriate.

G. Annual IRT Review

The IRT will be invited to conduct a site visit each year after reviewing the monitoring report to confirm the development of the intended habitats within the Bank. Appendix A provides a report distribution list.

If the restoration areas meet all Performance Standards at the end of the five-year monitoring period, the restoration will be considered a success. If not, the maintenance and monitoring activities will be extended one full year at a time, and a specific set of remedial measures approved by the Signatory Agencies. Final Performance Standards will not be considered to have been met until a minimum of two years after artificial irrigation has ceased (in applicable areas). Should the Performance Standards be met, but the endowment fund has not been fully funded for the required three years, the general maintenance tasks described in Section II will continue, but the Performance Standard monitoring efforts will cease.

Following receipt of the final annual monitoring report, the IRT will be invited to conduct a site visit to confirm the completion of the maintenance and monitoring period. It is therefore critical that agency staff review annual reports on a timely basis and provide comments throughout the Interim Management Period so that any deficiencies they note can be addressed prior to the expected end of the Interim Management Period.

The Interim Management Period will be deemed complete after the USACE and CCC has determined the Performance Standards have been met and the third anniversary of the full funding of the Endowment Amount has occurred, as confirmed in writing by the USACE and CCC.

IV. ADAPTIVE MANAGEMENT AND REMEDIAL ACTIONS

Adaptive Management means an approach to natural resource management which incorporates changes to management practices, including corrective actions, as determined appropriate by the IRT in discussion with the Bank Sponsor, based upon Bank annual report results and IRT review of overall Bank performance and compliance.

Remedial Action means any measures needed to remedy any failure to achieve the Performance Standards or any injury or adverse impact to the Bank Property.

A. Initiating Procedures

If a Performance Standard is not met for all or any portion of the Bank in any year, the Bank Sponsor will prepare an analysis of the cause(s) of failure and propose Remedial Action(s) for approval by the Signatory Agencies following the process outlined in the BEI.

The Bank Sponsor will anticipate possible Performance Standard deficiencies as part of the monitoring plan and take appropriate steps to address the situation.

B. Funding Mechanism

The Bank Sponsor will fund planning, implementation, maintenance, monitoring, any and all Adaptive Management measures, and any and all Remedial Actions that may be required to achieve the goals and objectives of the Bank throughout the length of the Interim Management Period.

APPENDIX A

Distribution Page of all Agencies Receiving a Copy of the Annual Reports

U.S. Army Corps of Engineers
Los Angeles District, Regulatory Division
915 Wilshire Blvd.
Los Angeles, California 90017

U.S. Environmental Protection Agency
Region IX, Southern CA Field Office
75 Hawthorne Street
San Francisco, CA 94105

U.S. Fish and Wildlife Service
Carlsbad Fish and Wildlife Office
2177 Salk Avenue, Suite 250
Carlsbad, CA 92008

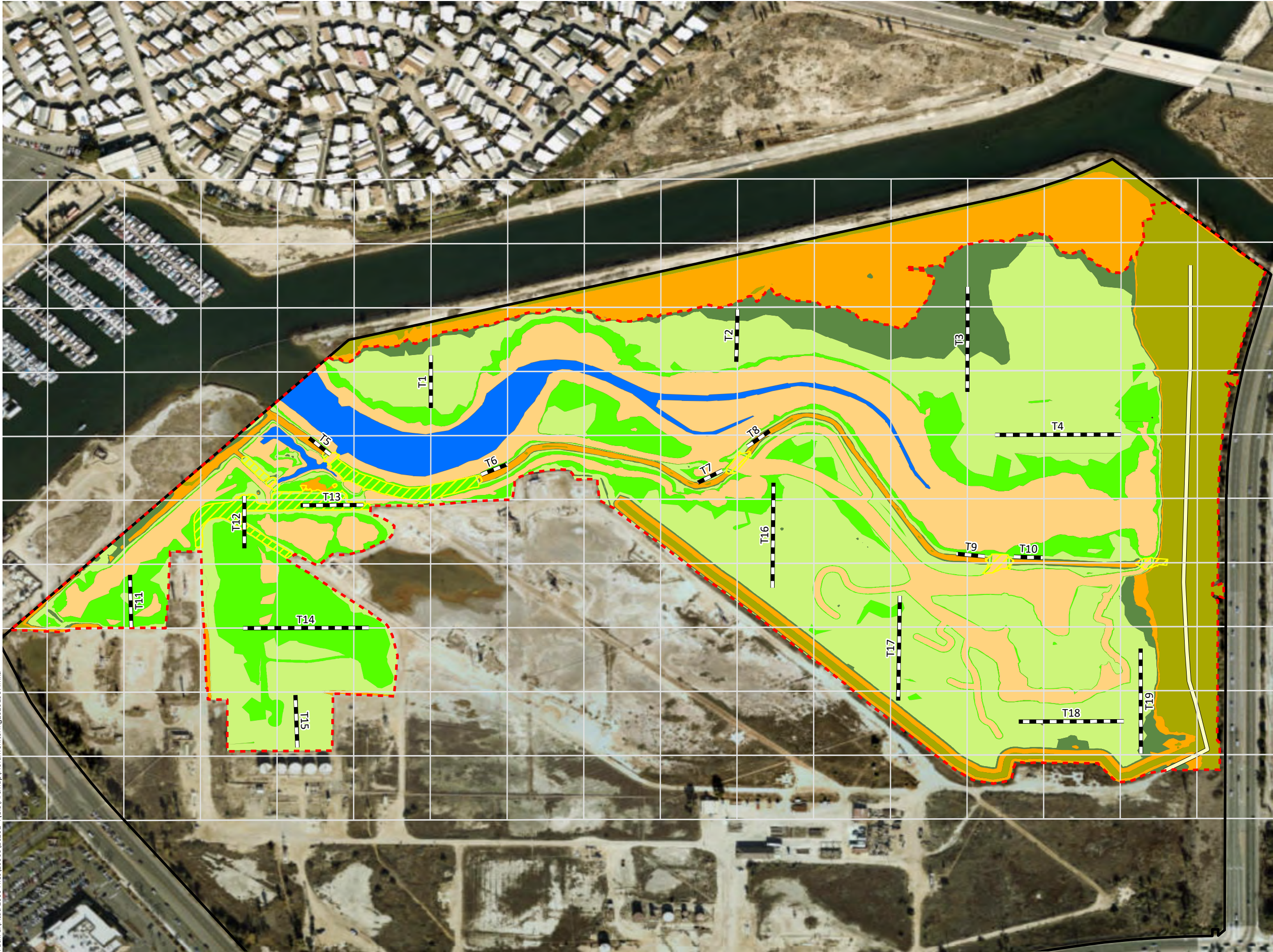
National Marine Fisheries Service
Southwest Region
501 West Ocean Boulevard, Suite 4200
Long Beach, CA 90802

California Coastal Commission
San Francisco, CA 94105
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, California 90013

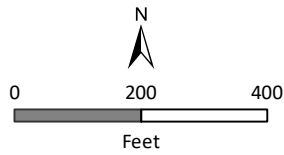
California Department of Fish and Wildlife
South Coast Region
3883 Ruffin Road
San Diego, CA 92123

Exhibit 1.
Vegetation Monitoring Map

Upper Los Cerritos
Wetlands Mitigation Bank



- 50 and 100 Meter
Transect Locations
- Bank Property
- Property
- Berm/Road Removal
- 200' Vegetation Monitoring
Grid
- Trail
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal



Path: L:\Acad 2000 Files\26000\26292-4\GIS\ArcMap\FloraMonitoring20201007.mxd

Sources: Esri World Imagery, WRA | Prepared By: JSChuster, 10/30/2020

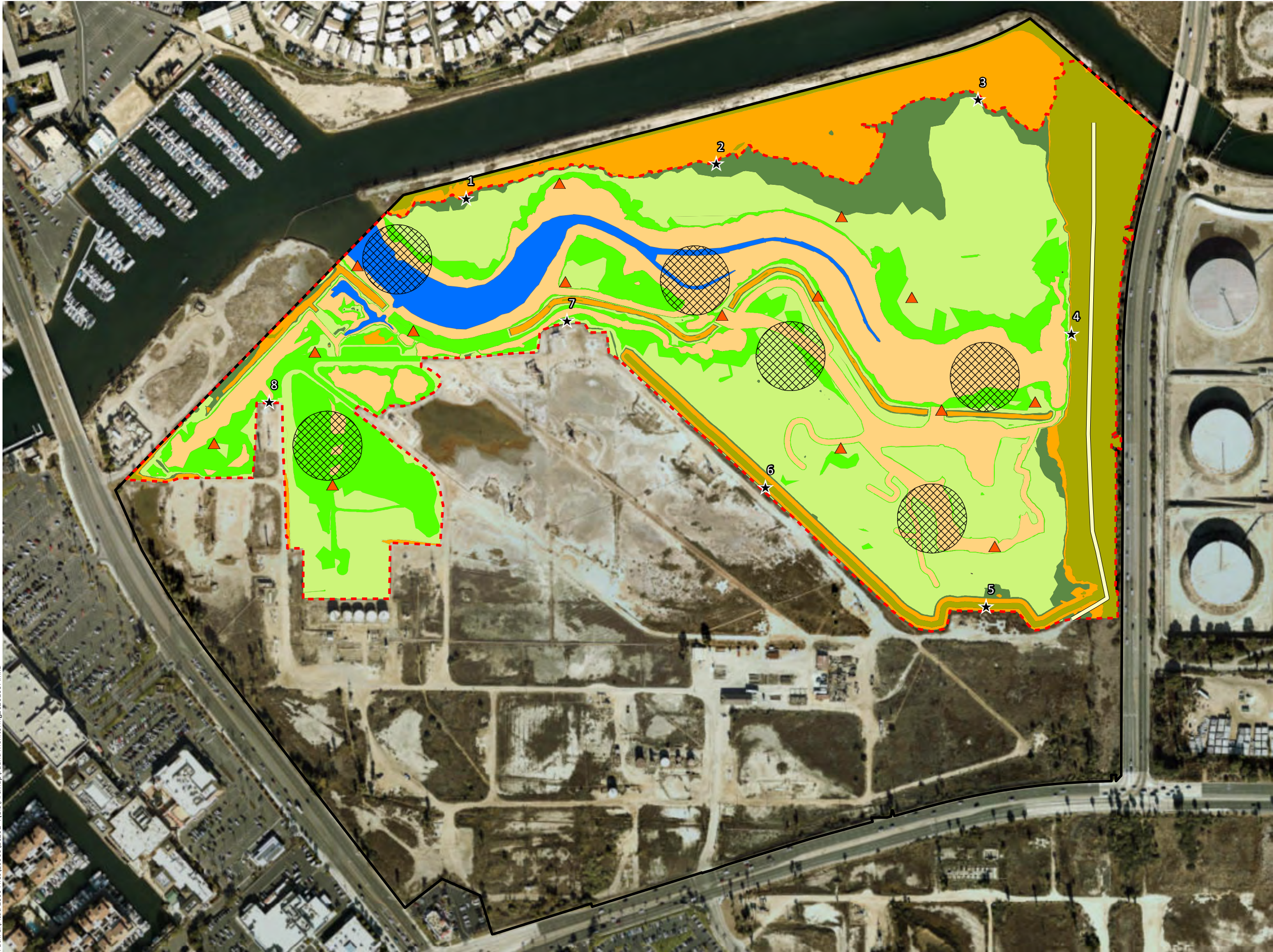


Exhibit 2.
Faunal Monitoring Map

Upper Los Cerritos
Wetlands Mitigation Bank

- ★ Bird Survey
- ▲ Infaunal Invert Sample
- Trail
- - - Bank Property
- ▨ Fish Survey
- ▭ Property
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal

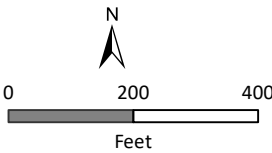
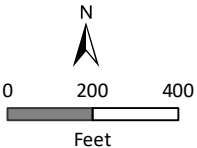




Exhibit 3.
Physical & Water Quality
Monitoring Map
Upper Los Cerritos
Wetlands Mitigation Bank

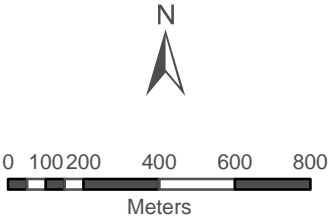
- Property
- Bank Property
- Berm/Road Removal
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal
- Trail
- Sediment Monitoring Location
- Water Quality Monitoring Location



Sources: Esri World Imagery, WRA | Prepared By: njander, 11/18/2020



- Property
- Bank Property
- CRAM Assessment Area

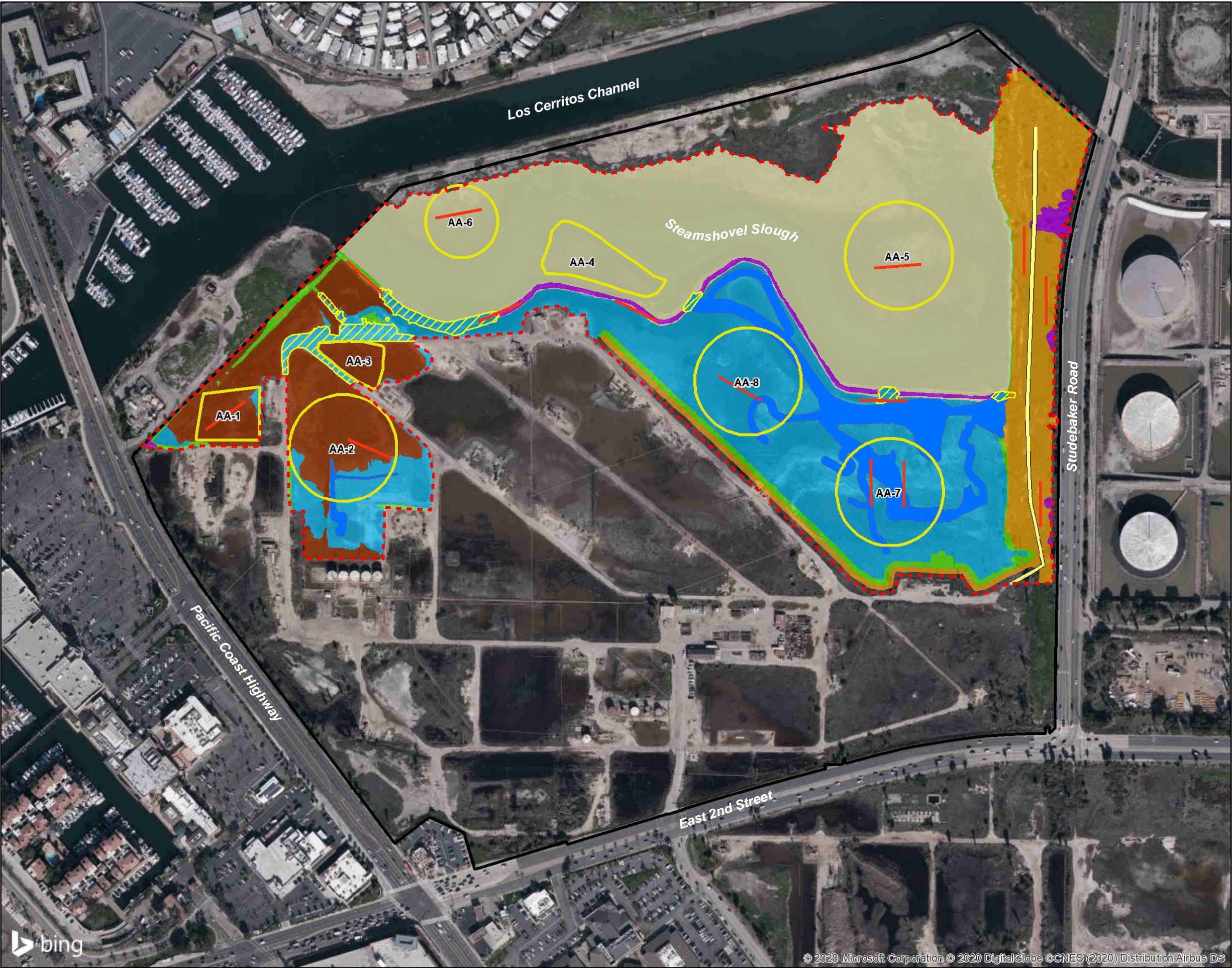


1 centimeter = 200 meters

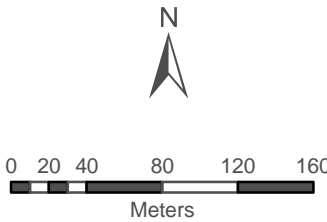
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Projection: UTM Zone 11
Datum: NAD83
Map Prepared by: B. Gale, GLA
Date Prepared: May 13, 2020

**UPPER LOS CERRITOS WETLANDS
MITIGATION BANK**
CRAM Assessment Map

GLENN LUKOS ASSOCIATES



- Property
- Bank Property
- CRAM Assessment Area
- 50-Meter Belt Transect
- Coastal Salt Marsh (Streamshovel Slough) Preservation (Tidal)
- Coastal Salt Marsh Re-establishment (Tidal)
- Coastal Salt Marsh Rehabilitation (Tidal)
- Transitional Habitat Re-establishment (Buffer)
- Mulefat Scrub Enhancement (Buffer)
- Saltbush/Goldenbush Establishment (Buffer)
- Berm/Road Removal
- Tidal Channel
- Trail



Coordinate System: State Plane 5 NAD 83
Projection: UTM Zone 11
Datum: NAD83
Map Prepared by: B. Gale, GLA
Date Prepared: May 13, 2020

**UPPER LOS CERRITOS WETLANDS
MITIGATION BANK**

Baseline Vegetation Transect Location Map

GLENN LUKOS ASSOCIATES



Exhibit 4 Page 2

Exhibit D-5

Long-term Management Plan

LONG-TERM MANAGEMENT PLAN

I. Introduction

A. Purpose of Bank Establishment

The Upper Los Cerritos Wetlands Mitigation Bank ("Bank") was established by the Bank Enabling Instrument ("BEI") to compensate for unavoidable impacts to, and to conserve and to protect Waters of the U.S. and associated Buffers, and Coastal Wetlands. The Bank Property includes 57.62 creditable acres of Waters of the U.S. and Coastal Wetlands. Buffering the Waters of the U.S. are 10.28 acres of upland scrub and transitional habitat. The BEI Signatory Agencies are the Los Angeles District of the U.S. Army Corps of Engineers ("USACE"), Region 9 of the U.S. Environmental Protection Agency, the Carlsbad Office of the U.S. Fish and Wildlife Service, and the California Coastal Commission ("CCC"). The Interagency Review Team ("IRT") is comprised of the Signatory Agencies, the National Marine Fisheries Service, California Department of Fish and Wildlife, and the and the Los Angeles Region of the California Regional Water Quality Control Board. Terms used in this Long-term Management Plan have the same meaning as defined in the BEI.

B. Purpose of this Long-term Management Plan

The purpose of this Long-term Management Plan is to ensure the Bank is managed, monitored, and maintained in perpetuity to conserve and protect its Waters of the U.S. and associated Buffers and Coastal Wetlands, which consist of coastal salt marsh and upland habitats as depicted on Exhibits 7 and 12 of the Bank Development Plan. This Long-term Management Plan establishes objectives, priorities and tasks to monitor, manage, maintain and report on the Waters of the U.S. and associated Buffers and Coastal Wetlands within the Bank. This Long-term Management Plan is a binding and enforceable instrument, implemented by the Property Owner.

Specifically, this Long-term Management Plan provides the following functions:

- serves as a descriptive inventory of wildlife and plants which occur on or have potential to use the Bank Property;
- provides an overview of the Bank Property operation and maintenance requirements, including all actions required of the Property Owner to achieve the Bank's management goals;
- provides guidance for the Bank Property stewardship in perpetuity; and

- serves as a guide for use of the public trail that adjoins the Bank Property.

The Bank Sponsor will have resource monitors, plant ecologists, and wildlife biologists with appropriate credentials and experience in native habitat restoration (including coastal salt marsh), perform the activities described in this plan. Resource monitors will have training in plant species identification, non-native invasive plant species hand removal, and infrastructure (e.g. sheetpile wall, perimeter fencing, trail) inspection. Plant ecologists will be qualified to identify coastal salt marsh, transitional, and upland plants and map habitats to the vegetation alliance, as well as propose pest control management actions to the Bank Sponsor and the IRT. Wildlife biologists will be qualified to identify bird species, including by guild, and trained in Belding's savannah sparrow survey techniques.

C. Property Owner Responsibilities

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

D. Conservation Easement Grantee Responsibilities

The Southwest Resource Management Agency (SRMA) will be the Conservation Easement Grantee for the Bank. The Conservation Easement Grantee will be responsible for ensuring the terms of the Conservation Easement, as described in Exhibit E-4 of the BEI, are upheld. Management, monitoring, and reporting required to uphold the terms of the Conservation Easement will be disbursed from the Conservation Easement portion of the Endowment Fund.

E. Endowment Holder Responsibilities

The Endowment Holder will also be SRMA, who shall disburse funds in accordance with the Endowment Funding and Management Agreement from the Endowment Fund to the Property Owner for implementation of the Long-term Management Plan and provide an annual accounting of the long-term management portion of the Endowment Fund.

II. Property Description

A. Setting and Location

The Property, containing approximately 150 acres, is located at 6433 E. 2nd Street, in the City of Long Beach, Los Angeles County, State of California, designated Assessor's Parcel No(s). 7237-017-010 through 7237-017-014, and 7237-017-019. The Property is bound by Pacific Coast Highway to the west, 2nd Street to the south, Studebaker Road to the east and the Los Cerritos Channel to the north [Latitude: 33.453247°; Longitude: -118.063012°]. The Bank Property encompasses 68.74-acres of the Property. This Long-term Management Plan applies to the Bank Property. The Property is shown on the general vicinity map (Exhibit 1) and the Bank Property map (Exhibit 2). The general vicinity map shows the Bank Property location in relation to cities, towns, or major roads, and other distinguishable landmarks. The Bank Property map shows the Bank Property boundaries on a topographic map.

B. History and Land Use

The Bank is located on the northern portion of the Property. The southern portion of the Property is an active oil field with a network of roads, pipelines and other oil field-related amenities. The northern portion of the Property contains Steamshovel Slough, an area of tidally influenced southern coastal salt marsh, tidal channels, and mud flats. Steamshovel Slough contains no oil operations and is separated from the oil operation areas by an earthen berm. A tide gate and pipes allow tidal water into western portions of the Property and along the southern edge of the berm.

The Property is situated within the historic floodplain of the San Gabriel River within a complex of wetlands, referenced as the Los Cerritos Wetland Complex, that have been subject to various anthropogenic disturbances including urban development, oil extraction, farming, landfills, and burn dumps in the past century. Land uses adjacent to the Bank Property are predominantly commercial and industrial, and open space comprising the Los Cerritos Channel and portions of the Los Cerritos Wetlands Complex.

C. Cultural Resources

As stated in the Archaeological Resources Assessment (Exhibit J-1 of the BEI) that was prepared for the entire Property and adjacent properties,¹ there are no archeological or historical resources on the Bank Property. The two cultural resources discussed in the report within the Property are located in the southern

¹ The Archaeological Resources Assessment was prepared for the entire Los Cerritos Oil Consolidation and Wetland Restoration Project, which includes the Property Field and three other properties in the vicinity of the Bank.

portion of the Property that is not contained within the Bank Property and would not be affected by any long-term management activities.

D. Soils

The Natural Resources Conservation Service (NRCS) has not mapped soils to a precise scale within the Bank Property; however, the following soil types are expected to occur based on similar sites to the south in Orange County such as the Santa Ana River Mouth, Upper Newport Bay and Bolsa Chica:

Bolsa Silt Loam

The Bolsa soil series are deep and somewhat poorly drained soils formed in mixed alluvium and are found in flood plains and basins. In a typical profile, the surface layer is dark greyish brown when moist with disseminated lime and is moderately alkaline. The subsoil ranges from dark grayish brown to light brownish-gray and extends to a depth of approximately 49 inches. Bolsa soils series are used for urban areas and for growing irrigated truck crops, lima beans and dryland barley. Vegetation in uncultivated areas is annual grasses and forbs.

Tidal Flats

Tidal flats are nearly level areas adjacent to bays and lagoons along the coast. Periodically they are covered by tidal overflow. Some of the higher areas are only covered during very high tides. Tidal flats are stratified clayey to sandy deposits. They are poorly drained and high in salts.

E. Existing Easements

The status of existing easements within the Bank Property are described in the Property Assessment and Warranty (Exhibit E-2 of the BEI). One easement exists within the Bank Property but will be modified in such a way that it will not interfere with or impair the conservation values of the Bank. The existing easement is:

- Surface use easement and mineral rights. The mineral rights holder will record a Grant Deed to grant its rights to enter onto, use, and occupy the surface and first 500 feet below the present surface of the Bank Property to the Property Owner. Thus, as the Conservation Easement Grantor, the Property Owner will have the ability to relinquish these same rights.

This modification will occur prior to the execution and recordation of the Conservation Easement.

F. Adjacent Land Uses

Land uses adjacent to the Bank Property are predominantly commercial and industrial, and open space comprising the Los Cerritos Channel and portions of the Los Cerritos Wetlands Complex. The southern portion of the Property will continue to operate as an active oil field with a network of roads, pipelines and other oil field-related amenities, until such time as the oil field consolidation is triggered. This consolidation timeframe is dependent upon implementation of the larger oil consolidation project. When the consolidation occurs, the oil wells, pipelines, and other oil-related infrastructure will be removed in accordance with State guidelines. With the exception of perimeter fencing (and associated gates) management, no change to the Long-term Management Plan is necessary with completion of the oil consolidation.

III. Habitat and Species Descriptions

A. Baseline Biological Resources Survey of Bank

The Biological Resources Survey, Exhibit H in the BEI, includes a full description of baseline biological resources present within the Bank Property prior to implementation of the Bank Development Plan and Interim Management Plan (IMP).

With the exception of the Steamshovel Slough and limited areas that currently are subject to tidal influence south of the berm (maintained through a series of pipes), remaining portions of the Bank exhibit limited habitat value due to years of tidal disconnection. Nevertheless, the Bank Property supports a variety of wetland flora and fauna, including one special-status plant: southern tarplant (*Centromadia parryi australis*), and two special-status animals including the state-listed species Belding's savannah sparrow (*Passerculus sandwichensis beldingi*) and the wandering skipper butterfly (*Panoquina errans*). In addition to these species, Steamshovel Slough also supports two other special-status plants: woolly seablite (*Suaeda taxifolia*) and estuary seablite (*Suaeda esteroa*), one special-status insect: the mudflat tiger beetle (*Cicindela trifasciata sigmoidea*), as well as foraging areas for the federally and state-listed California least tern (*Sterna antillarum browni*) and state fully protected California brown pelican (*Pelicanus occidnetalis*). California least tern has been documented foraging in Steamshovel Slough, and California brown pelican has been observed foraging in the San Gabriel River and Alamitos Bay. Steamshovel Slough also represents potential habitat for two small mammals: state species of special concern South coast marsh vole (*Microtus californicus stephensi*) and state species of special concern Southern California salt marsh shrew (*Sorex ornatus salicornicus*) and one reptile: the federally listed Pacific Green Sea Turtle (*Chelonia mydas*). Potential foraging habitat is also present for the federally listed and state species of special concern western snowy plover (*Charadrius nivosus nivosus*), federally and state-listed light-footed

Ridgway's rail (*Rallus obsoletus levipes*), and state fully protected White-tailed kite (*Elanus leucurus*), with the kite documented to forage onsite. Steamshovel Slough represents suitable wintering habitat for the state species of special concern short-eared owl (*Asio flammeus*), which has been observed on the berm at the southern edge of Steamshovel Slough as well as for the state species of special concern burrowing owl (*Athene cunicularia*).

In addition to the special-status avifauna that have been observed, or are expected to use the area on occasion, Steamshovel Slough provides migration stopover and wintering habitat for broad range avifauna including (but not limited to) loons, grebes, wading birds (herons and egrets), waterfowl (ducks and geese), shorebirds (sandpipers and plovers), gulls and terns, birds of prey (owls and hawks), and songbirds.

In addition to avifauna, Steamshovel Slough and limited areas south of the berm provide important habitat for a variety of marine fish including: arrow goby (*Clevelandia ios*), bay pipe fish (*Syngnathus griseolineatus*), California killifish (*Fundulus parvipinnis*), round sting ray (*Urobatis haleri*), staghorn sculpin (*Leptocottus armatus*), striped mullet (*Mugil cephalus*), and topsmelt (*Atherinops affinis*). Similarly, Steamshovel Slough provides habitat for crustaceans, including purple shore crab (*Hemigrapsus nudus*), red ghost shrimp (*Callinassa californiensis*), striped shore crab (*Pachygrapsus crassipes*), and yellow shore crab (*Hemigrapsus oregonensis*); gastropods including California horn snail (*Cerithidea californica*), cloudy bubble snail (*Bulla gouldiana*), green paper bubble snail (*Haminoea virescens*), sea hare (*Aplysia californica*), striped sea hare (*Navanax inermis*); bivalves, including bay mussel (*Mytilus edulis*), California jackknife clam (*Tagelus californianus*), common littleneck clam (*Protothaca staminea*), olympia oyster (*Ostrea lurida*), and ribbed horse mussel (*Modiolus demissus*); and cephalopods such as two-spot octopus (*Octopus bimaculoides*).

The Bank Property supports a mosaic of native plant species that are often associated with coastal salt marshes, but which also occur in a variety of habitats including upland areas as most of these species are phreatophytes and are capable of reaching groundwater or soil with sufficient moisture, which allows them to occupy high marsh areas and above, up to 11 feet National Geodetic Vertical Datum (NGVD 1929). These species include common pickleweed (*Salicornia pacifica*), saltwort (*Batis maritima*), alkali heath (*Frankenia salina*), Parish's glasswort (*Arthrocnemum subterminale*), saltgrass (*Distichlis spicata*), and shoregrass (*Distichlis littoralis*). Currently, large areas of these species exhibit high mortality on the site due to extended drought conditions in southern California, while other areas are largely unvegetated and/or highly disturbed.

Other portions of the Bank Property currently support upland vegetation, most of which consists of non-native and invasive herbaceous species including crystalline iceplant (*Mesembryanthemum crystallinum*),

small-flowered iceplant (*Mesembryanthemum nodiflorum*), hottentot fig (*Carpobrotus edulis*), summer mustard (*Hirschfeldia incana*), tocalote (*Centaurea melitensis*), London rocket (*Sisymbrium irio*), red brome (*Bromus madritensis ssp. rubens*), castor bean (*Ricinus communis*), tree tobacco (*Nicotiana glauca*), curly dock (*Rumex crispus*), and five-horn smotherweed (*Bassia hyssopifolia*), among others.

Other portions are unvegetated, consisting of roads and areas disturbed or developed during past oil operations as well as areas best described as unvegetated flats. Some of these unvegetated flats exhibit occasional ponding and meet the Coastal Act definition of wetlands based on the hydrology criterion; however, because these areas are devoid of vegetation, they exhibit very low function.

B. Summary of Bank Development Plan

The Bank Development Plan covers preservation of the Steamshovel Slough, restoration of coastal salt marsh, establishment and enhancement of Buffers within degraded areas outside of Steamshovel Slough, and construction of public trail within the Bank Property. Implementation of the Bank Development Plan will:

- Reestablish tidal connection through strategic grading to restore hydrologic functions in disconnected and degraded uplands and wetlands to create a self-sustaining wetland ecosystem;
- Reestablish coastal salt marsh habitat and associated subtidal, intertidal, transitional, and upland habitats, taking into consideration potential sea level rise due to climate change;
- Rehabilitate areas of coastal salt marsh that currently exhibit limited tidal influence by reestablishing full tidal connections;
- Reestablish wetlands meeting three criteria in accordance with the U.S. Army Corps of Engineers methodology set forth in the U.S. Army Corps of Engineers 1987 Wetland Delineation Manual² (Wetland Manual) and the 2008 Regional Supplement to the Wetland Manual: Arid West Region Version 2.0³ (AWS v2.0);

² Environmental Laboratory. 1987. *Corps of Engineers Wetlands Delineation Manual*, Technical Report Y-87-1, U.S. Army Engineer Waterways Experimental Station, Vicksburg, Mississippi.

³ U.S. Army Corps of Engineers. 2008. *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Version 2.0)*. Ed. J.S. Wakeley, R.W. Lichevar, and C.V. Noble. ERDC/EL TR-08-28. Vicksburg, MS: U.S. Army Engineer Research and Development Center and Engineering Laboratory.

- Reestablish and enhance habitat for special-status plant and animal species, including no-net-loss of breeding habitat for Belding's savannah sparrow under the lower range of modeled sea level rise;
- Remove all contaminated soil located within the Bank Property;
- Reestablish 20.66 acres of coastal salt marsh habitats through strategic grading and removal of segments of a constructed berm that currently restricts historic tidal connections between the Steamshovel Slough and the oil field portion of the Property;
- Provide 1.80 acres of non-tidal transitional habitat with high-marsh species in the Buffer;
- Rehabilitate 7.25 acres of coastal salt marsh habitat;
- Provide 7.44 acres of saltbush/goldenbush scrub in the Buffer;
- Provide 1.04 acres of mulefat scrub in the Buffer;
- Preserve 29.71 acres of coastal salt marsh within the Steamshovel Slough;
- Construct flood protection between the Bank Property and the southerly portion of the Property; and
- Construct the Studebaker trail adjacent to and adjoining the Buffer near the eastern boundary of the Bank Property.

The purpose of Long-term Management Plan is to ensure the Bank is managed, monitored, and maintained in perpetuity to conserve and protect its Waters of the U.S. and associated Buffers and Coastal Wetlands, which consist of the coastal salt marsh and upland habitats described above in the condition that it occurs after completion of the IMP.

C. Special Status Species Occurring Within the Bank Property

Four special status species have been documented as occurring within the Bank Property: Belding's savannah sparrow, California least tern, white-tailed kite, and brown pelican. The Belding's savannah sparrow (state-endangered) is entirely dependent on salt marshes for nesting and foraging, and thus resides year-round in this habitat and is resident and common on the site, with the highest concentrations within and in proximity to Steamshovel Slough. This species nests preferentially in common pickleweed and/or Parish's glasswort. This species was most commonly observed within Steamshovel Slough and

along the berm that demarcates the southern limits of the Slough and nests in these areas. In addition, this species was also observed foraging within areas of pickleweed and Parish's glasswort south of the Slough. The federally and state-listed California least tern has been observed foraging within Steamshovel Slough; however, there are no potential breeding areas on the site. The state fully protected white-tailed kite has been observed foraging on the Bank Property; however, there is little suitable habitat for nesting and it is not expected to nest on the site. The brown pelican has been observed on the Property and foraging within Alamitos Bay.

D. Rare Species and Species of Special Concern

Rare species and species of concern are covered in the discussion above in Section III.A.

IV. Long-Term Management Goals & Objectives

The primary goal of long-term management of the Bank Property is to foster the long-term viability of restored and preserved Waters of the U.S. and associated Buffers, and Coastal Wetlands, within the Bank Property and to maintain the Conservation Values as defined in the Conservation Easement. The Conservation Values of the Bank Property include the collective wildlife and habitat values associated with the restored and preserved coastal salt marsh, and transitional and upland habitats that support a suite of special status species. Specifically, the three goals of this Long-term Management Plan are to:

1. Maintain Vegetation Cover of the Bank Property
2. Maintain Coastal Salt Marsh and Subtidal Habitat Processes and Functions
3. Minimize Human Impacts to Sensitive Habitats and Wildlife

Measurable objectives are assigned to each goal, as listed below, to guide monitoring and management actions on the Bank Property and ensure goals are achieved.

1. Maintain Vegetation Cover of the Bank Property
 - A: Absolute cover of native plant species is at least 86% in high, mid, and low marsh elevations within the Bank Property.
 - B: No aquatic invasive plant species or non-graminoid terrestrial invasive plant species, and less than 10% absolute cover of invasive terrestrial graminoids are present in each of the vegetated habitats within the Bank Property.
2. Maintain Coastal Salt Marsh and Subtidal Habitat Processes and Functions
 - C: Water surface elevations within the Bank Property are equal to those observed in Los Cerritos

Channel during both high and low tides.

D: The Bank Property supports multiple nesting pairs of Belding's savannah sparrow and bird species from each of the appropriate ecological foraging guilds.

E Water quality levels (temperature and dissolved oxygen) are equal to or better than those observed in the Los Cerritos Channel.

3. Minimize Human Impacts to Sensitive Habitats and Wildlife

F: Maintain at least 80% native shrub cover in Buffer areas adjacent to anthropomorphic land uses.

G: No wind-born trash, marine debris, or litter are present on the Bank Property.

H: No trespass or inappropriate use of the trail occurs on the Bank Property.

V. Management and Monitoring Actions

The approach to the long-term management of the Bank Property is to conduct monitoring of selected characteristics to determine ongoing trends of the Bank Property's ecological condition and to inform management actions that may be needed to achieve the above goals. Where applicable, triggers for action are categorized as "early warning" or "rapid response" indicators to prioritize adaptive management actions based on monitoring results. The adaptive management approach is described in further detail in Section VI.

Monitoring and management tasks are explained below, organized by goals and objectives, with the exception of the annual qualitative survey, which is described upfront because it crosscuts multiple goals and objectives.

Annual Qualitative Survey

In the spring of each year, resource monitor(s) will qualitatively survey the Bank Property on foot at low tide to assess the general condition of the habitats and infrastructure to identify any threats to the Conservation Values. The annual walkthrough survey will include a qualitative habitat assessment performed by qualified biologists to assess general habitat quality, and evidence of excessive accretion or erosion, changes in vegetation composition, or presence of nuisance wildlife which could alter the functioning of the Bank Property's habitats. During this survey, photographs will be taken at photopoints established during the interim management period. Photographs shall be taken from the same photopoint and in the same compass direction. Photographs will include date, GPS coordinates, compass bearing, and a description of location and subject. Photographs shall reflect material discussed in the annual monitoring report to track long-term trends at the Bank Property.

The annual qualitative survey pertains to multiple objectives and is referenced in several other monitoring tasks (i.e. B.1 non-native invasive plant species mapping, F.1 trail inspection, H.1 fence, maintaining signage, and gate inspection, and H.2 berm, sheetpile wall, and flap gate inspection).

Management Goal 1: Maintain vegetation cover on Bank Property.

Objective A: Absolute cover of native species is at least 75% across the Bank Property.

The Bank Property will support vegetation communities with native species as dominants. Management of the habitats within the Bank property will focus on encouraging the prevalence of communities that support predominantly native plant species. Absolute cover of native plant species will be $\geq 75\%$ across the Bank Property.

Monitoring Task A.1: Vegetation community mapping.

Every three years, qualified plant ecologists will map the vegetation communities across the Bank Property to the vegetation alliance level. Within each alliance mapped, all plant species observed will be recorded along with visual estimates of cover. These efforts will assist in early identification of habitat type conversion, disturbance, and non-native plant colonization, and therefore may be used to guide management.

Management Task A-1: Native plant vegetation adaptive management.

Native vegetation communities will be maintained in perpetuity by managing invasive plant species (Management Task B-1), ensuring appropriate tidal hydrology (Management Tasks C-1 and C-2), managing trespass (Management Task H-1), and removing trash (Management Task H-2). Changes in vegetation communities over time could be an “early warning” indicator of site specific physical and/or hydrological issues such as erosion or accretion of tidal habitats, or broader climate related issues such as sea level rise that could lead to changes in vegetation structure. Additional management to ensure $\geq 75\%$ cover of native plants will be completed through Adaptive Management Techniques, as described in Section V below.

Objective B: No aquatic invasive plant species or non-graminoid terrestrial invasive plant species, and less than 10% absolute cover of invasive terrestrial graminoids are present on the Bank Property.

The Bank Property will be managed to prevent the proliferation of invasive plant species, including aquatic and non-graminoid terrestrial invasive plant species. Early detection and control of invasive plant species will be a focus of the long-term management program. Management will keep non-graminoid invasive plant species populations at 0% on the Bank Property. Detection of invasive plant species will trigger management

as soon as possible, and appropriately timed based on the biology of the species observed.

Monitoring Task B.1: Non-native invasive plant species mapping.

As described in Monitoring Task A.1, the Bank Property's vegetation alliances will be mapped every three years by a plant ecologist. Each year's walk-through surveys will include mapping of non-native invasive plant species presence and cover during low tide to cover terrestrial and aquatic invasive plant species. Walk through surveys will include visual assessment of the shallow subtidal habitats of Steamshovel Slough, which is wadable at low tide. Mapping may be accomplished through use of available technologies, such as GIS and aerial photography. All instances of invasive plant species will be noted and mapped to inform invasive plant management.

Management Task B-1 - Invasive plant species management.

The Early Detection Rapid Response (EDRR) management approach will be employed. This approach relies on early identification of newly introduced invasive populations into a region, including invasive aquatic plant species, or a specific site where the invasive species did not previously exist. Implementation of an EDRR program will enable identification and prompt removal of invasive species that may not currently occur onsite but may have been noted within the region by natural resource managers and biologists or are considered an "alert" species by Cal-IPC. Certain invasive plant species that have been observed at the Bank Property are somewhat ubiquitous throughout California, these primarily consist of invasive annual grasses (e.g. *Bromus* spp.) that may continue to be present in upland areas and would not be expected to be completely eradicated. Management efforts for these species will emphasize reducing their abundance and competition on native species. Newly identified invasive plant species observed during the annual qualitative survey are to be eradicated from the Bank upon detection by the laborers with direction from the plant ecologist. An observation of any size population of an invasive species will require a "rapid response" management action.

Management Goal 2: Maintain coastal salt marsh and subtidal habitat processes and functions.

Objective C: Tidal hydrology in subtidal and intertidal habitats is 100% of the tidal range in Los Cerritos Channel.

The primary processes that will support the functions and habitat quality of the coastal salt marsh and subtidal areas are those associated with full tidal fluctuations. The tidal range at the Bank Property should be the same as that observed in Los Cerritos Channel.

Monitoring Task C.1: Tidal range assessment.

Every three years, tidal gauges (water level logger) will be deployed in five locations (one in Steamshovel Slough, three within the established tidal channels, and one in Los Cerritos Channel) to record the highest and lowest tides for a period of at least 30-days (Long-term Management Plan Exhibit 3).

Monitoring Task C.2: Sediment surface elevation survey.

Every three years, sediment surface elevations will be measured in breach locations using a form of topographic survey (e.g., elevation poles along a transect) to measure potential sedimentation or erosion as compared to baseline elevations measured within the Steamshovel Slough and as-built graded elevations within the tidal channels in the restoration areas (Long-term Management Plan Exhibit 3). Sediment levels (erosion/accretion) will be noted, evaluated and mapped during a site examination at low tide in the spring.

Management Task C-1: Tidal range adaptive management

Changes in tidal range could be “early warning” indicators of constricted tidal channels that could lead to type conversion of coastal salt marsh habitats. If high and low tides at the Bank Property deviate from those in the Los Cerritos Channel adaptive management actions would be dependent the source of the tidal constrictions (e.g. vegetation, debris, or topography). These remedies may include correction of any potential physical factors causing changes to the hydrology. No regular management needs are anticipated to be triggered as a result of tidal range monitoring, and any Adaptive Management actions proposed will be coordinated with the IRT, as described in Section V below.

Management Task C-2: Sediment surface elevation adaptive management.

Sediment accretion and erosion are naturally occurring processes that are essential to the function of coastal salt marshes. Certain amounts of sediment accretion can be natural in tidal environments, and could allow the Bank Property's habitats to adapt to sea level rise. For example, deposition can replace habitats at elevations potentially lost to land subsidence and sea-level rise and erosion within channels can help to maintain or increase the capacity of channels to convey tidal flows. However, excessive accretion can lead to reduced conveyance through tidal channels and type conversion as well as reduce the availability of shallow subtidal habitats.

Therefore, changes in sediment surface elevations in breaches could be “early warning” indicators of excessive erosion or accretion that could lead to type conversion of the restored and preserved

coastal salt marshes. If topographic changes are detected that have the potential to negatively impact the quality of the tidal and subtidal habitats of the Bank Property, appropriate adaptive management actions would be dependent on location, type and cause of changes, as described in Section V below.

Objective D: The Bank Property supports multiple nesting pairs of Belding's savannah sparrow and bird species from each of the appropriate ecological foraging guilds.

The Bank Property will support multiple nesting pairs of Belding's savannah sparrow and bird species from each of the appropriate ecological foraging guilds (i.e. waterfowl, wading/marsh birds, small shorebirds, large shorebirds, aerial foragers, gulls).

Monitoring Task D.1: Marine bird surveys.

Each year, bird surveys will be conducted in spring (April or May), summer (July or August), and winter (December or January) by qualified wildlife biologist(s) to capture migratory bird populations within the Bank Property. Surveys will be conducted from permanent monitoring stations along the northern edge of Steamshovel Slough and along the southern berm of the coastal salt marsh restoration areas during each survey (Long-term Management Plan Exhibit 5). Each monitoring location will be monitored for ten minutes. All birds will be counted and identified to species and ecological foraging guild (i.e. waterfowl, wading/marsh birds, small shorebirds, large shorebirds, aerial foragers, gulls). The use of binoculars and a spotting scope will be used.

Bird surveys will be performed at both low and high tides as waterfowl will be prevalent during high tide surveys and shorebirds will be prevalent during low tide surveys. The same survey route will be followed for each survey to allow for viewpoints into all portions of the tidal habitats and to eliminate the potential for double counting. The species of each bird seen or heard, and their abundance will be recorded for each survey area. Furthermore, the type of habitats being used, the type of behaviors being performed, and the presence of juvenile individuals should be recorded for each species at each area.

Monitoring Task D.2: Belding's savannah sparrow nesting surveys.

During the spring marine bird surveys (as described under Monitoring Task D.1), the wildlife biologist(s) will count and record observed nesting pairs of Belding's savannah sparrow, which is common on the Bank Property. The species uses coastal salt marshes for nesting and foraging and nests preferentially in common pickleweed and/or Parish's glasswort. It has also been observed foraging within areas of pickleweed and Parish's glasswort south of the Slough.

Management Task D-1: Marine bird adaptive management.

Annual fluctuations in bird populations and use of the Bank property are to be expected. If repeated monitoring events show a trend towards declining use of the Bank Property by marine birds overall or within particular guilds, or Belding's savannah sparrow, this may be an indicator of reduced function of the tidal or subtidal habitats. If a declining trend in bird usage is observed, the management action will be to identify whether the issue is site-specific or caused by regional environmental changes through correlating declines with data collected from the other monitoring tasks (i.e. Monitoring Tasks A.1, B.1, C.1 and C.2) and coordination with other local land managers. Adaptive management actions would be dependent on whether the changes can be remedied onsite. In the event of trending decline in bird usage, the Property Owner will work with the IRT to identify adaptive management actions based on feasibility, and as agreed upon between the Property Owner and the IRT. No regular management needs are anticipated to be triggered as a result of bird monitoring.

Objective E: Water quality levels (temperature and dissolved oxygen) are equal to or better than those observed in the Los Cerritos Channel.

Circulation within the tidal and subtidal areas of the Bank Property will be maintained to ensure suitable water quality for native aquatic species. Water quality at the bank Property should be equal to or better than that observed in the Los Cerritos Channel.

Monitoring Task E.1: Water quality monitoring.

Every five years, dissolved oxygen and water temperature monitoring will be conducted at high tide by resource monitors, using handheld devices in the same locations that were employed during the IMP and shown on Exhibit 3 (one within Steamshovel Slough, three in the southern area of the established tidal channels, one at the Jack Dunster reference site, and one in Los Cerritos Channel). Data will be collected in two seasons (January and July) and over a month-long lunar cycle for each monitoring event. The results of the water quality samples within the Bank property will be compared to the control location within Los Cerritos Channel and at Jack Dunster.

Management Task E-1: Water quality adaptive management.

Water quality monitoring results within the Bank Property that deviate from those in Los Cerritos Channel could be an "early warning" indicator of changes to circulation in the tidal and subtidal habitats. If tidal range and sediment monitoring results from Monitoring Tasks C.1 and C.2 do not indicate that there are any site-specific flow constrictions leading to water quality issues, then other potential sources of changes in water quality within the Bank Property will be evaluated. In the

event of regional water quality issues with potential to adversely affect habitats in the Bank Property, the Property Owner will coordinate with other local land managers to identify potential contributing factors. The Property Owner will work with the IRT to identify adaptive management actions based on feasibility and in accordance with Section V of this document. No regular management needs are anticipated to be triggered as a result of water quality monitoring.

Management Goal 3: Minimize human impacts to sensitive habitat and wildlife.

Objective F: Maintain at least 80% native shrub cover in Buffer areas adjacent to anthropomorphic land uses.

Upland habitats will be managed to support vegetated Buffers that help shield wildlife from anthropogenic disturbance. Management will ensure native shrubs to persist in Buffer areas.

Monitoring Task F.1: Trespass and damage assessment.

During the annual walkthrough survey the entire length of the trail will be walked by the resource monitor. Evidence of human off trail access or trampling of vegetation will be recorded, as will any erosion, damage, or disrepair to signage or trail which could facilitate further vegetation impacts.

Monitoring Task F.2: Vegetation community mapping.

As described in Monitoring Task A.1, plant ecologists will map the vegetation communities across the Bank Property every three years, including in the Buffer areas adjacent to the trail, to the vegetation alliance level. Within each alliance mapped all plant species observed will be recorded along with visual estimates of cover.

Management Task F-1: Upland buffer vegetation adaptive management.

Any evidence of trampling of upland buffer vegetation adjacent to the trail will be deterred via installation of additional signage. In addition, any vegetation trampled or otherwise damaged by off-trail trespass will be evaluated for adaptive management, as necessary. Adaptive management actions could include re-planting, additional temporary barriers (i.e. flagging), or other activities as approved by the IRT.

Objective G: No wind-born trash, marine debris, or litter are present on the Bank Property.

The Bank Property will be maintained free of trash.

Monitoring Task G.1: Trash accumulation assessment.

Quarterly, the Bank Property will be monitored by laborers to observe trash accumulation, make specific notes about trash accumulation points, and the source of trash (i.e. windborne, waterborne, illegal dumping, or as part of public use of trail). Trash type and location will be recorded, and management recommendations will be made to avoid, minimize, or rectify a trash impact. If any other issues associated with the trail, signs or fencing are observed during this assessment, these will be reported as well.

Management Task G-1: Trash removal.

Any trash observed during monitoring visits (i.e. annual qualitative survey) will be collected and disposed off-site. In addition, at least quarterly, laborers will survey the Bank Property and remove all observed trash. Small accumulations, or isolated occurrences of trash will be removed by monitors when observed during monitoring visits (i.e. annual qualitative survey). Removal of larger accumulations of trash will be organized quarterly to maintain the site free of trash. Impacts to vegetation during trash removal will be minimized by hand removal and avoiding trampling of vegetation when feasible.

Objective H: No trespass or inappropriate use of the trail occurs on the Bank Property.

Public access will be controlled and limited to docent-led use of the trail and guided boat tours. Fencing, gates, signs and the trail will be maintained to ensure habitats are protected from impacts as a result of human activity. Routine monitoring to identify threats and stressors to the stability of the habitats and to inform appropriate maintenance tasks are intended to assure the viability of the habitats within the Bank Property, in perpetuity. Exhibits 3, 4, and 5 denote the locations of restored and preserved Waters of the U.S. and associated Buffers, Coastal Wetlands, vegetation, and wildlife subject to monitoring in the long-term.

Monitoring Task H.1: Trespass, fence, and signage assessment.

During the annual walkthrough survey the entire length of the trail and of the perimeter fence will be walked by the resource monitor. Signage and fencing will be inspected for integrity and/or damage and the condition of chain link fence and gates will be recorded. When damage to the fence is observed it will be reported to the Property Owner immediately. The Property will have no general public access, nor any regular public or private use, except via the managed trail. Evidence of human trespass and off-trail access or trampling of vegetation will be recorded.

Management Task H-1: Maintain perimeter fencing, gate, and "No Trespassing" signs.

Segments of fencing that are in disrepair will be repaired as soon as possible to limit unauthorized

access into the Bank Property. The location of the chain link fence is along the entire Property boundary, as shown in Exhibit 2. The entire perimeter fence of the Property will be maintained by Synergy Oil and Gas, LLC (Oil Operator), or a subsequent Oil Operator, until the Termination of Oil Operations Date, as defined above. While oil operations are ongoing, any required maintenance to the chain link fence and gate will be coordinated between the Property Owner, Synergy Oil and Gas, LLC, and the IRT. Upon the Termination of Oil Operations Date, as defined above, responsibility for maintaining, repairing, and replacing the chain link fence will transfer to the Property Owner.

Management Task H-2: Maintain trail for continued use.

The Property Owner will manage a trail that extends from the Visitors Center parking lot into the Bank Property. The trail will provide the public with controlled access to view the restored wetlands within the Bank Property. The trail will be gated, only open from dawn to dusk, and use of the trail by the public will be docent-led only. No dogs will be allowed. As the trail enters the Bank Property, it runs in a north/south direction, paralleling Studebaker Road, and is bordered on either side by the native Buffer (Exhibit 3).

Degradation or damage to trail will be repaired via appropriate action, including using hand tools (shovels, wheelbarrows, etc.) to repair grade, fill potholes, and address other minor stability issues. No heavy equipment will be used. Damaged or missing signs will be repaired or replaced as soon as possible. The trail is adjacent to the Buffer and there is potential for off-trail usage to degrade the condition of the Buffer areas. Instances of off-trail occurrences into Buffer areas can be deterred via installation of additional signs. Should off-trail use occur despite additional signage, adaptive management solutions will be coordinated with the IRT.

Objective I: Prevent contamination to the Bank Property from adjacent oil fields

Along the southern boundary of the Bank between the Bank Property and the oil field in the southern portions of the Property, there will be an earthen berm and sheetpile wall that will serve multiple purposes: as a physical barrier between the Bank and the Visitors Center, to protect the adjacent oil operations from sea level rise, and to protect the Bank Property from impacts associated with adjacent land uses. This infrastructure will be in place until it is removed by the Oil Operator following cessation of the adjacent oil operations (estimated in 2035-2040).

Monitoring Task I.1: Berm, sheetpile wall and flap gate inspection.

The sheetpile wall will be inspected annually by the resource monitor during the annual qualitative survey to ensure that it is structurally secure, functioning, and preventing contaminants from the adjacent oil operations from entering the Bank Property. This physical inspection will include examining it for any cracks, significant dents, corrosion, holes, and misalignment. In addition to inspecting the physical integrity of the sheetpile wall, the monitor will also inspect the area surrounding it for any signs of erosion or sloughing. At the same time, the tidal flap gates will be physically inspected to ensure they continue to facilitate appropriate tidal action. Finally, also during the annual qualitative survey, the length of the berm will be inspected on foot for any evidence of erosion.

Any evidence of physical damage to the sheetpile wall, flap gates, or of erosion or sloughing potentially caused by the sheetpile wall, will be reported to the Oil Operator (see Management Task I-1).

Management Task I-1: Coordinate berm, tidal flap gate, and sheetpile wall maintenance with Oil Operator.

The sheetpile wall and tidal flap gates will be removed by the Oil Operator following cessation of the adjacent oil operations. Until that time, maintenance of these infrastructure is the responsibility of the Oil Operator, as described in Exhibit K-5. Likewise, the maintenance and upkeep of the berm is the responsibility of the Oil Operator on the southern portion of the Property. Any damage, threats, or impediments to these infrastructure observed during Monitoring Task I.1 will be communicated immediately to the Oil Operator for correction.

VI. Adaptive Management

Adaptive management is an approach to natural resource management that promotes flexibility in decision making and incorporates changes to management practices, including corrective actions based on monitoring data to make adjustments, as necessary, to ensure the long-term ecological health and viability of an ecosystem. Adaptive management is expected to be implemented in long term management of the Bank's biological resources as determined to be appropriate by the IRT in discussion with the Property Owner, based upon Bank annual report results and IRT review of overall Bank performance and compliance. Adaptive Management includes those activities necessary to address the effects of natural changes through time, changes in the scientific understanding of the biological resources within the Bank Property, advancements in data collection, changes in the understanding of natural resource land management practices, climate change, fire, flood, or other events, use of the Bank Property by nuisance

wildlife, Extraordinary Circumstances, or other events that necessitate a change in the management of the Bank Property in order to preserve the Bank Property's Conservation Values.

While it is not anticipated that major management actions will be necessary after successful achievement of the final Performance Standards set forth in the IMP, an objective of this Long-term Management Plan is to conduct monitoring to identify any issues that arise and develop mechanisms to trigger appropriate adaptive management strategies or remedial measures. There are foreseeable circumstances that may require a reallocation of resources for the purposes of implementing adaptive management. Sediment management could be required to address a reduction in tidal range or there could be damages caused by unauthorized public access that requires additional fencing or repairs beyond what is currently contemplated in the annual budget. These supplemental actions are accounted for in the funding estimates described in the Endowment Fund (Exhibit D-2) in two ways: through the contingencies assigned to each monitoring and management action and through the adaptive management line item. These supplemental actions are expected to be addressed immediately, and in coordination with the IRT. The Property Owner will have the knowledge, training, and experience to accomplish monitoring responsibilities. Adaptive management actions will be informed by the monitoring results and the Property Owner's understanding of regional climate related variability in similar habitats in coordination with the IRT. As such, it is important to view this Long-term Management Plan as a framework for overarching management strategies, with built-in flexibility for adaptive management in the long-term.

VII. Reporting

Every year, the Property Owner will prepare an annual report consistent with section IX.B of the BEI detailing the monitoring results and management actions taken during the year as well as a description of the management and maintenance activities proposed for the following year. In addition, it will make recommendations with regard to (1) any habitat management measures deemed to be warranted, (2) any problems that need near short and long-term attention (e.g., weed removal, fence repair, erosion control), and (3) any changes in the monitoring or management program that appear to be warranted based on monitoring results to date. The annual report will be completed and circulated to the IRT and Conservation Easement Grantee by August 15 of each year.

VIII. Allowable Land Uses

Post Bank establishment, and during the Long-term Management Period, a trail near the eastern boundary of the Bank Property will be used for guided tours. In addition, guided boat tours to view the Bank's habitats could occur. In both cases, public access will be strictly limited to avoid damage to the Bank's

resources. Trail users will be docent-led and required to stay on the trail, and boat tours will be guided so as to not damage vegetation. Therefore, no re-planting is expected to be required via these public viewing options.

In addition, the Bank Property could provide valuable scientific opportunities for research and/or additional monitoring activities not covered in this Long-term Management Plan. Research and/or other educational programs or efforts may be allowed on the Bank Property as deemed appropriate by the Signatory Agencies but are not specifically funded or a part of this LTMP. Any research and/or monitoring activities would be communicated to the IRT and included in the annual report.

Finally, this Bank is one of several properties (including the Synergy Oil, LLC fields within the Property, but excluded from the Bank Property) that are being planned for restoration. These restoration projects will integrate with this Bank to provide additional regional ecological benefits. Activities required for neighboring restoration projects that tie into the Bank Property will be allowed, communicated to the IRT, and included in the annual report.

IX. Amendments and Notices

A. Amendments

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

B. Notices

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

Property Owner:

Los Cerritos Wetlands, LLC
6433 E. 2nd Street
Long Beach, CA 90803

IRT, BEI Signatory Agencies (Subject to Change):

U.S. Army Corps of Engineers
Los Angeles District, Regulatory Division
915 Wilshire Blvd.
Los Angeles, California 90017

U.S. Environmental Protection Agency
Region IX, Southern CA Field Office
600 Wilshire Blvd, Suite 940
Los Angeles, CA 90017

U.S. Fish and Wildlife Service
Carlsbad Fish and Wildlife Office
2177 Salk Avenue, Suite 250
Carlsbad, CA 92008

National Marine Fisheries Service
Southwest Region
501 West Ocean Boulevard, Suite 4200
Long Beach, CA 90802

California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, California 94105

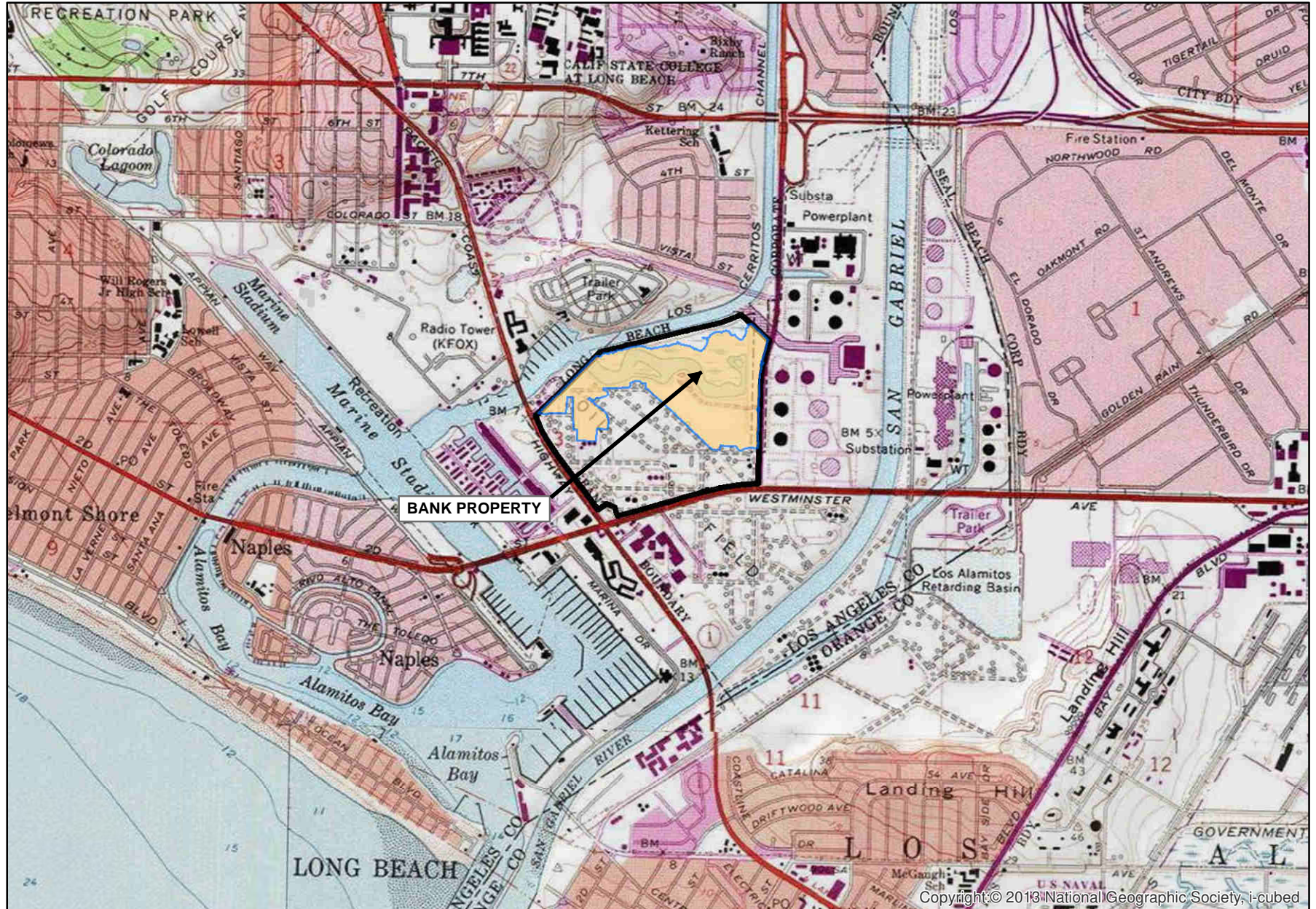
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, California 90013

X. Funding and Task Prioritization

A. Funding

The attached PAR summarizes the anticipated costs of long-term management for the Bank and covers all long-term management activities as intended to be carried out by the Property Owner. These costs include estimates of time and funding needed to carry out all monitoring and management tasks at the frequencies noted for each element. The total annual funding anticipated is approximately \$ 52,786, therefore, with the current annual estimated capitalization rate of 3.5%, the total Endowment Amount required will be \$1,508,159, subject to adjustment in accordance with the BEI. No additional management funds, other than the Endowment Amount adjustments prescribed in the BEI, shall be required of the Bank Sponsor or Property Owner. The interest monies will fund the long-term management activities on the Bank in a manner consistent with this Long-term Management Plan.

Adapted from USGS Los Alamitos, CA quadrangle



UPPER LOS CERRITOS WETLANDS MITIGATION BANK

Vicinity Map

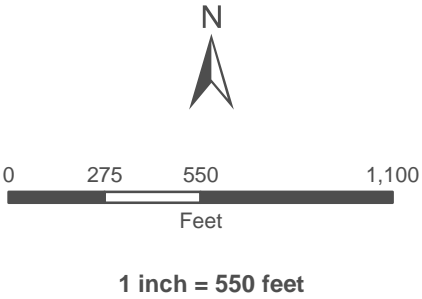
GLENN LUKOS ASSOCIATES



Exhibit 1



- Property
- Other Sites
- Bank Property
- Existing Oil Operations
- Trail



Coordinate System: State Plane 5 NAD 83
Projection: Lambert Conformal Conic
Datum: NAD83
Map Prepared by: K. Kartunen, GLA
Date Prepared: March 23, 2020

**UPPER LOS CERRITOS WETLANDS
MITIGATION BANK**
Project Components Map

GLENN LUKOS ASSOCIATES

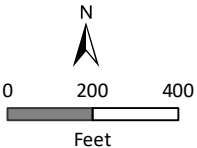


Exhibit 2



Exhibit 3.
LTMP Physical & Water
Quality Monitoring Map
Upper Los Cerritos
Wetlands Mitigation Bank

- Property
- Bank Property
- Berm/Road Removal
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal
- Trail
- Sediment Monitoring Location
- Water Quality Monitoring Location



Sources: Esri World Imagery, WRA | Prepared By: njander, 11/18/2020

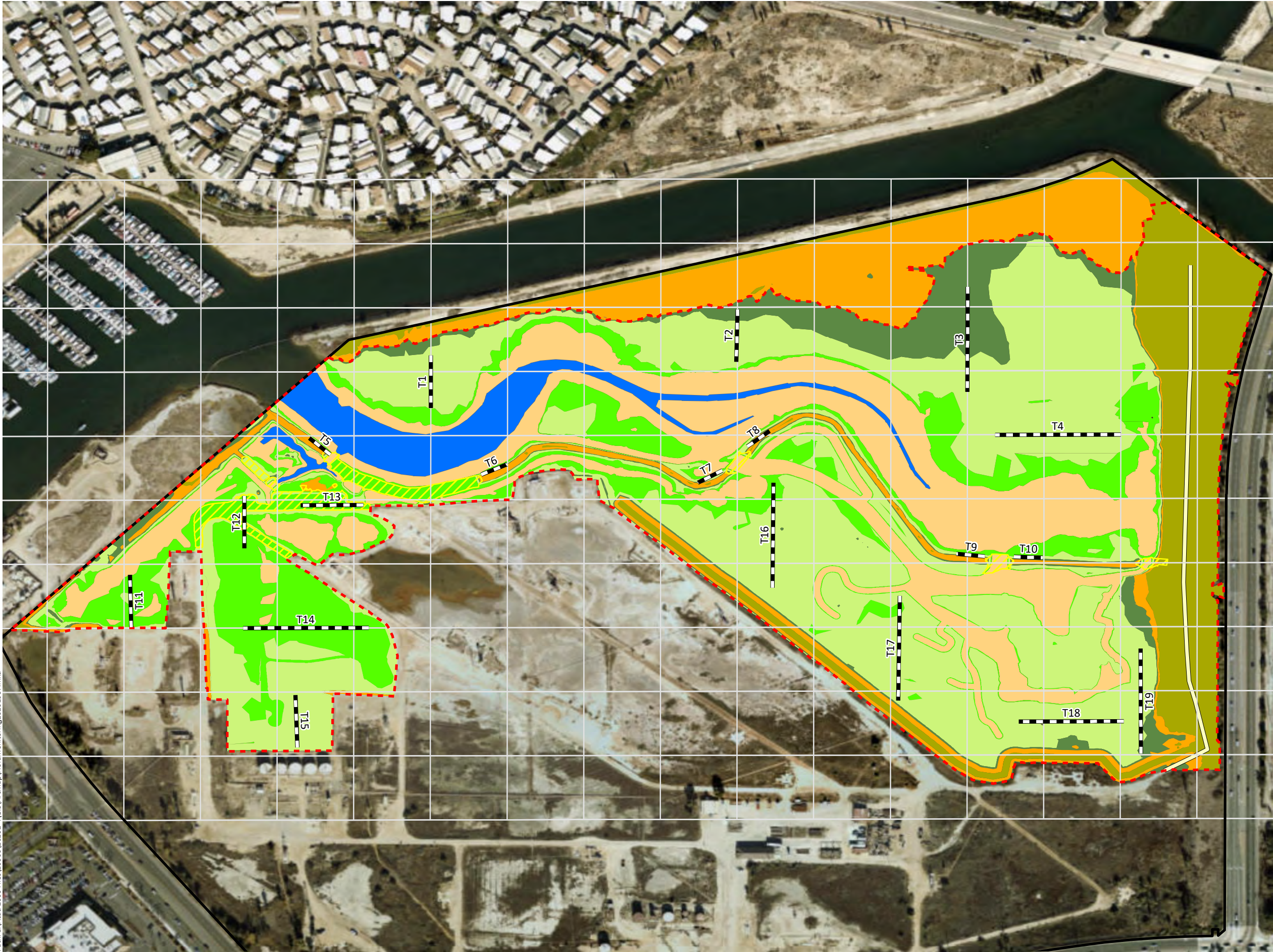
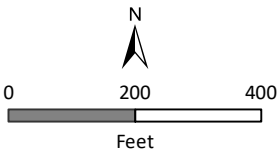


Exhibit 4.
LTMP Vegetation
Monitoring Map

Upper Los Cerritos
Wetlands Mitigation Bank

- 50 and 100 Meter
Transect Locations
- Bank Property
- Property
- Berm/Road Removal
- 200' Vegetation Monitoring
Grid
- Trail
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal



Path: L:\Acad 2000 Files\26000\26292-4\GIS\ArcMap\FloraMonitoring20201007.mxd

Sources: Esri World Imagery, WRA | Prepared By: JSChuster, 10/30/2020

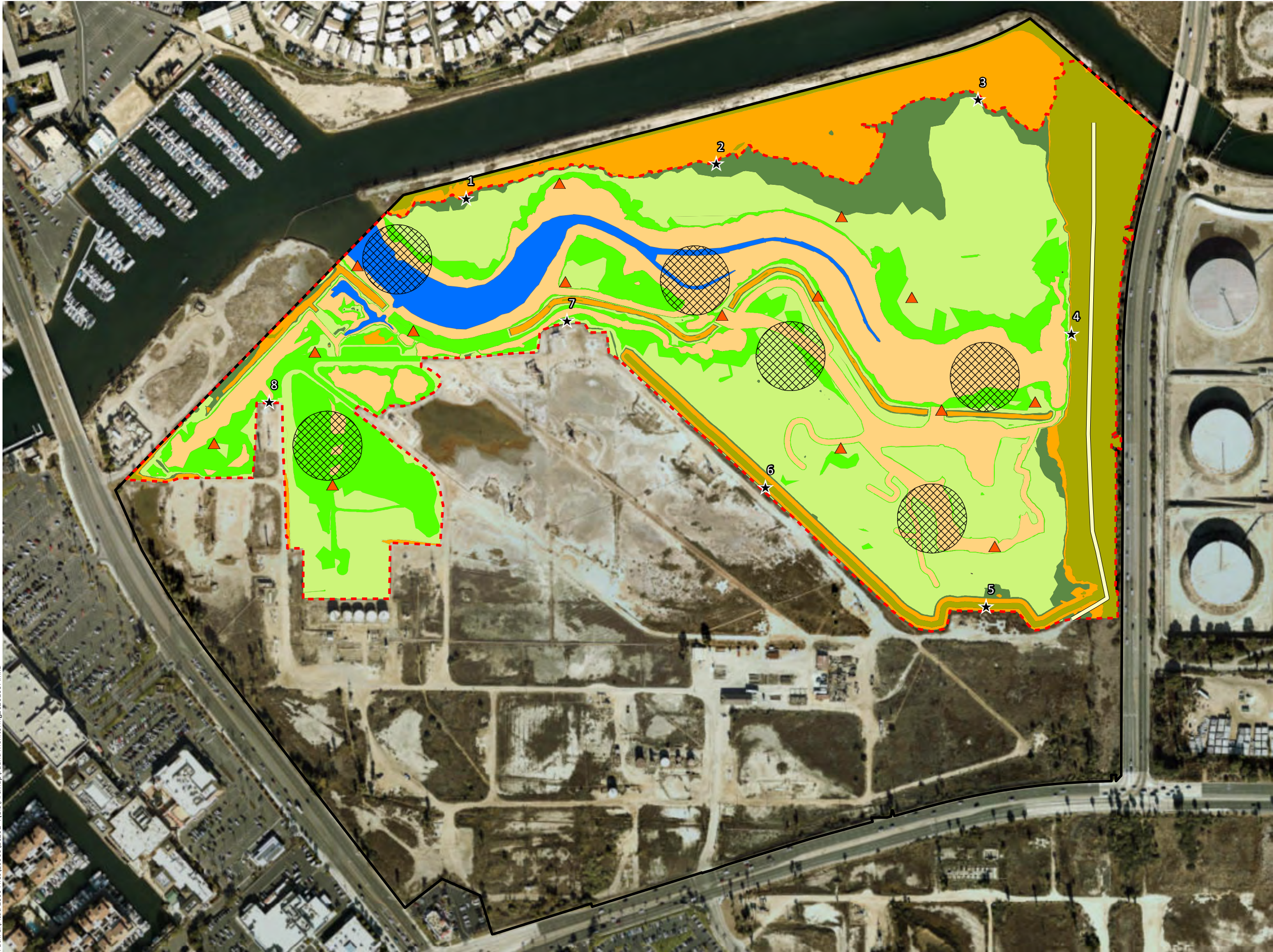
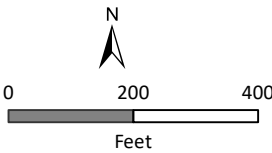


Exhibit 5.
LTMP Faunal
Monitoring Map

Upper Los Cerritos
Wetlands Mitigation Bank

- ★ Bird Survey
- ▲ Infaunal Invert Sample
- Trail
- - - Bank Property
- ⊞ Fish Survey
- ▭ Property
- Upland
- Transitional
- High Marsh
- Mid Marsh
- Low Marsh
- Mudflat
- Subtidal



*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit E
Real Estate Records and Assurances*

Exhibit E-4

Approved-as-to-form Conservation Easement

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Southwest Resource Management Association
 4500 Glenwood Dr.
 Riverside, CA 92501
 Attn: Chief Executive Officer

Space Above Line for Recorder's Use Only

**CONSERVATION EASEMENT DEED
 Upper Los Cerritos Wetlands Mitigation Bank**

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of _____, 20____, by Los Cerritos Wetlands, LLC ("Grantor"), in favor of Southwest Resource Management Association, a California non-profit corporation ("Grantee"), with reference to the following facts:

RECITALS

A. Grantor is the sole owner in fee simple of certain real property containing approximately 150 acres, located in the city of Long Beach, county of Los Angeles, state of California, and designated Assessor's Parcel Number(s) 7237-017-010 through 014, 7237-017-018 and 7237-017-09, (the "Property"). The Property is legally described in **Exhibit A**. Grantor intends to grant a conservation easement over a 68.74 acre portion of the Property (the "Bank Property"). The Bank Property is legally described and depicted in **Exhibit B**.

B. After the recording of the Conservation Easement and subject to Section 20, Grantor intends to convey the entirety of the Bank Property to the Los Cerritos Wetlands Authority ("LCWA"), a joint powers authority made up of the State Coastal Conservancy, the Rivers and Mountains Conservancy and the cities of Long Beach and Seal Beach, whose mission is to provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration, and improved water supply, water quality, groundwater recharge, and water conservation. Upon transfer of fee title of the Bank Property to LCWA, it is intended that LCWA will carry out the obligations of Property Owner under the BEI (defined below), including implementation of the Long-Term Management Plan (defined below), and Los Cerritos Wetlands, LLC will carry out the obligations of Bank Sponsor (defined below), including implementation of the Development Plan and Interim Management Plan (defined below).

C. The Bank Property possesses wildlife and habitat values of great importance to Grantee, the people of the state of California and the people of the United States. The Bank Property provides, or will provide high quality natural and restored and preserved habitat for a suite of special-status species, including state and federally listed species, as described in the Development Plan. In addition to these species, the Bank Property contains, or will contain, restored and preserved coastal salt marsh, saltbush/golden bush, and mulefat scrub. Individually and collectively, these wildlife and habitat values comprise the "Conservation Values" of the Bank Property.

D. The United States Fish and Wildlife Service (the "USFWS"), an agency within the United States Department of the Interior, has jurisdiction over the conservation, protection, restoration and management of fish, wildlife, native plants, and the habitat necessary for biologically sustainable populations of these species within the United States pursuant to the federal Endangered Species Act, 16 U.S.C. Section 1531, *et seq.*, the Fish and Wildlife Coordination Act, 16 U.S.C. Sections 661-666c, the Fish and Wildlife Act of 1956, 16 U.S.C. Section 742(f), *et seq.*, and other provisions of federal law.

E. The U.S. Environmental Protection Agency ("USEPA") and U.S. Army Corps of Engineers ("USACE") have jurisdiction over waters of the United States pursuant to the federal Clean Water Act, 33 U.S.C. Section 1251, *et seq.*

F. The California Coastal Commission ("CCC") has jurisdiction over the California Coastal Zone pursuant to the California Coastal Act of 1976, California Public Resources Code § 30000, *et seq.* and the Coastal Zone Management Act, 16 U.S.C. § 1451, *et seq.*

G. Grantee is authorized to hold this conservation easement pursuant to California Civil Code Section 815.3 and Government Code Section 65967. Specifically, Grantee is a tax-exempt nonprofit organization qualified under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and qualified to do business in California which has as its primary purpose the preservation, protection or enhancement of land in its natural, scenic, forested, or open space condition or use.

H. This Conservation Easement is granted pursuant to the Mitigation Bank Enabling Instrument (the "BEI"), by and between Los Cerritos Wetlands, LLC (as "Bank Sponsor" and "Property Owner"), and USFWS (FWS-LA-10B0323), USACE, USACE File No. 2016-00756, USEPA, and CCC, and the Bank Development Plan (the "Development Plan"), Interim Management Plan, and Long-Term Management Plan (collectively, the "Management Plans") created under the BEI. The USACE, USFWS, USEPA, and CCC are together referred to in this Conservation Easement as the "Signatory Agencies."

Final, approved copies of the BEI, the Development Plan and the Management Plans, and any amendments thereto approved by the Signatory Agencies, shall be kept on file at the respective offices of the Signatory Agencies, with electronic copies of each document provided by Grantor to Grantee at no cost to Grantee. If Grantor, or any successor or assign, requires an official copy of the BEI, the Development Plan, or the Management Plans, or any

amendment, it should request a copy from one of the Signatory Agencies at its address for notices listed in Section 22 of this Conservation Easement.

The BEI, the Development Plan and the Management Plans are incorporated by this reference into this Conservation Easement as if fully set forth herein.

I. All section numbers referred to in this Conservation Easement are references to sections within this Conservation Easement, unless otherwise indicated.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to the laws of the United States and state of California, including California Civil Code Section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Bank Property. This Conservation Easement shall run with the land and be binding on Grantor's heirs, successors, administrators, assigns, lessees, and other occupiers or users of the Bank Property or any portion of it.

1. Purposes.

The purposes of this Conservation Easement are to ensure that the Bank Property will be retained forever in its natural or restored condition as contemplated by the BEI, the Development Plan, and the Management Plans, and to prevent any use of the Bank Property that will impair or interfere with the Conservation Values of the Bank Property. Grantor intends that this Conservation Easement will confine the use of the Bank Property to activities that are consistent with such purposes, including, without limitation, those involving the preservation and restoration of native species and their habitats implemented in accordance with the BEI, the Development Plan and the Management Plans.

2. Grantee's Rights.

To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee:

(a) To preserve and protect the Conservation Values of the Bank Property.

(b) To enter the Bank Property at reasonable times, in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, the BEI, the Development Plan and the Management Plans and to implement at Grantee's sole discretion Development Plan and Management Plans activities that have not been implemented, provided that Grantee shall not unreasonably interfere with Grantor's, its successors and assigns, authorized use of the Bank Property.

(c) To prevent any activity on or use of the Bank Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Bank Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Conservation Easement.

(d) To require that all mineral, air and water rights as Grantee deems necessary to preserve, protect and sustain the biological resources and Conservation Values of the Bank Property shall remain a part of and be put to beneficial use upon the Bank Property, consistent with the purposes of this Conservation Easement.

(e) All present and future development rights appurtenant to, allocated, implied, reserved or inherent in the Bank Property; such rights are hereby terminated and extinguished and may not be used on or transferred to any portion of the Bank Property, nor any other property adjacent or otherwise.

3. Third Party Beneficiary.

Grantor and Grantee acknowledge that the USFWS, USACE, USEPA, and CCC (the "Third-Party Beneficiaries") are third party beneficiaries of this Conservation Easement with the right of access to the Bank Property and the right to enforce all of its provisions and all other rights and remedies of the Grantee under this Conservation Easement.

4. Prohibited Uses.

Any activity on or use of the Bank Property that is inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following uses and activities on or of the Bank Property by Grantor, its successors and assigns, Grantor's agents, and third parties are expressly prohibited:

(a) Unseasonable watering; use of chemical fertilizers, pesticides, biocides, herbicides, rodenticides, fungicides or other agents; weed abatement activities; incompatible fire protection activities; and any and all other activities and uses which may adversely affect the Conservation Values of the Bank Property or otherwise interfere with the purposes of this Conservation Easement, except for management of non-native invasive species as specifically provided in the Management Plans.

(b) Use of off-road vehicles and use of any other motorized vehicles except on existing roadways.

(c) Agricultural activity of any kind.

(d) Recreational activities, including, but not limited to, horseback riding, biking, hunting or fishing except such activities as are consistent with the purposes of this Conservation Easement and specifically provided for in the Management Plans within a 0.84-acre, 6-foot-wide trail.

(e) Commercial, industrial, residential, or institutional structures or uses.

(f) Any legal or de facto division, subdivision or partitioning of the Bank Property, including a request for a certificate of compliance pursuant to the California Subdivision Map Act (California Government Code Section 66499.35).

- (g) Construction, reconstruction, expansion, location, relocation, installation or placement of any building, billboard or sign, or any other structure or improvement of any kind, except for the sheet pile wall as specifically provided in the Development Plan.
- (h) Deposit or accumulation of soil, trash, ashes, refuse, waste, bio-solids or any other materials.
- (i) Planting, introduction or dispersion of non-native or exotic plant or animal species.
- (j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sands, gravel, rocks or other material on or within the first 500 feet below the surface of the Bank Property, or entering onto, using, or occupying the surface or granting or authorizing surface entry, use, or occupation for any of these purposes.
- (k) Altering the surface or general topography of the Bank Property, including but not limited to any alterations to habitat, building roads or trails, or paving or otherwise covering any portion of the Bank Property except for those habitat restoration and management activities specified in the Development Plan or Management Plans.
- (l) Removing, disturbing, altering, destroying, or cutting of trees, shrubs or other vegetation, except as required by law and in accordance with a plan approved in writing by the Signatory Agencies for (i) fire breaks, (ii) maintenance of existing foot trails or roads, or (iii) prevention or treatment of disease, except for management of non-native invasive species as specifically provided in the Management Plans.
- (m) Manipulating, impounding or altering any natural water course, body of water or water circulation on the Bank Property, and any activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters except as specified in Section 7 and for removal of designated portions of the existing berm and roads, removal of sediment and grading of tidal channels that would connect to the Steamshovel Slough, installation of the sheetpile wall and built-in flap gates and the future removal of the sheetpile wall and built-in flap gates, as specifically provided in the Development Plan. Exceptions will also be made for future restoration of adjacent lands as allowed in the Long-term Management Plan.
- (n) Without the prior written consent of Grantee, which Grantee may withhold, transferring, encumbering, selling, leasing, or otherwise separating the mineral, air or water rights for the Bank Property; changing the place or purpose of use of the water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, water reservoir or storage rights, water wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Bank Property, including but not limited to: (i) riparian water rights; (ii) appropriative water rights; (iii) rights to waters which are secured under contract with any irrigation or water district,

to the extent such waters are customarily applied to the Bank Property; and (iv) any water from wells that are in existence or may be constructed in the future on the Bank Property.

(o) Any use or activity that may violate, or fail to comply with, relevant federal, state, or local laws, regulations, or policies applicable to Grantor, the Bank Property, or the use or activity in question.

(p) Creation of any encumbrance superior to this Conservation Easement, other than those encumbrances set forth in **Exhibit A** hereto, or the recording of any involuntary lien (which is not released within thirty calendar days), or the granting of any lease, license or similar possessory interest in the Bank Property which will affect the Conservation Values of the Bank Property.

(q) No use shall be made of the Bank Property, and no activity thereon shall be permitted, that may adversely affect the Conservation Values of the Bank Property or otherwise interfere with the purposes of this Conservation Easement. Grantor and Grantee acknowledge that, in view of the perpetual nature of this Conservation Easement, they are unable to foresee all potential future land uses, future technologies, and future evolution of the land and other natural resources, and other future occurrences affecting the purposes of this Conservation Easement. Grantee, in consultation with and written approval by the Signatory Agencies, may determine whether (1) proposed uses or proposed improvements not contemplated by or addressed in this Conservation Easement or (2) alterations in existing uses or structures, are consistent with the purposes and will benefit the Conservation Values of this Conservation Easement.

5. Grantee's Duties.

To ensure that the purposes of this Conservation Easement as described in Section 1 are being accomplished, Grantee and its successors and assigns shall:

(1) Perform, at least annually, compliance monitoring inspections of the Bank Property; and

(2) Prepare written reports on the results of the compliance monitoring inspections, and provide these reports to Grantor and each of the Signatory Agencies on an annual basis.

6. Grantor's Duties.

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Bank Property or that are otherwise inconsistent with this Conservation Easement. In addition, Grantor shall undertake all necessary actions to perfect and defend Grantee's rights under Section 2 of this Conservation Easement, and to observe and carry out the obligations of Grantor under the BEI, the Development Plan and the Management Plans.

7. Reserved Rights.

Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from Grantor's ownership of the Bank Property, including the right to engage in or permit or invite others to engage in all uses of the Bank Property that are not prohibited or limited by, and are consistent with, the purposes of this Conservation Easement. Grantor reserves to itself and to its personal representatives, heirs, successors, and assigns, all mineral rights associated with the Bank Property, provided the Grantor will only exercise those rights 500 feet below the surface of the Bank Property, provided there is no entry, use or occupation of the surface of the Bank Property in exercising such rights and Grantor does not interfere with or affect the surface of the Bank Property when conducting any mineral extraction activities, and the use does not impair or interfere with the Conservation Values of the Bank Property.

8. Grantee's Remedies.

(a) If Grantee determines that a violation of this Conservation Easement has occurred or is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation ("Notice of Violation"). Notice shall be provided according to Section 22 of this Conservation Easement.

(b) If Grantor fails to cure the violation within thirty (30) days after receipt of a Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and Grantor fails to begin the cure within the thirty (30)-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction for any or all of the following: to recover any damages to which Grantee may be entitled for violation of the terms of this Conservation Easement or for any injury to the Conservation Values of the Bank Property; to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies; to pursue any other legal or equitable relief, including but not limited to, the restoration of the Bank Property to the condition in which it existed prior to any such violation or injury; or to otherwise enforce this Conservation Easement. Without limiting the liability of Grantor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Bank Property.

(c) If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate injury to the Conservation Values of the Bank Property, Grantee may pursue its remedies under this Conservation Easement without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this section apply equally to actual or threatened violations of this Conservation Easement. Grantee shall notify the Grantor and Signatory Agencies within 30 days of such an occurrence.

(d) Grantor agrees that Grantee's remedies at law for any violation of this Conservation Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available

legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to the remedies set forth in California Civil Code Section 815, *et seq.*

(e) If Grantor receives a Notice of Violation with which it is impossible for Grantor to comply consistent with any prior uncured Notice(s) of Violation, Grantor shall give written notice of the conflict ("Notice of Conflict") to Grantee and the Third-Party Beneficiaries (as defined in Section 24(m)). In order to be a valid, a Notice of Conflict shall be given within fifteen (15) days of the date Grantor receives a conflicting Notice of Violation, shall include copies of the conflicting Notices of Violation, and shall describe the conflict with specificity, including how the conflict makes compliance with the uncured Notice(s) of Violation impossible. Upon giving a valid Notice of Conflict, Grantor shall not be required to comply with the conflicting Notices of Violation until such time as the entity or entities that gave said conflicting Notices of Violation give revised Notice(s) of Violation that resolve the conflict. Upon receipt of a revised Notice of Violation, Grantor shall comply with such notice within the time period(s) described in Section 8(b). The failure of Grantor to give a valid Notice of Conflict within fifteen (15) days of receipt of a conflicting Notice of Violation shall constitute a waiver of Grantor's ability to claim a conflict.

9. Costs of Enforcement.

Grantor shall bear all costs incurred by Grantee, where Grantee is the prevailing party, in enforcing the terms of this Conservation Easement against Grantor. These costs include, but are not limited to, the following: costs of suit and attorneys' and experts' fees, and any costs for restoration necessitated by Grantor's negligence or breach of this Conservation Easement. If a court of competent jurisdiction determines that there has been a violation of any term of this Conservation Easement:

(1) Funds from the Endowment Fund (BEI Exhibit D-2) cannot be used to pay damages awarded as part of the judgment;

(2) Funds from the Endowment Fund cannot be used to restore the Bank Property to the condition in which it existed prior to the violation; and

(3) In lieu of recovering monetary damages against Grantee from any source, the Signatory Agencies may direct the role of Grantee to a new entity, which shall be qualified entity to hold and manage mitigation property pursuant to Government Code section 65965 *et seq.*

10. Grantee's Discretion.

Enforcement of the terms of this Conservation Easement by Grantee shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any rights of Grantee

under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

11. Acts Beyond Grantor's Control.

Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Bank Property resulting from (a) any natural cause beyond Grantor's control, including, without limitation, fire, flood, and earth movement not caused by Grantor, storm, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Bank Property resulting from such causes; or (b) acts by Grantee or its employees.

12. Enforcement; Standing.

All rights and remedies conveyed to Grantee under this Conservation Easement shall extend to and are enforceable by the Third-Party Beneficiaries. These enforcement rights are in addition to, and do not limit, the rights of enforcement under the BEI, the Development Plan or the Management Plans. If at any time in the future Grantor or any subsequent transferee uses, allows the use, or threatens to use or allow use of, the Bank Property for any purpose that is inconsistent with or in violation of this Conservation Easement then, despite the provisions of California Civil Code Section 815.7, the California Attorney General and the Third-Party Beneficiaries each has standing as an interested party in any proceeding affecting this Conservation Easement.

13. Reversion.

If the Signatory Agencies determine that Grantee is not holding, monitoring or managing this Conservation Easement for conservation purposes in the manner specified in this Conservation Easement or in the BEI, the Development Plan or the Management Plans then, this Conservation Easement shall revert to another entity qualified pursuant to California Civil Code Section 815.3 and Government Code Section 65967 (and any successor or other provision(s) then applicable) and approved by the Signatory Agencies.

14. Access.

This Conservation Easement does not convey a general right of access to the public.

15. Costs and Liabilities.

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Bank Property. Grantor agrees that neither Grantee nor Third-Party Beneficiaries shall have any duty or responsibility for the operation, upkeep or maintenance of the Bank Property, the monitoring of hazardous conditions on it, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Bank Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use permitted by this Conservation Easement, including those permits and approvals required from Third-Party Beneficiaries acting in their regulatory capacity, and any activity or use shall be undertaken in

accordance with all applicable federal, state, local and administrative agency statutes, codes, ordinances, rules, regulations, orders and requirements.

16. Taxes; No Liens.

Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Bank Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantor shall keep the Bank Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement, as provided in Section 24(k)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Bank Property.

17. Hold Harmless.

(a) Grantor shall hold harmless, protect and indemnify Grantee and its directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Grantee Indemnified Party" and collectively, "Grantee's Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Bank Property, regardless of cause, except that this indemnification shall be inapplicable to any Claim due solely to the negligence or willful misconduct of Grantee; (2) the obligations specified in Sections 6, 15 and 16; and (3) the existence or administration of this Conservation Easement. If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Grantee's Indemnified Party.

(b) Grantor shall hold harmless, protect and indemnify Third-Party Beneficiaries and their respective directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Third-Party Beneficiary Indemnified Party" and collectively, "Third-Party Beneficiary Indemnified Parties") from and against any and all Claims arising from or in any way connected with injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Bank Property, regardless of cause. *Provided, however*, that the indemnification in this Section 17(b) shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Claim due solely to the negligence or willful misconduct of that Third-Party Beneficiary Indemnified Party. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any Claim to which the indemnification in this Section 17(b) applies, then at the election of and upon written notice from the Third-Party Beneficiary Indemnified Party, Grantor

shall defend such action or proceeding by counsel reasonably acceptable to the applicable Third-Party Beneficiary Indemnified Party or reimburse the Third-Party Beneficiary Indemnified Party for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

18. Extinguishment.

If circumstances arise in the future that render the preservation of Conservation Values, including wetland functions and values, or other purposes of this Conservation Easement impossible to accomplish, this Conservation Easement can be terminated or extinguished, in whole or in part, only by judicial proceedings in a court of competent jurisdiction.

19. Condemnation.

Pursuant to Code of Civil Procedure section 1240.055, this Conservation Easement is “property appropriated to public use,” as used in Article 6 (commencing with section 1240.510) and Article 7 (commencing with section 1240.610) of Chapter 3 of Title 7 of the California Code of Civil Procedure. A person authorized to acquire property for public use by eminent domain shall seek to acquire the Bank Property, if at all, as provided in Code of Civil Procedure section 1240.055, as applicable. If any person seeks to acquire the Bank Property for public use, Grantee shall provide notice to the Signatory Agencies and comply with all obligations of the holder of a conservation easement under California Code of Civil Procedure section 1240.055, as applicable.

In the event that the Bank Property is acquired, or authorized to be acquired, under eminent domain by the Federal Government, or any department or agency thereof, the Grantee, within 15 days of receipt of any notice of such acquisition or intent to acquire, shall send a copy of such notice by first-class mail to each public entity that provided funds for the purchase of the Conservation Easement or that imposed conditions on approval or permitting of the Bank that were satisfied, in whole or in part, by the creation of the Conservation Easement; and shall notify the person who has acquired or is seeking to acquire the property of the name and address of any public entity that was sent a copy of the notice pursuant to this paragraph.

If the Conservation Easement is condemned, the net proceeds from the condemnation shall be used in compliance with California Government Code section 65966(j), and the location of the replacement property is subject to written approval by the Signatory Agencies. Within six (6) months of the date of receiving the Signatory Agencies’ written approval of the replacement property, Grantor shall record a conservation easement over the replacement property, in a form approved by Grantee and the Signatory Agencies.

20. Transfer of Conservation Easement or Bank Property.

(a) Conservation Easement.

This Conservation Easement may be assigned or transferred by Grantee upon written approval of the Signatory Agencies, which approval shall not be unreasonably withheld or delayed, but Grantee shall give Grantor and the Signatory Agencies at least sixty (60) days prior written notice of the proposed assignment or transfer. Grantee may assign or

transfer this Conservation Easement only to an entity or organization authorized to acquire and hold conservation easements pursuant to California Civil Code Section 815.3 and Government Code Section 65967 (and any successor or other provision(s) then applicable), or the laws of the United States and otherwise reasonably acceptable to the Signatory Agencies. Grantee shall require the assignee to record the assignment in the county where the Bank Property is located. The failure of Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforcement in any way. Any transfer under this section is subject to the requirements of Section 21.

(b) Bank Property.

Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Bank Property, including, without limitation, a leasehold interest. Grantor agrees that the deed or other legal instrument shall also incorporate by reference the BEI, the Development Plan, the Management Plans, and any amendment(s) to those documents. Upon Grantor's transfer of any interest in all or any portion of the Bank Property, Grantor's successor(s) in interest and assigns shall assume all rights, duties and obligations of Grantor, including all rights reserved by Grantor as set forth in this Conservation Easement. Grantor further agrees to give written notice to Grantee and the Signatory Agencies of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer. Grantee or the Signatory Agencies shall have the right to prevent any subsequent transfers in which prospective subsequent claimants or transferees are not given notice of the terms, covenants, conditions and restrictions of this Conservation Easement (including the exhibits and documents incorporated by reference in it). The failure of Grantor or Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way. Any transfer under this section is subject to the requirements of Section 21.

(c) Dissolution of Grantee. Grantee shall immediately transfer the Conservation Easement and deliver any and all monies in the Endowment Fund and Legal Enforcement and Defense Endowment (BEI Exhibit D-2 and D-3, Exhibit C) it is then holding for purposes of this Conservation Easement, to an entity or other non-profit organization in accordance with Section 20(a), if any of the following occurs:

- (1) Grantee dissolves;
- (2) Grantee is the subject of a voluntary or involuntary petition in bankruptcy;
- (3) Grantee is unable to carry out its obligations under this Conservation Easement; or

(4) The Grantor reasonably determines, and with the concurrence of the Signatory Agencies, that the Endowment Fund held by Grantee, or its successor entity, are not being held, managed, invested, or disbursed for conservation purposes and consistent with

the Upper Los Cerritos Wetlands Mitigation Bank Endowment Funding and Management Agreement (BEI Exhibit D-3) and legal requirements.

21. Merger.

The doctrine of merger shall not operate to extinguish this Conservation Easement if the Conservation Easement and the Bank Property become vested in the same party. If, despite this intent, the doctrine of merger applies to extinguish the Conservation Easement then, unless Grantor, Grantee, and the Signatory Agencies otherwise agree in writing, a replacement conservation easement containing the same protections embodied in this Conservation Easement shall be recorded against the Bank Property.

22. Notices.

Any notice, demand, request, consent, approval, or other communication that Grantor or Grantee desires or is required to give to the other shall be in writing, with a copy to each of the Signatory Agencies, and be served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, addressed as follows:

To Grantor:	Los Cerritos Wetlands, LLC 6433 E. 2nd Street Long Beach, CA 90803 Attn: Manager
To Grantee:	Southwest Resource Management Association 4500 Glenwood Dr. Riverside, CA 92501 Attn: CEO
To USFWS:	United States Fish and Wildlife Service Carlsbad Fish and Wildlife Office 2177 Salk Avenue, Suite 250 Carlsbad, CA 92008 Attn: Field Supervisor
To USACE:	U.S. Army Corps of Engineers Los Angeles District 915 Wilshire Blvd., 11th Floor Los Angeles, CA 90017 Attn: Chief, Regulatory Division
To USEPA:	U.S. Environmental Protection Agency, Region IX 75 Hawthorne Street San Francisco, CA 94105 Attn: Supervisor, Wetlands Office

To CCC: California Coastal Commission
 455 Market Street, Suite 228
 San Francisco, CA 94105
 Attn: Deputy Director, Energy Ocean Resources and
 Federal Consistency Division
 Telephone: 415-904-5200

or to such other address as a party or a Signatory Agency shall designate by written notice to Grantor, Grantee and the Signatory Agencies. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

23. Amendment.

This Conservation Easement may be amended by Grantor and Grantee only by mutual written agreement and written approval of the Signatory Agencies, which approval shall not be unreasonably withheld or delayed. Any such amendment shall be consistent with the purposes of this Conservation Easement and California law governing conservation easements, and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of the county in which the Bank Property is located, and Grantor and Grantee shall promptly provide a conformed copy of the recorded amendment to the Signatory Agencies.

24. Additional Provisions.

(a) Controlling Law.

The interpretation and performance of this Conservation Easement shall be governed by the laws of the United States and the state of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction.

Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the purposes of this Conservation Easement and the policy and purpose of California Civil Code Section 815, *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability.

If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(d) Entire Agreement.

This instrument (including its exhibits and the BEI, the Development Plan, and the Management Plans incorporated by reference in this document) and the Upper Los Cerritos Wetlands Mitigation Bank Endowment Funding and Management Agreement between Grantor and Grantee dated _____ together set forth the entire agreement of Grantor, Grantee and the Signatory Agencies with respect to the Conservation Easement and supersede all prior discussions, negotiations, understandings, or agreements of such parties relating to the Conservation Easement. No alteration or variation of this Conservation Easement shall be valid or binding unless contained in an amendment in accordance with Section 23.

(e) No Forfeiture.

Without limiting the provisions of Section 13, nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors.

The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties and their respective personal representatives, heirs, successors, and assigns, and shall constitute a servitude running in perpetuity with the Bank Property. All rights and obligations of Grantor set forth in the Conservation Easement shall be assumed by Grantor's successors and assigns.

(g) Termination of Rights and Obligations.

A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Bank Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

(h) Captions.

The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability.

(1) Grantor represents and warrants that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Bank Property, or transported to or from or affecting the Bank Property.

(2) Without limiting the obligations of Grantor under Section 17, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Grantee's Indemnified Parties (defined in Section 17(a)) from and against any and all Claims (defined in Section 17(a)) arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Bank Property at any time, except any Hazardous Materials placed, disposed or released by Grantee. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of,

or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the Grantee's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from the applicable Grantee Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Grantee Indemnified Party.

(3) Without limiting the obligations of Grantor under Section 17, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Third-Party Beneficiary Indemnified Parties (defined in Section 17(b)) from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from or about, or otherwise associated with the Bank Property at any time, except that this release and indemnification shall be inapplicable to a Third-Party Beneficiary Indemnified Party with respect to any Hazardous Materials placed, disposed or released by that Third-Party Beneficiary Indemnified Party. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation of alleged violation of, or other failure to comply with, any Environmental Laws. If any action or proceeding is brought against any of the Third-Party Beneficiary Indemnified Parties by reason of any such Claim, Grantor shall, at the election or and upon written notice from the applicable Third-Party Beneficiary Indemnified Party, defend such action or proceeding by counsel reasonably acceptable to the Third-Party Beneficiary Indemnified Party for all charges incurred for services of the California Attorney General or the U.S. Department of Justice in defending the action or proceeding.

(4) Despite any contrary provision of this Conservation Easement, the parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed such that it creates in or gives to Grantee or any Third-Party Beneficiaries any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq.*; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. § 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws; or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Bank Property; or

(E) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Bank Property.

(5) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901, *et seq.*; hereinafter, "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101, *et seq.*; hereinafter, "HTA"); the Hazardous Waste Control Law (California Health & Safety Code § 25100, *et seq.*; hereinafter, "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300, *et seq.*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Conservation Easement.

(6) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, code, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee and Third-Party Beneficiaries that all activities upon and use of the Bank Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(j) Warranty.

Grantor represents and warrants that Grantor is the sole owner of fee simple title to the Bank Property. Grantor also represents and warrants that, except as specifically disclosed to and approved by the Signatory Agencies pursuant to the Bank Property Assessment and Warranty signed by Grantor and attached as an exhibit to the BEI, the Bank Property is not subject to any other conservation easement and there are no outstanding mortgages, liens, encumbrances or other interests in the Bank Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a recorded subordination agreement approved by Grantee and the Signatory Agencies.

(k) Additional Interests.

Grantor shall not grant any additional easements, rights of way or other interests in the Bank Property (other than a security interest that is expressly subordinate to this Conservation Easement), or grant, transfer, abandon or relinquish (each a "Transfer") any mineral, air, or water right or any water associated with the Bank Property, without first obtaining the written consent of Grantee and the Signatory Agencies. Such consent may be withheld if Grantee or any of the Signatory Agencies determine(s) that the proposed interest or Transfer is inconsistent with the purposes of this Conservation Easement or may impair or interfere with the Conservation Values of the Bank Property. This Section 24(k) shall not limit the provisions of Section 2(d) or 4(n), nor prohibit transfer of a fee or leasehold interest in the Bank Property that is subject to this Conservation Easement and complies with Section 20. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to the Grantee and Signatory Agencies.

(l) Recording.

Grantee shall record this Conservation Easement in the official records of the county of Los Angeles, and may re-record it at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

(m) Funding.

(1) Endowment funding for the perpetual management, maintenance and monitoring of the Bank Property is specified in and governed by the BEI, the Long-Term Management Plan, and the Upper Los Cerritos Wetlands Mitigation Bank Endowment Funding and Management Agreement between Grantor and Grantee dated _____.

(2) Endowment funding for the perpetual compliance monitoring of the Bank Property under this Conservation Easement by Grantee is specified in and governed by the same Upper Los Cerritos Wetlands Mitigation Bank Endowment Funding and Management Agreement between Grantor and Grantee dated _____.

(n) Change of Conditions. If one or more of the purposes of this Conservation Easement may no longer be accomplished, such failure of purpose shall not be deemed sufficient cause to terminate the entire Conservation Easement as long as any other purpose of the Conservation Easement may be accomplished. In addition, the inability to carry on any or all of the permitted uses, or the unprofitability of doing so, shall not impair the validity of this Conservation Easement or be considered grounds for its termination or extinguishment. Grantor and Grantee agree that global warming and climate change-caused effects shall not be a basis for termination or extinguishment of this Conservation Easement.

25. Exhibits.

The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference herein:

Exhibit A – Legal Description of Property - Amended Preliminary Report, issued by Fidelity National Title Insurance Company dated 5/15/2020

Exhibit B – Legal Description and Depiction of Bank Property

IN WITNESS WHEREOF Grantor has executed this Conservation Easement Deed as of the day and year first above written.

GRANTOR: [*Notarization Required*]

BY: _____

NAME: _____

TITLE: _____

DATE: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real Conservation property conveyed by LOS CERRITOS WETLANDS, LLC, on the Conservation Easement, dated_____, 20____, to the SOUTHWEST RESOURCE MANAGEMENT ASSOCIATION, a California nonprofit corporation (Grantee), is hereby accepted by the undersigned officer on behalf of the Grantee, pursuant to the authority conferred by its Board of Directors, and the Grantee consents to recordation thereof by its duly authorized officer.

GRANTEE:

SOUTHWEST RESOURCE
MANAGEMENT ASSOCIATION

By: _____

Title: _____
Authorized Representative

Date: _____

Exhibit A

Legal Description of Property - Amended Preliminary Report, issued by Fidelity National Title Insurance

Company dated 5/15/2020



Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660

Phone: (949) 622-5000 • Fax:

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Mike Brinkman (MA)
Escrow Officer: Major Accounts OAC

Order No.: 997-**30022668**-I-1MB

TO:

Lyon Living
4901 Birch Street
Newport Beach, CA 92660

ATTN: **Adam Smith**

YOUR REFERENCE:

PROPERTY ADDRESS: Vacant Land, Long Beach, CA

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660

Phone: (949) 622-5000 • Fax:

AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: November 27, 2018 at 7:30 a.m., Amended: May 15, 2020, Amendment No. I

ORDER NO.: 997-30022668-I-1MB

The form of policy or policies of title insurance contemplated by this report is:

ALTA Extended Owners Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

LOS CERRITOS WETLANDS, LLC, a California limited liability company

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 997-**30022668**-I-1MB

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE SOUTH HALF OF SECTION 2, TOGETHER WITH A PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 SOUTH, RANGE 12 WEST, ALL IN THE RANCHO LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A RECORD OF SURVEY RECORDED IN [BOOK 273, PAGES 83](#) THROUGH 85, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 2, SAID POINT ALSO BEING THE INTERSECTION OF STUDEBAKER AND 2ND STREET AS SHOWN ON SAID RECORD OF SURVEY;

THENCE NORTHERLY ALONG THE CENTERLINE OF STUDEBAKER NORTH 00°15'44" EAST 567.81 FEET;

THENCE LEAVING SAID CENTERLINE NORTH 89°57'32" WEST 63.86 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 89°13'04" WEST 130.99 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY WITH A RADIUS OF 160.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 27°32'07" AN ARC LENGTH OF 76.89 FEET;

THENCE SOUTH 61°40'57" WEST 29.69 FEET;

THENCE SOUTH 82°43'48" WEST 28.55 FEET;

THENCE SOUTH 79°25'03" WEST 2.50 FEET;

THENCE NORTH 65°57'35" WEST 13.26 FEET;

THENCE NORTH 39°40'16" WEST 69.29 FEET;

THENCE NORTH 89°06'58" WEST 166.68 FEET;

THENCE SOUTH 83°25'21" WEST 10.78 FEET;

THENCE NORTH 40°13'05" WEST 3.61 FEET;

THENCE SOUTH 85°53'06" WEST 5.82 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 96.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 3°11'34", AN ARC LENGTH OF 5.35 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 16.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 7°18'28" WEST;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 14°43'56", AN ARC LENGTH OF 4.11 FEET;

THENCE NORTH 82°34'32" WEST 3.43 FEET;

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 997-**30022668**-I-1MB

EXHIBIT A
(Continued)

THENCE SOUTH 80°56'43" WEST 9.32 FEET;

THENCE NORTH 82°22'22" WEST 7.69 FEET;

THENCE SOUTH 11°10'40" WEST 7.73 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY,
HAVING A RADIUS OF 22.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 25°36'10", AN ARC
LENGTH OF 9.83 FEET;

THENCE SOUTH 36°46'50" WEST 1.23 FEET;

THENCE SOUTH 9°20'43" WEST 6.49 FEET;

THENCE SOUTH 33°50'43" EAST 4.30 FEET;

THENCE SOUTH 13°03'00" WEST 17.52 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY,
HAVING A RADIUS OF 18.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 63°58'59", AN ARC
LENGTH OF 20.10 FEET;

THENCE SOUTH 77°01'59" WEST 14.02 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY,
HAVING A RADIUS OF 115.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°33'23", AN ARC LENGTH OF
97.46 FEET;

THENCE NORTH 54°24'38" WEST 36.96 FEET;

THENCE NORTH 47°25'22" WEST 1,210.05 FEET;

THENCE NORTH 56°33'36" WEST 41.78 FEET;

THENCE NORTH 4°52'58" WEST 65.69 FEET;

THENCE SOUTH 89°02'43" WEST 59.21 FEET;

THENCE NORTH 14°18'01" WEST 17.31 FEET;

THENCE NORTH 37°58'18" WEST 17.11 FEET;

THENCE NORTH 88°09'09" WEST 30.60 FEET;

THENCE SOUTH 83°10'36" WEST 38.76 FEET;

THENCE SOUTH 79°12'57" WEST 28.12 FEET;

THENCE SOUTH 67°39'07" WEST 32.01 FEET;

THENCE SOUTH 46°16'23" WEST 20.94 FEET;

PRELIMINARY REPORT
Your Reference:

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EXHIBIT A
(Continued)

THENCE SOUTH 18.09 FEET;

THENCE SOUTH 8°31'51" WEST 39.91 FEET;

THENCE SOUTH 87°27'12" WEST 58.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY,
HAVING A RADIUS OF 1,200.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3°13'40" AN ARC LENGTH OF
67.60 FEET;

THENCE SOUTH 84°13'32" WEST 105.21 FEET;

THENCE WEST 138.80 FEET;

THENCE SOUTH 1°19'56" WEST 28.29 FEET;

THENCE SOUTH 78°06'41" EAST 19.16 FEET;

THENCE SOUTH 59°37'15" EAST 33.17 FEET;

THENCE SOUTH 43°43'37" EAST 20.94 FEET;

THENCE SOUTH 3°34'35" WEST 21.09 FEET;

THENCE SOUTH 34°44'35" WEST 24.82 FEET;

THENCE SOUTH 61°33'58" WEST 76.67 FEET;

THENCE SOUTH 73°34'58" WEST 38.40 FEET;

THENCE SOUTH 89°10'11" WEST 22.70 FEET;

THENCE NORTH 84°59'13" WEST 18.82 FEET;

THENCE SOUTH 47°30'41" WEST 53.08 FEET;

THENCE NORTH 58°31'06" WEST 68.65 FEET;

THENCE SOUTH 48°33'02" WEST 27.07 FEET;

THENCE SOUTH 52°41'59" EAST 286.97 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY,
HAVING A RADIUS OF 150.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 56°36'16" AN ARC
LENGTH OF 148.19 FEET;

THENCE SOUTH 3°54'18" WEST 123.06 FEET;

THENCE NORTH 86°54'26" WEST 159.87 FEET;

THENCE SOUTH 0°50'44" WEST 178.46 FEET;

THENCE SOUTH 89°43'24" WEST 273.80 FEET;

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EXHIBIT A
(Continued)

THENCE NORTH 161.37 FEET;

THENCE NORTH 88°54'53" WEST 50.48 FEET;

THENCE NORTH 1°03'39" WEST 35.42 FEET;

THENCE NORTH 86°54'26" WEST 3.03 FEET;

THENCE NORTH 1°38'12" WEST 151.97 FEET;

THENCE NORTH 2°51'45" WEST 35.08 FEET;

THENCE NORTH 1°36'32" WEST 239.50 FEET;

THENCE SOUTH 89°41'37" WEST 81.16 FEET;

THENCE SOUTH 2°54'52" WEST 238.73 FEET;

THENCE NORTH 89°41'00" WEST 157.34 FEET;

THENCE SOUTH 88°21'24" WEST 79.59 FEET;

THENCE SOUTH 70°17'40" WEST 33.48 FEET;

THENCE NORTH 86°45'37" WEST 110.59 FEET;

THENCE NORTH 89°53'49" WEST 27.71 FEET TO A POINT ON THE EASTERLY LINE OF TRACT NO. 1779 FILED IN [BOOK 22, PAGES 25](#) THROUGH 27 OF MAPS, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID EASTERLY LINE, NORTH 44°19'34" EAST 1191.65 FEET;

THENCE LEAVING SAID EASTERLY LINE, SOUTH 47°23'29" EAST 12.03 FEET;

THENCE NORTH 88°43'47" EAST 20.69 FEET;

THENCE SOUTH 62°33'12" EAST 15.49 FEET;

THENCE NORTH 82°58'39" EAST 14.72 FEET;

THENCE NORTH 36°29'18" EAST 33.81 FEET;

THENCE NORTH 35°43'39" EAST 25.59 FEET;

THENCE SOUTH 73°21'14" EAST 16.02 FEET;

THENCE NORTH 76°35'25" EAST 24.51 FEET;

THENCE SOUTH 74°43'02" EAST 20.29 FEET;

THENCE NORTH 80°04'48" EAST 26.30 FEET;

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EXHIBIT A
(Continued)

THENCE NORTH 55°30'56" EAST 37.31 FEET;
THENCE SOUTH 45°41'44" EAST 19.85 FEET;
THENCE NORTH 75°08'47" EAST 13.80 FEET;
THENCE NORTH 64°32'48" EAST 31.13 FEET;
THENCE NORTH 65°14'53" EAST 29.46 FEET;
THENCE NORTH 51°06'02" EAST 7.36 FEET;
THENCE NORTH 78°49'43" EAST 48.33 FEET;
THENCE SOUTH 74°43'20" EAST 14.78 FEET;
THENCE SOUTH 78°09'37" WEST 10.73 FEET;
THENCE NORTH 63°59'18" EAST 29.02 FEET;
THENCE NORTH 89°52'07" EAST 22.07 FEET;
THENCE NORTH 69°33'38" EAST 73.40 FEET;
THENCE SOUTH 77°26'08" EAST 21.49 FEET;
THENCE NORTH 73°30'59" EAST 21.81 FEET;
THENCE NORTH 58°51'02" EAST 18.31 FEET;
THENCE SOUTH 78°13'23" EAST 29.83 FEET;
THENCE NORTH 68°58'10" EAST 19.50 FEET;
THENCE SOUTH 68°18'36" EAST 17.15 FEET;
THENCE SOUTH 78°58'17" EAST 37.17 FEET;
THENCE SOUTH 52°54'03" EAST 16.23 FEET;
THENCE SOUTH 45°41'23" EAST 15.39 FEET;
THENCE SOUTH 71°52'38" EAST 8.79 FEET;
THENCE SOUTH 89°23'36" EAST 32.58 FEET;
THENCE SOUTH 68°54'36" EAST 11.52 FEET;
THENCE SOUTH 89°05'03" EAST 16.97 FEET;
THENCE NORTH 87°18'14" EAST 15.85 FEET;
THENCE NORTH 73°02'28" EAST 18.46 FEET;

PRELIMINARY REPORT
Your Reference:

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EXHIBIT A
(Continued)

THENCE NORTH 72°13'57" EAST 15.91 FEET;
THENCE NORTH 38°23'19" EAST 9.65 FEET;
THENCE SOUTH 86°28'57" EAST 7.71 FEET;
THENCE SOUTH 43°06'49" EAST 9.35 FEET;
THENCE NORTH 75°28'12" EAST 15.43 FEET;
THENCE NORTH 60°19'23" EAST 7.24 FEET;
THENCE NORTH 77°16'11" EAST 44.52 FEET;
THENCE NORTH 69°54'08" EAST 11.68 FEET;
THENCE SOUTH 56°05'26" EAST 5.94 FEET;
THENCE NORTH 77°12'37" EAST 13.67 FEET;
THENCE NORTH 71°04'15" EAST 58.27 FEET;
THENCE SOUTH 59°26'19" EAST 12.40 FEET;
THENCE SOUTH 83°26'52" EAST 18.25 FEET;
THENCE NORTH 67°15'09" EAST 34.66 FEET;
THENCE NORTH 66°27'04" EAST 23.28 FEET;
THENCE NORTH 61°37'05" EAST 25.53 FEET;
THENCE SOUTH 81°58'25" EAST 8.24 FEET;
THENCE SOUTH 33°05'54" EAST 16.78 FEET;
THENCE NORTH 51°04'41" EAST 14.82 FEET;
THENCE NORTH 34°34'15" EAST 36.87 FEET;
THENCE SOUTH 77°42'24" EAST 8.73 FEET;
THENCE SOUTH 0°25'29" WEST 17.62 FEET;
THENCE SOUTH 62°52'56" EAST 8.50 FEET;
THENCE NORTH 67°19'29" EAST 16.10 FEET;
THENCE SOUTH 53°30'06" EAST 25.29 FEET;
THENCE SOUTH 78°46'16" EAST 25.11 FEET;

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Your Reference:

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EXHIBIT A
(Continued)

THENCE SOUTH 85°45'11" EAST 49.54 FEET;
THENCE SOUTH 45°39'34" EAST 26.11 FEET;
THENCE NORTH 76°57'58" EAST 27.85 FEET;
THENCE SOUTH 66°08'02" EAST 46.52 FEET;
THENCE SOUTH 78°53'04" EAST 9.18 FEET;
THENCE SOUTH 32°34'09" EAST 32.09 FEET;
THENCE NORTH 74°58'55" EAST 14.40 FEET;
THENCE SOUTH 73°10'32" EAST 95.54 FEET;
THENCE NORTH 52°16'18" EAST 15.68 FEET;
THENCE NORTH 32°36'46" EAST 24.33 FEET;
THENCE NORTH 70°10'31" EAST 16.81 FEET;
THENCE NORTH 0°19'45" EAST 16.37 FEET;
THENCE NORTH 34°28'05" EAST 45.13 FEET;
THENCE NORTH 18°54'08" EAST 53.07 FEET;
THENCE NORTH 11°21'55" EAST 21.61 FEET;
THENCE NORTH 72°42'07" WEST 21.98 FEET;
THENCE NORTH 23°39'51" WEST 14.37 FEET;
THENCE NORTH 85°18'41" WEST 40.78 FEET;
THENCE NORTH 46°43'54" WEST 3.73 FEET;
THENCE NORTH 66°15'27" WEST 7.13 FEET;
THENCE NORTH 74°57'08" EAST 9.74 FEET;
THENCE SOUTH 85°18'41" EAST 44.79 FEET;
THENCE NORTH 16°22'53" EAST 6.52 FEET;
THENCE NORTH 80°54'11" EAST 30.17 FEET;
THENCE SOUTH 60°54'44" EAST 16.78 FEET;
THENCE NORTH 2°22'12" EAST 34.49 FEET;
THENCE NORTH 68°52'18" EAST 17.27 FEET;

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EXHIBIT A
(Continued)

THENCE NORTH 51°42'22" EAST 42.97 FEET;
THENCE NORTH 76°03'55" EAST 31.36 FEET;
THENCE NORTH 66°01'21" EAST 23.49 FEET;
THENCE SOUTH 84°47'54" EAST 16.76 FEET;
THENCE SOUTH 87°55'49" EAST 16.83 FEET;
THENCE SOUTH 81°09'16" EAST 30.72 FEET;
THENCE NORTH 52°32'54" EAST 12.36 FEET;
THENCE NORTH 54°19'29" EAST 24.71 FEET;
THENCE NORTH 87°22'26" EAST 25.23 FEET;
THENCE NORTH 55°28'17" EAST 15.63 FEET;
THENCE SOUTH 69°22'43" EAST 20.01 FEET;
THENCE SOUTH 71°45'48" EAST 21.43 FEET;
THENCE SOUTH 26°26'09" EAST 23.76 FEET;
THENCE SOUTH 35°49'59" EAST 7.12 FEET;
THENCE SOUTH 33°31'07" EAST 24.87 FEET;
THENCE SOUTH 72°30'00" EAST 28.41 FEET;
THENCE NORTH 63°55'17" EAST 15.63 FEET;
THENCE NORTH 44°02'43" EAST 10.18 FEET;
THENCE SOUTH 82°45'13" EAST 9.81 FEET;
THENCE SOUTH 26°39'43" EAST 24.97 FEET;
THENCE SOUTH 50°43'00" EAST 25.36 FEET;
THENCE SOUTH 44°47'29" EAST 8.16 FEET;
THENCE SOUTH 61°13'05" EAST 33.21 FEET;
THENCE SOUTH 30°19'04" EAST 12.23 FEET;
THENCE SOUTH 88°48'49" EAST 30.87 FEET;
THENCE NORTH 41°40'33" EAST 21.19 FEET;

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EXHIBIT A
(Continued)

THENCE NORTH 18°02'13" EAST 38.51 FEET;

THENCE SOUTH 82°47'36" EAST 12.89 FEET;

THENCE SOUTH 3°45'10" EAST 11.27 FEET;

THENCE NORTH 16°27'37" EAST 15.25 FEET;

THENCE NORTH 27°24'01" EAST 24.48 FEET;

THENCE NORTH 8°31'19" WEST 7.49 FEET;

THENCE NORTH 55°35'44" EAST 4.69 FEET;

THENCE NORTH 3°13'50" WEST 57.11 FEET;

THENCE NORTH 77°12'01" EAST 24.12 FEET;

THENCE NORTH 12°57'39" EAST 8.67 FEET;

THENCE NORTH 47°26'10" EAST 6.34 FEET;

THENCE NORTH 16°43'14" WEST 25.25 FEET;

THENCE NORTH 40°41'33" WEST 5.91 FEET;

THENCE NORTH 78°27'57" EAST 56.26 FEET TO A POINT ON THE NORTHEASTERLY LINE OF INSTRUMENT #[20072448368, OF OFFICIAL RECORDS](#), AS SHOWN ON SAID RECORD OF SURVEY, BOTH RECORDED IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 48°54'48" EAST 328.72 FEET;

THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 25°44'47" WEST 28.06 FEET;

THENCE SOUTH 14°29'13" WEST 190.52 FEET;

THENCE SOUTH 13°31'29" WEST 69.55 FEET;

THENCE SOUTH 12°04'54" WEST 34.78 FEET;

THENCE SOUTH 78°18'05" WEST 14.62 FEET;

THENCE SOUTH 11°44'59" WEST 10.05 FEET;

THENCE SOUTH 89°19'57" EAST 29.09 FEET;

THENCE SOUTH 10°53'11" WEST 39.08 FEET;

THENCE NORTH 54°33'08" WEST 24.85 FEET;

THENCE NORTH 45°30'20" WEST 7.59 FEET;

THENCE SOUTH 11°44'59" WEST 11.97 FEET;

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EXHIBIT A
(Continued)

THENCE SOUTH 42°04'30" EAST 17.81 FEET;

THENCE SOUTH 9°49'01" WEST 12.69 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2,000.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 9°33'20", AN ARC LENGTH OF 333.55 FEET;

THENCE SOUTH 0°15'41" WEST 253.72 FEET;

THENCE SOUTH 54°54'10" WEST 17.63 FEET;

THENCE SOUTH 0°51'38" WEST 10.29 FEET;

THENCE NORTH 70°21'46" EAST 6.27 FEET;

THENCE NORTH 65°33'52" EAST 25.96 FEET;

THENCE SOUTH 0°15'39" WEST 47.32 FEET;

THENCE NORTH 66°20'15" WEST 25.96 FEET;

THENCE NORTH 49°00'28" WEST 7.73 FEET;

THENCE SOUTH 0°51'38" WEST 13.11 FEET;

THENCE SOUTH 52°29'44" EAST 18.61 FEET;

THENCE SOUTH 0°15'41" WEST 436.16 FEET;

THENCE SOUTH 35°36'35" EAST 11.95 FEET;

THENCE SOUTH 0°15'41" WEST 82.07 FEET TO THE **TRUE POINT OF BEGINNING**.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST IN AND TO THE MINERAL ESTATE UNDERLYING THE PROPERTIES; AND ALL OIL, NATURAL GAS, PETROLEUM OTHER HYDROCARBONS AND ANY OTHER MINERALS BY WHATSOEVER NAME KNOWN, IN, ON AND UNDER THE PROPERTIES, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING ("HYDROCARBONS"), TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, EXPLORING AND OPERATING THEREOF AND STORING AND REMOVING THE SAME; AS RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON [DECEMBER 11, 2013 AS INSTRUMENT NO. 20131748575, OFFICIAL RECORDS](#).

ALL RIGHT, TITLE AND INTEREST IN AND TO SAID MINERAL ESTATE AS TO THE PRESENT SURFACE AND FIRST 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND WERE CONVEYED TO LOS CERRITOS WETLANDS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, BY DEED RECORDED _____, 2020 AS INSTRUMENT NO. _____, OF OFFICIAL RECORDS.

NOTE: THE SAID LEGAL DESCRIPTION IS NOT OF RECORD AND IS ONLY ATTACHED TO THIS REPORT FOR REFERENCE PURPOSES ONLY AND CAN'T BE ATTACHED TO A POLICY UNLESS THE EASEMENT IS RECORDED IN THE PUBLIC RECORDS.

PRELIMINARY REPORT
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EXHIBIT A
(Continued)

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Your Reference:

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EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-010
Fiscal Year: 2018-2019
1st Installment: \$144.02, paid.
2nd Installment: \$144.01, open (Delinquent after April 10)
Penalty and Cost: \$24.40
Homeowners Exemption: None
Code Area: 05511

- B. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-011
Fiscal Year: 2018-2019
1st Installment: \$7,369.80, paid.
2nd Installment: \$7,369.79, open (Delinquent after April 10)
Penalty and Cost: \$746.97
Homeowners Exemption: None
Code Area: 05517

- C. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-012
Fiscal Year: 2018-2019
1st Installment: \$1,928.45, paid.
2nd Installment: \$1,928.44, open (Delinquent after April 10)
Penalty and Cost: \$202.84
Homeowners Exemption: None
Code Area: 12143

- D. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-013
Fiscal Year: 2018-2019
1st Installment: \$33,484.84, paid.
2nd Installment: \$33,484.83, open (Delinquent after April 10)
Penalty and Cost: \$3,358.48
Homeowners Exemption: None
Code Area: 12143

- E. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-014
Fiscal Year: 2018-2019
1st Installment: \$9,207.12, paid.
2nd Installment: \$9,207.10, open (Delinquent after April 10)
Penalty and Cost: \$930.71
Homeowners Exemption: None
Code Area: 12143

PRELIMINARY REPORT

Your Reference:

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EXCEPTIONS
(Continued)

- F. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 7237-017-019
 Fiscal Year: 2018-2019
 1st Installment: \$8,498.88, paid.
 2nd Installment: \$8,498.87, open (Delinquent after April 10)
 Penalty and Cost: \$859.88
 Homeowners Exemption: None
 Code Area: 12143

- B. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

1. Water rights, claims or title to water, whether or not disclosed by the public records.
2. Any adverse claim based upon the assertion that the location of the boundaries of the Rancho Los Alamitos, the patent of which was recorded in [Book 1, Page 453 of Patents](#) and the boundaries of Tideland Location Number 137, Survey Number 106, the patent of which was recorded in [Book 9, Page 105 of Patents](#), are in doubt or are in a different location as may be located by a correct survey
3. Any adverse claim based upon the assertion that some portion of said land was not upland or was not included within the actual boundaries of the patent of the Rancho Los Angeles from the United States of America to Abel Stearns on August 29, 1874, the date to the issuance of said patent, or that some portion of said land has not remained upland continuously from said date.
4. The effect of a provision contained in the deed of other land, dated January 5, 1911, executed by Fred H. Bixby, to New San Gabriel River Levee District of the County of Los Angeles, recorded in [Book 4859, Page 19 of Deeds](#), as follows:

"And said first party in consideration of the payment of the sums above named at the time and in the manner herein specified, both hereby for himself, his heirs, executors, administrators and assigns, waive and release any and all claims which he or they or either of them may have or make against the said second party, its successors or assigns, for damages to any lands now or hereafter owned by the said first party and adjacent to said above described land, caused by reason of the said river overflowing or eroding the banks of said channel during times of extraordinary floods and this covenant shall run with the said adjacent land of first said party"

5. An easement for the right from time to time to lay, construct, maintain, operate, repair, renew, change the size of, increase the number of, and remove pipe lines and appurtenances thereto for the transportation of oil, petroleum, gas, gasoline, water or other substances, with the right of ingress and egress and incidental purposes in the document recorded [February 20, 1957 as Instrument No. 3282 in Book 53698, Page 178 of Official Records](#)
6. Waiver of any claims for damages to said Land by reason of the location, construction, landscaping or maintenance of the street or highway adjoining said Land, as contained in the deed to

Recorded: [October 22, 1959 as Instrument No. 1768 Book D-641 Page 252 of Official Records](#)

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EXCEPTIONS
(Continued)

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: street and alley and incidental purposes
Recording Date: September 07, 1965
Recording No: [1965-2355 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: street and incidental purposes
Recording Date: January 11, 1966
Recording No: [1966-3244 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

9. Intentionally deleted.

10. The terms and provisions contained in the document entitled Counterpart, Alamitos Bay Boundary Agreement No. 4 recorded [February 18, 1972 as Instrument No. 4676 of Official Records](#).

11. Intentionally Deleted

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: public sewer and sewers and appurtenances and incidental purposes
Recording Date: August 23, 1973
Recording No: [1973-2332 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

13. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: May 03, 1974
Recording No: [1974-3343 of Official Records](#)

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EXCEPTIONS
(Continued)

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: wires, underground conduits, cables and incidental purposes
Recording Date: December 09, 1974
Recording No: [1974-1607 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

15. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: Public utilities and incidental purposes
Recording Date: April 30, 1975
Recording No: [1975-3138 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

16. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: sewer and incidental purposes
Recording Date: April 22, 1985
Recording No: [1985-450636 of Official Records](#)
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

17. The terms and provisions contained in the document entitled Notice of Violation of the Coastal Act recorded July 24, 2007 as [Instrument No. 20071748753](#), [20071748754](#), [20071748755](#) and [20071748756 of Official Records](#)

18. Terms and Provisions contained in that certain Document Entitled "Grant Deed" recorded on [December 11, 2013](#) as [Instrument No. 20131748575 of Official Records](#).

19. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording Date: August 13, 2015
Recording No: [20150994938, Official Records](#)

PRELIMINARY REPORT
Your Reference:

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EXCEPTIONS
(Continued)

20. A deed of trust to secure an indebtedness in the amount shown below,
- Amount: \$11,100,000.00 (Facility 1 Note), \$900,000.00 (Facility 2 Note) and \$1,900,000.00 (Facility 3 Note)
- Dated: August 19, 2016
- Trustor/Grantor: Synergy Oil & Gas, LLC, a California limited liability company
- Trustee: Wells Fargo Bank, national association
- Beneficiary: Wells Fargo Bank, national association, a national banking association
- Recording Date: August 22, 2016
- Recording No: [20160996289, Official Records](#)
- Affects: Mineral rights
- Matters contained in that certain document
- Entitled: Amendment of Deed of Trust, Security Agreement, Assignment of Production and Proceeds, Financing Statement and Fixture Filing
- Dated: November 15, 2017
- Executed by: Synergy Oil & Gas, LLC
- Recording Date: December 4, 2017
- Recording No: [20171397449, Official Records](#)
- Reference is hereby made to said document for full particulars.
- Affects: The herein described Land and other land.
21. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.
- The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.
- The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
22. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
23. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Los Cerritos Wetlands, LLC, a California limited liability company

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

3. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

Mike Brinkman (MA)/gp



Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective January 1, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We do share Personal Information among affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the

last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries (“FNF”) must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer’s right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

FNTC - Fidelity National Title Company

FNTCCA –Fidelity National Title Company of California

FNF Underwriter

FNTIC - Fidelity National Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (FNTIC)

The charge for a lender’s Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church’s obligation the charge for an owner’s policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender’s policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____,
further described as follows: See Preliminary Report/Commitment No. 30022668-997-MAT-1MB for full legal description (the "Land").
 - b. Declarant is the _____ of _____
("Owner"), which is the owner or lessee, as the case may be, of certain premises located at _____,
further described as follows: See Preliminary Report/Commitment No. 30022668-997-MAT-1MB for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____ at _____.

Signature: _____

ATTACHMENT ONE
CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;

- d. improvements on the Land;
- e. land division; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% % of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% % of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

(Except as provided in Schedule B - Part II, (t) or (T) his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

(PART I

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: (The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- 6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
- 7. (Variable exceptions such as taxes, easements, CC&R's, etc. shown here.)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

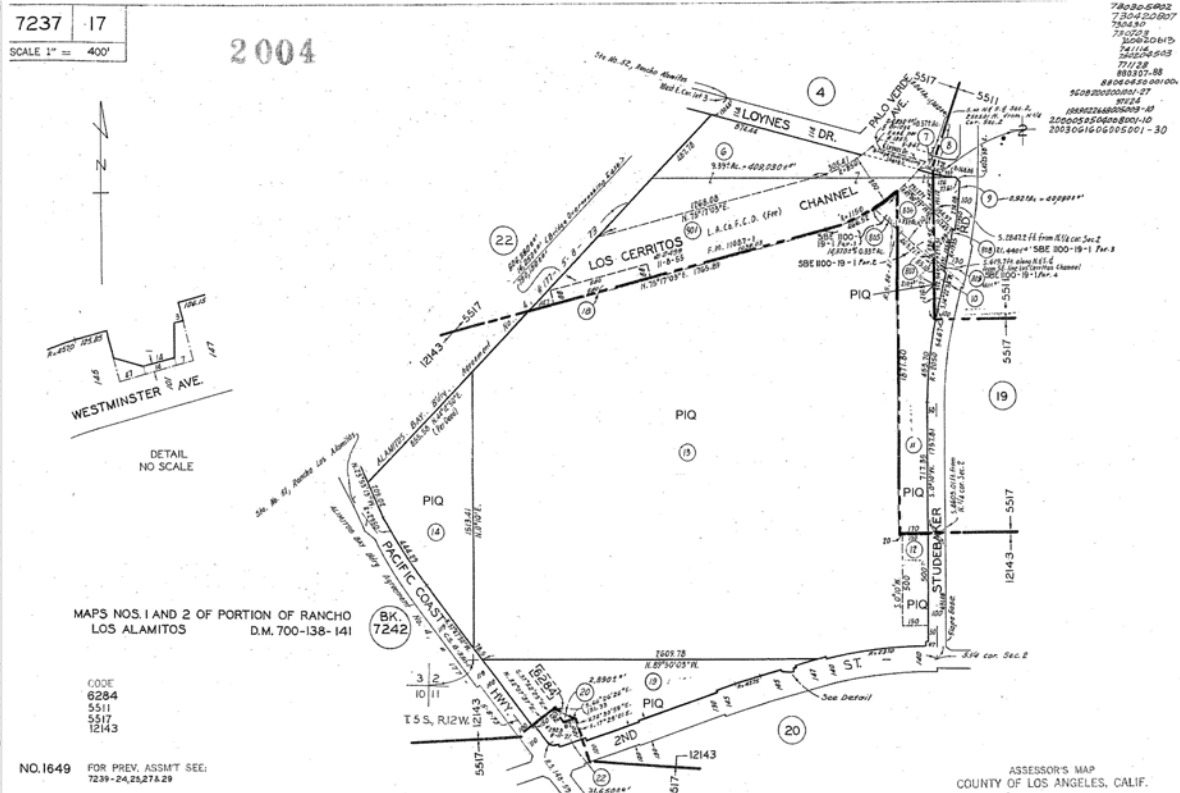
- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
- 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

This maplet is being furnished as a courtesy. The extent a policy of life insurance is

Page 1 of 1

Requested By: mhaddad, Printed: 12/10/2018 1:45 PM



OWNER'S DECLARATION

Escrow No.: 30022668-997-MAT-1MB
 Property Address: Vacant Land
 Long Beach, CA 90803

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at Vacant Land, Long Beach, CA 90803, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
 - b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at Vacant Land, Long Beach, CA 90803, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Signature: _____

Exhibit B

Legal Description and Depiction of Bank Property

EXHIBIT "A"

CONSERVATION EASEMENT

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE SOUTH HALF OF SECTION 2, TOGETHER WITH A PORTION OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 5 SOUTH, RANGE 12 WEST, ALL IN THE RANCHO LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON A RECORD OF SURVEY RECORDED IN BOOK 273, PAGES 83 THROUGH 85, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 2, SAID POINT ALSO BEING THE INTERSECTION OF STUDEBAKER AND 2ND STREET AS SHOWN ON SAID RECORD OF SURVEY;

THENCE NORTHERLY ALONG THE CENTERLINE OF STUDEBAKER NORTH 00°15'44" EAST 567.81 FEET;

THENCE LEAVING SAID CENTERLINE NORTH 89°57'32" WEST 63.86 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTH 89°13'04" WEST 130.99 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY WITH A RADIUS OF 160.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 27°32'07" AN ARC LENGTH OF 76.89 FEET;

THENCE SOUTH 61°40'57" WEST 29.69 FEET;

THENCE SOUTH 82°43'48" WEST 28.55 FEET;

THENCE SOUTH 79°25'03" WEST 2.50 FEET;

THENCE NORTH 65°57'35" WEST 13.26 FEET;

THENCE NORTH 39°40'16" WEST 69.29 FEET;

THENCE NORTH 89°06'58" WEST 166.68 FEET;

THENCE SOUTH 83°25'21" WEST 10.78 FEET;

THENCE NORTH 40°13'05" WEST 3.61 FEET;

THENCE SOUTH 85°53'06" WEST 5.82 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 96.00 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $3^{\circ}11'34''$, AN ARC LENGTH OF 5.35 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 16.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH $7^{\circ}18'28''$ WEST;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $14^{\circ}43'56''$, AN ARC LENGTH OF 4.11 FEET;

THENCE NORTH $82^{\circ}34'32''$ WEST 3.43 FEET;

THENCE SOUTH $80^{\circ}56'43''$ WEST 9.32 FEET;

THENCE NORTH $82^{\circ}22'22''$ WEST 7.69 FEET;

THENCE SOUTH $11^{\circ}10'40''$ WEST 7.73 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 22.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $25^{\circ}36'10''$, AN ARC LENGTH OF 9.83 FEET;

THENCE SOUTH $36^{\circ}46'50''$ WEST 1.23 FEET;

THENCE SOUTH $9^{\circ}20'43''$ WEST 6.49 FEET;

THENCE SOUTH $33^{\circ}50'43''$ EAST 4.30 FEET;

THENCE SOUTH $13^{\circ}03'00''$ WEST 17.52 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 18.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $63^{\circ}58'59''$, AN ARC LENGTH OF 20.10 FEET;

THENCE SOUTH $77^{\circ}01'59''$ WEST 14.02 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 115.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $48^{\circ}33'23''$, AN ARC LENGTH OF 97.46 FEET;

THENCE NORTH $54^{\circ}24'38''$ WEST 36.96 FEET;

THENCE NORTH $47^{\circ}25'22''$ WEST 1,210.05 FEET;

THENCE NORTH $56^{\circ}33'36''$ WEST 41.78 FEET;

THENCE NORTH $4^{\circ}52'58''$ WEST 65.69 FEET;

THENCE SOUTH $89^{\circ}02'43''$ WEST 59.21 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 14°18'01" WEST 17.31 FEET;

THENCE NORTH 37°58'18" WEST 17.11 FEET;

THENCE NORTH 88°09'09" WEST 30.60 FEET;

THENCE SOUTH 83°10'36" WEST 38.76 FEET;

THENCE SOUTH 79°12'57" WEST 28.12 FEET;

THENCE SOUTH 67°39'07" WEST 32.01 FEET;

THENCE SOUTH 46°16'23" WEST 20.94 FEET;

THENCE SOUTH 18.09 FEET;

THENCE SOUTH 8°31'51" WEST 39.91 FEET;

THENCE SOUTH 87°27'12" WEST 58.53 FEET TO THE BEGINNING OF A CURVE,
CONCAVE SOUTHERLY, HAVING A RADIUS OF 1,200.00 FEET;

THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3°13'40" AN
ARC LENGTH OF 67.60 FEET;

THENCE SOUTH 84°13'32" WEST 105.21 FEET;

THENCE WEST 138.80 FEET;

THENCE SOUTH 1°19'56" WEST 28.29 FEET;

THENCE SOUTH 78°06'41" EAST 19.16 FEET;

THENCE SOUTH 59°37'15" EAST 33.17 FEET;

THENCE SOUTH 43°43'37" EAST 20.94 FEET;

THENCE SOUTH 3°34'35" WEST 21.09 FEET;

THENCE SOUTH 34°44'35" WEST 24.82 FEET;

THENCE SOUTH 61°33'58" WEST 76.67 FEET;

THENCE SOUTH 73°34'58" WEST 38.40 FEET;

THENCE SOUTH 89°10'11" WEST 22.70 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 84°59'13" WEST 18.82 FEET;

THENCE SOUTH 47°30'41" WEST 53.08 FEET;

THENCE NORTH 58°31'06" WEST 68.65 FEET;

THENCE SOUTH 48°33'02" WEST 27.07 FEET;

THENCE SOUTH 52°41'59" EAST 286.97 FEET TO THE BEGINNING OF A CURVE,
CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 150.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 56°36'16"
AN ARC LENGTH OF 148.19 FEET;

THENCE SOUTH 3°54'18" WEST 123.06 FEET;

THENCE NORTH 86°54'26" WEST 159.87 FEET;

THENCE SOUTH 0°50'44" WEST 178.46 FEET;

THENCE SOUTH 89°43'24" WEST 273.80 FEET;

THENCE NORTH 161.37 FEET;

THENCE NORTH 88°54'53" WEST 50.48 FEET;

THENCE NORTH 1°03'39" WEST 35.42 FEET;

THENCE NORTH 86°54'26" WEST 3.03 FEET;

THENCE NORTH 1°38'12" WEST 151.97 FEET;

THENCE NORTH 2°51'45" WEST 35.08 FEET;

THENCE NORTH 1°36'32" WEST 239.50 FEET;

THENCE SOUTH 89°41'37" WEST 81.16 FEET;

THENCE SOUTH 2°54'52" WEST 238.73 FEET;

THENCE NORTH 89°41'00" WEST 157.34 FEET;

THENCE SOUTH 88°21'24" WEST 79.59 FEET;

THENCE SOUTH 70°17'40" WEST 33.48 FEET;

THENCE NORTH 86°45'37" WEST 110.59 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 89°53'49" WEST 27.71 FEET TO A POINT ON THE EASTERLY LINE OF TRACT NO. 1779 FILED IN BOOK 22, PAGES 25 THROUGH 27 OF MAPS, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID EASTERLY LINE, NORTH 44°19'34" EAST 1191.65 FEET;

THENCE LEAVING SAID EASTERLY LINE, SOUTH 47°23'29" EAST 12.03 FEET;

THENCE NORTH 88°43'47" EAST 20.69 FEET;

THENCE SOUTH 62°33'12" EAST 15.49 FEET;

THENCE NORTH 82°58'39" EAST 14.72 FEET;

THENCE NORTH 36°29'18" EAST 33.81 FEET;

THENCE NORTH 35°43'39" EAST 25.59 FEET;

THENCE SOUTH 73°21'14" EAST 16.02 FEET;

THENCE NORTH 76°35'25" EAST 24.51 FEET;

THENCE SOUTH 74°43'02" EAST 20.29 FEET;

THENCE NORTH 80°04'48" EAST 26.30 FEET;

THENCE NORTH 55°30'56" EAST 37.31 FEET;

THENCE SOUTH 45°41'44" EAST 19.85 FEET;

THENCE NORTH 75°08'47" EAST 13.80 FEET;

THENCE NORTH 64°32'48" EAST 31.13 FEET;

THENCE NORTH 65°14'53" EAST 29.46 FEET;

THENCE NORTH 51°06'02" EAST 7.36 FEET;

THENCE NORTH 78°49'43" EAST 48.33 FEET;

THENCE SOUTH 74°43'20" EAST 14.78 FEET;

THENCE SOUTH 78°09'37" WEST 10.73 FEET;

THENCE NORTH 63°59'18" EAST 29.02 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 89°52'07" EAST 22.07 FEET;

THENCE NORTH 69°33'38" EAST 73.40 FEET;

THENCE SOUTH 77°26'08" EAST 21.49 FEET;

THENCE NORTH 73°30'59" EAST 21.81 FEET;

THENCE NORTH 58°51'02" EAST 18.31 FEET;

THENCE SOUTH 78°13'23" EAST 29.83 FEET;

THENCE NORTH 68°58'10" EAST 19.50 FEET;

THENCE SOUTH 68°18'36" EAST 17.15 FEET;

THENCE SOUTH 78°58'17" EAST 37.17 FEET;

THENCE SOUTH 52°54'03" EAST 16.23 FEET;

THENCE SOUTH 45°41'23" EAST 15.39 FEET;

THENCE SOUTH 71°52'38" EAST 8.79 FEET;

THENCE SOUTH 89°23'36" EAST 32.58 FEET;

THENCE SOUTH 68°54'36" EAST 11.52 FEET;

THENCE SOUTH 89°05'03" EAST 16.97 FEET;

THENCE NORTH 87°18'14" EAST 15.85 FEET;

THENCE NORTH 73°02'28" EAST 18.46 FEET;

THENCE NORTH 72°13'57" EAST 15.91 FEET;

THENCE NORTH 38°23'19" EAST 9.65 FEET;

THENCE SOUTH 86°28'57" EAST 7.71 FEET;

THENCE SOUTH 43°06'49" EAST 9.35 FEET;

THENCE NORTH 75°28'12" EAST 15.43 FEET;

THENCE NORTH 60°19'23" EAST 7.24 FEET;

THENCE NORTH 77°16'11" EAST 44.52 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE NORTH 69°54'08" EAST 11.68 FEET;

THENCE SOUTH 56°05'26" EAST 5.94 FEET;

THENCE NORTH 77°12'37" EAST 13.67 FEET;

THENCE NORTH 71°04'15" EAST 58.27 FEET;

THENCE SOUTH 59°26'19" EAST 12.40 FEET;

THENCE SOUTH 83°26'52" EAST 18.25 FEET;

THENCE NORTH 67°15'09" EAST 34.66 FEET;

THENCE NORTH 66°27'04" EAST 23.28 FEET;

THENCE NORTH 61°37'05" EAST 25.53 FEET;

THENCE SOUTH 81°58'25" EAST 8.24 FEET;

THENCE SOUTH 33°05'54" EAST 16.78 FEET;

THENCE NORTH 51°04'41" EAST 14.82 FEET;

THENCE NORTH 34°34'15" EAST 36.87 FEET;

THENCE SOUTH 77°42'24" EAST 8.73 FEET;

THENCE SOUTH 0°25'29" WEST 17.62 FEET;

THENCE SOUTH 62°52'56" EAST 8.50 FEET;

THENCE NORTH 67°19'29" EAST 16.10 FEET;

THENCE SOUTH 53°30'06" EAST 25.29 FEET;

THENCE SOUTH 78°46'16" EAST 25.11 FEET;

THENCE SOUTH 85°45'11" EAST 49.54 FEET;

THENCE SOUTH 45°39'34" EAST 26.11 FEET;

THENCE NORTH 76°57'58" EAST 27.85 FEET;

THENCE SOUTH 66°08'02" EAST 46.52 FEET;

EXHIBIT "A"

CONSERVATION EASEMENT

THENCE SOUTH 78°53'04" EAST 9.18 FEET;

THENCE SOUTH 32°34'09" EAST 32.09 FEET;

THENCE NORTH 74°58'55" EAST 14.40 FEET;

THENCE SOUTH 73°10'32" EAST 95.54 FEET;

THENCE NORTH 52°16'18" EAST 15.68 FEET;

THENCE NORTH 32°36'46" EAST 24.33 FEET;

THENCE NORTH 70°10'31" EAST 16.81 FEET;

THENCE NORTH 0°19'45" EAST 16.37 FEET;

THENCE NORTH 34°28'05" EAST 45.13 FEET;

THENCE NORTH 18°54'08" EAST 53.07 FEET;

THENCE NORTH 11°21'55" EAST 21.61 FEET;

THENCE NORTH 72°42'07" WEST 21.98 FEET;

THENCE NORTH 23°39'51" WEST 14.37 FEET;

THENCE NORTH 85°18'41" WEST 40.78 FEET;

THENCE NORTH 46°43'54" WEST 3.73 FEET;

THENCE NORTH 66°15'27" WEST 7.13 FEET;

THENCE NORTH 74°57'08" EAST 9.74 FEET;

THENCE SOUTH 85°18'41" EAST 44.79 FEET;

THENCE NORTH 16°22'53" EAST 6.52 FEET;

THENCE NORTH 80°54'11" EAST 30.17 FEET;

THENCE SOUTH 60°54'44" EAST 16.78 FEET;

THENCE NORTH 2°22'12" EAST 34.49 FEET;

THENCE NORTH 68°52'18" EAST 17.27 FEET;

THENCE NORTH 51°42'22" EAST 42.97 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE NORTH 76°03'55" EAST 31.36 FEET;

THENCE NORTH 66°01'21" EAST 23.49 FEET;

THENCE SOUTH 84°47'54" EAST 16.76 FEET;

THENCE SOUTH 87°55'49" EAST 16.83 FEET;

THENCE SOUTH 81°09'16" EAST 30.72 FEET;

THENCE NORTH 52°32'54" EAST 12.36 FEET;

THENCE NORTH 54°19'29" EAST 24.71 FEET;

THENCE NORTH 87°22'26" EAST 25.23 FEET;

THENCE NORTH 55°28'17" EAST 15.63 FEET;

THENCE SOUTH 69°22'43" EAST 20.01 FEET;

THENCE SOUTH 71°45'48" EAST 21.43 FEET;

THENCE SOUTH 26°26'09" EAST 23.76 FEET;

THENCE SOUTH 35°49'59" EAST 7.12 FEET;

THENCE SOUTH 33°31'07" EAST 24.87 FEET;

THENCE SOUTH 72°30'00" EAST 28.41 FEET;

THENCE NORTH 63°55'17" EAST 15.63 FEET;

THENCE NORTH 44°02'43" EAST 10.18 FEET;

THENCE SOUTH 82°45'13" EAST 9.81 FEET;

THENCE SOUTH 26°39'43" EAST 24.97 FEET;

THENCE SOUTH 50°43'00" EAST 25.36 FEET;

THENCE SOUTH 44°47'29" EAST 8.16 FEET;

THENCE SOUTH 61°13'05" EAST 33.21 FEET;

THENCE SOUTH 30°19'04" EAST 12.23 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE SOUTH 88°48'49" EAST 30.87 FEET;

THENCE NORTH 41°40'33" EAST 21.19 FEET;

THENCE NORTH 18°02'13" EAST 38.51 FEET;

THENCE SOUTH 82°47'36" EAST 12.89 FEET;

THENCE SOUTH 3°45'10" EAST 11.27 FEET;

THENCE NORTH 16°27'37" EAST 15.25 FEET;

THENCE NORTH 27°24'01" EAST 24.48 FEET;

THENCE NORTH 8°31'19" WEST 7.49 FEET;

THENCE NORTH 55°35'44" EAST 4.69 FEET;

THENCE NORTH 3°13'50" WEST 57.11 FEET;

THENCE NORTH 77°12'01" EAST 24.12 FEET;

THENCE NORTH 12°57'39" EAST 8.67 FEET;

THENCE NORTH 47°26'10" EAST 6.34 FEET;

THENCE NORTH 16°43'14" WEST 25.25 FEET;

THENCE NORTH 40°41'33" WEST 5.91 FEET;

THENCE NORTH 78°27'57" EAST 56.26 FEET TO A POINT ON THE NORTHEASTERLY
LINE OF INSTRUMENT #20072448368, OF OFFICIAL RECORDS, AS SHOWN ON SAID
RECORD OF SURVEY, BOTH RECORDED IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 48°54'48" EAST 328.72 FEET;

THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 25°44'47" WEST 28.06 FEET;

THENCE SOUTH 14°29'13" WEST 190.52 FEET;

THENCE SOUTH 13°31'29" WEST 69.55 FEET;

THENCE SOUTH 12°04'54" WEST 34.78 FEET;

THENCE SOUTH 78°18'05" WEST 14.62 FEET;

THENCE SOUTH 11°44'59" WEST 10.05 FEET;

EXHIBIT "A"
CONSERVATION EASEMENT

THENCE SOUTH 89°19'57" EAST 29.09 FEET;

THENCE SOUTH 10°53'11" WEST 39.08 FEET;

THENCE NORTH 54°33'08" WEST 24.85 FEET;

THENCE NORTH 45°30'20" WEST 7.59 FEET;

THENCE SOUTH 11°44'59" WEST 11.97 FEET;

THENCE SOUTH 42°04'30" EAST 17.81 FEET;

THENCE SOUTH 9°49'01" WEST 12.69 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 2,000.00 FEET;

THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 9°33'20", AN ARC LENGTH OF 333.55 FEET;

THENCE SOUTH 0°15'41" WEST 253.72 FEET;

THENCE SOUTH 54°54'10" WEST 17.63 FEET;

THENCE SOUTH 0°51'38" WEST 10.29 FEET;

THENCE NORTH 70°21'46" EAST 6.27 FEET;

THENCE NORTH 65°33'52" EAST 25.96 FEET;

THENCE SOUTH 0°15'39" WEST 47.32 FEET;

THENCE NORTH 66°20'15" WEST 25.96 FEET;

THENCE NORTH 49°00'28" WEST 7.73 FEET;

THENCE SOUTH 0°51'38" WEST 13.11 FEET;

THENCE SOUTH 52°29'44" EAST 18.61 FEET;

THENCE SOUTH 0°15'41" WEST 436.16 FEET;

THENCE SOUTH 35°36'35" EAST 11.95 FEET;

THENCE SOUTH 0°15'41" WEST 82.07 FEET TO THE **TRUE POINT OF BEGINNING;**

CONTAINING 68.740 AC., MORE OR LESS.

EXHIBIT "A"

CONSERVATION EASEMENT

RESERVING AND EXCEPTING THEREFROM:

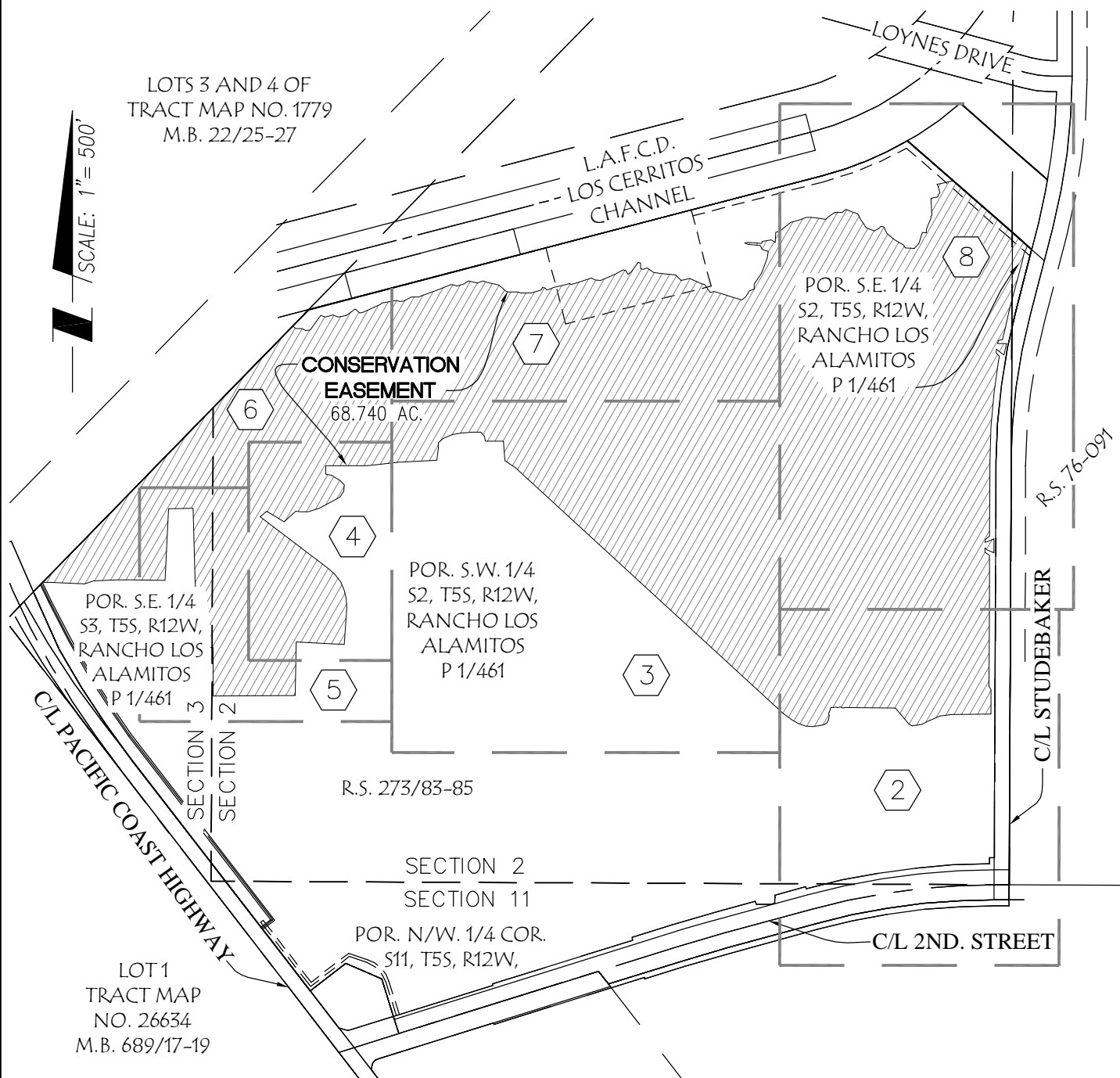
ALL RIGHT, TITLE, AND INTEREST IN AND TO THE MINERAL ESTATE UNDERLYING THE ABOVE DESCRIBED PROPERTY, INCLUDING ALL OIL AND GAS, MINERALS, MINERAL RIGHTS, OIL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE PARCEL OF PROPERTY HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND STORING IN AND REMOVING THE SAME FROM SAID PROPERTY OR ANY OTHER PROPERTY, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM PROPERTIES OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY HEREINAFTER DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN, AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE OR OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE PROPERTY HEREINABOVE DESCRIBED.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY OF RECORD IF ANY.

PREPARED BY:

SCOTT M. WILSON DATE
P.L.S. 7434
EXPIRES 12/31/21





PREPARED UNDER THE SUPERVISION OF:

MY LICENSE EXPIRES 12/31/21
SCOTT M. WILSON, P.L.S.



SCALE: 1' = 40'



EXHIBIT "B" CONSERVATION EASEMENT

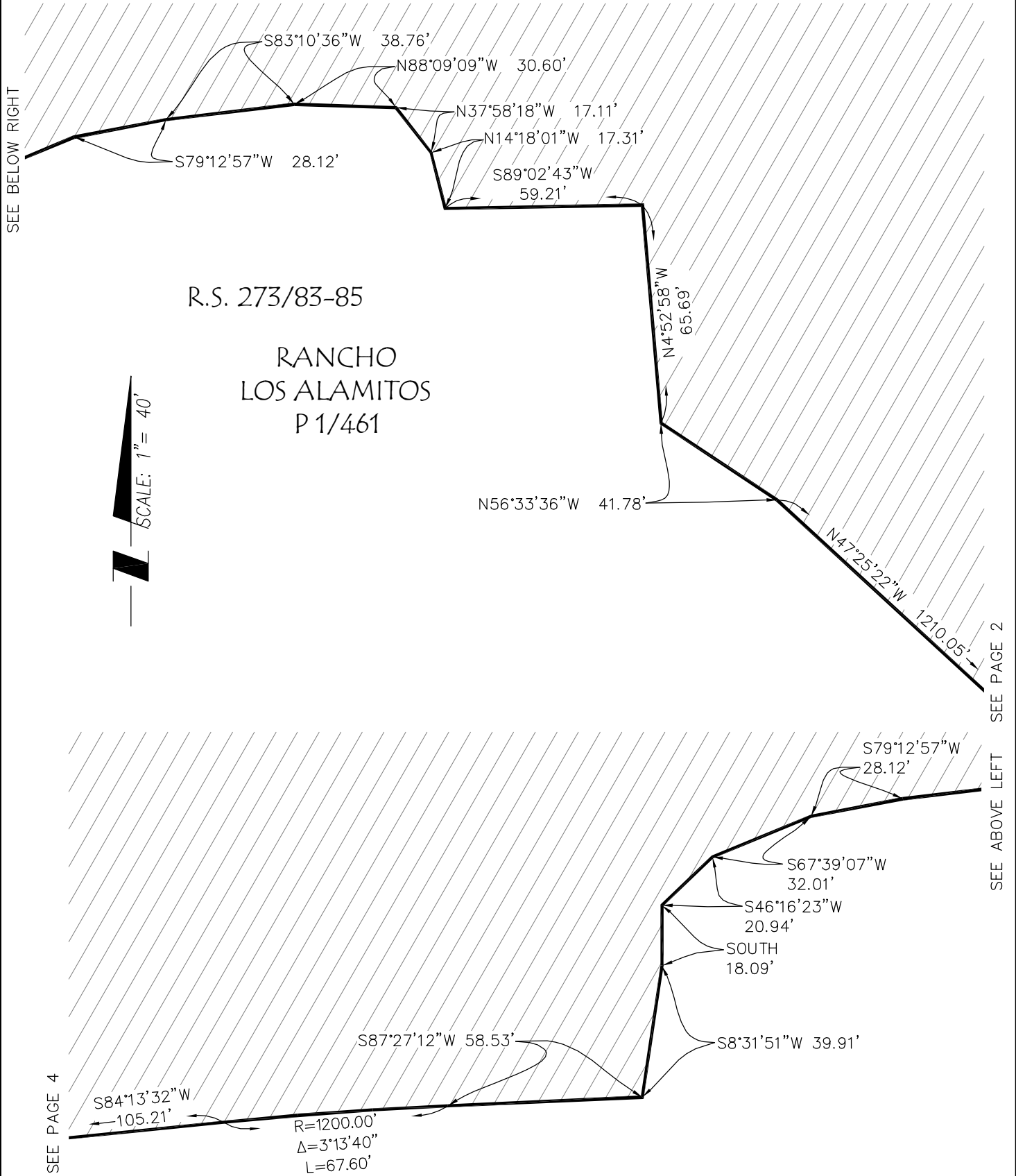
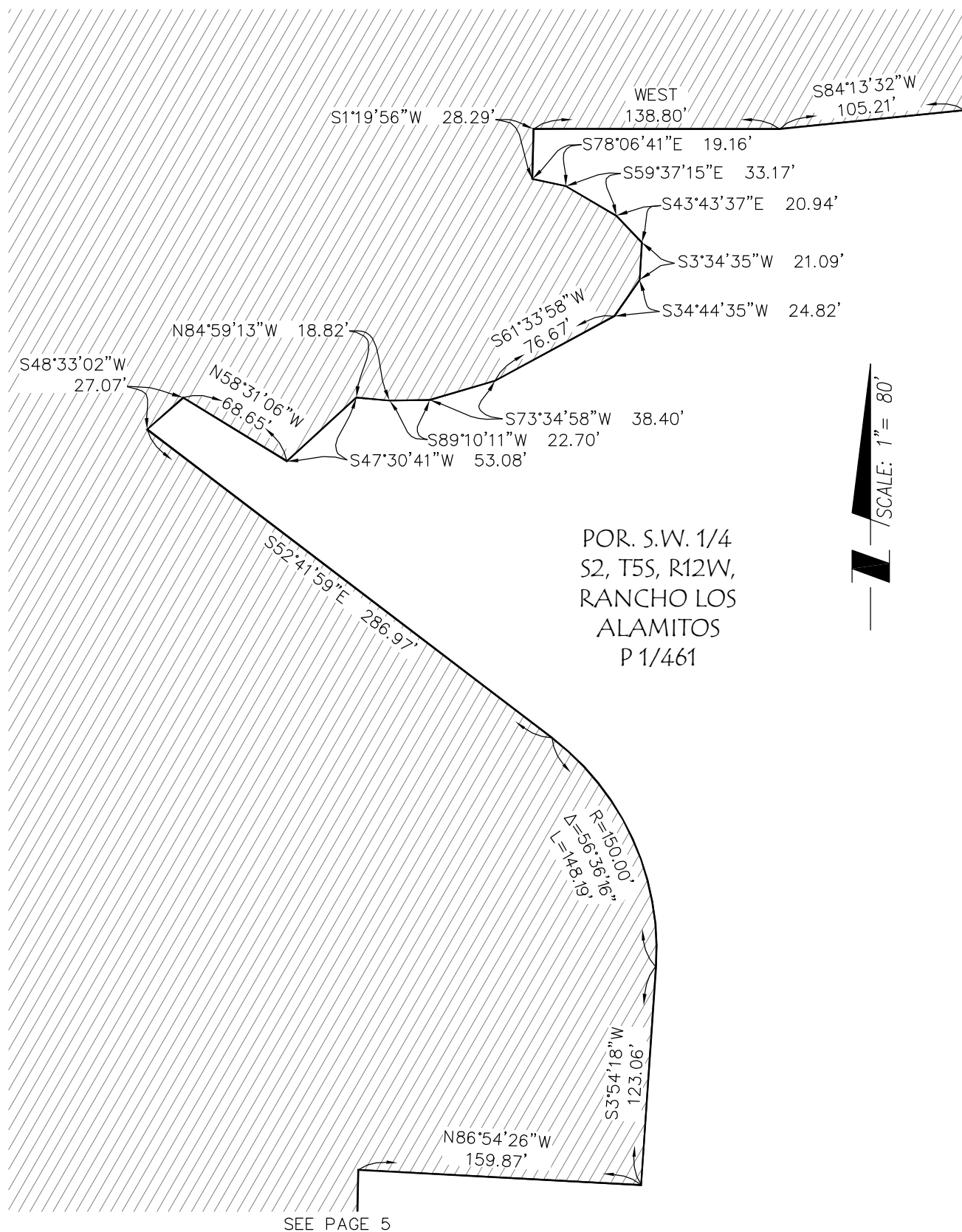


EXHIBIT "B"

CONSERVATION EASEMENT



SEE PAGE 6

EXHIBIT "B"
CONSERVATION EASEMENT

PAGE 5 OF 10

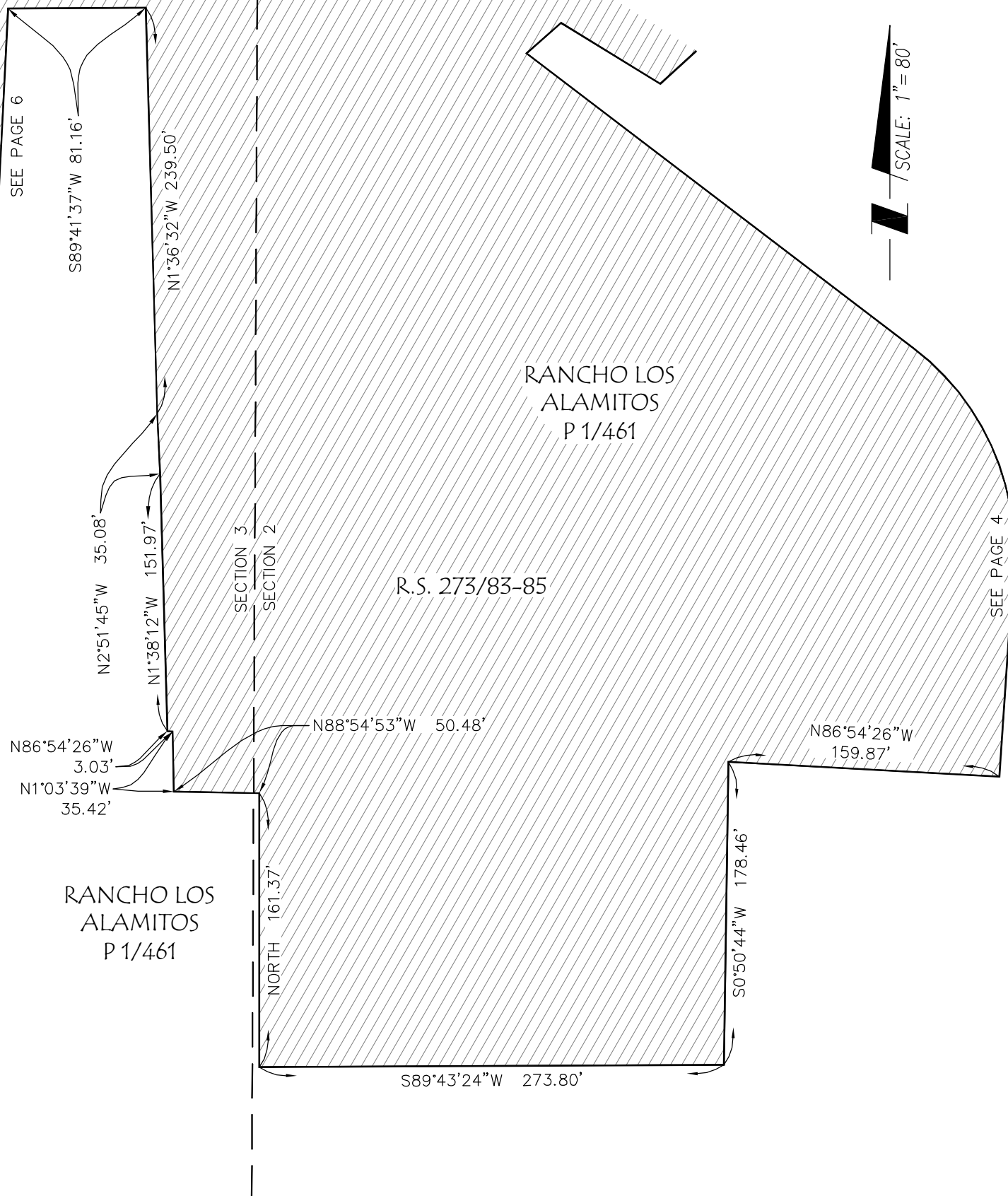
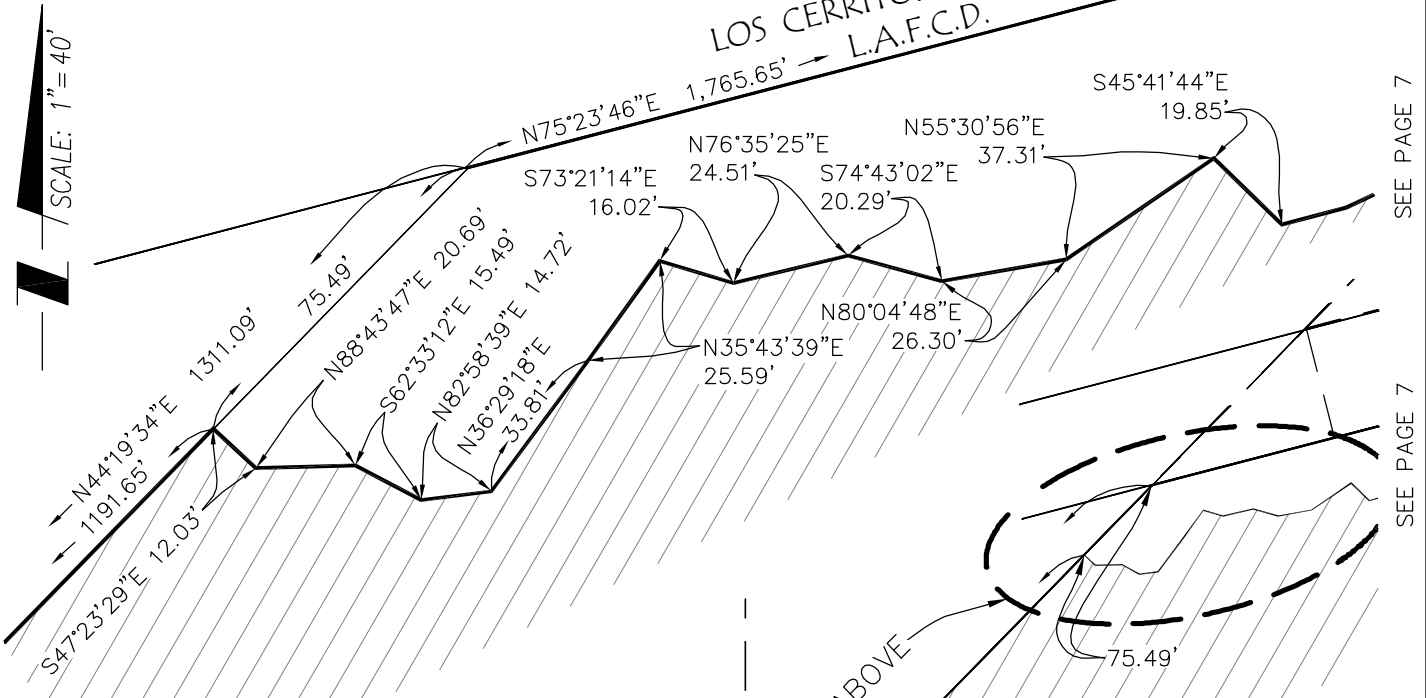


EXHIBIT "B" CONSERVATION EASEMENT

LOS CERRITOS CHANNEL
L.A.F.C.D.



SEE PAGE 7

SEE PAGE 7

DETAIL "B"
SCALE: 1"=40'

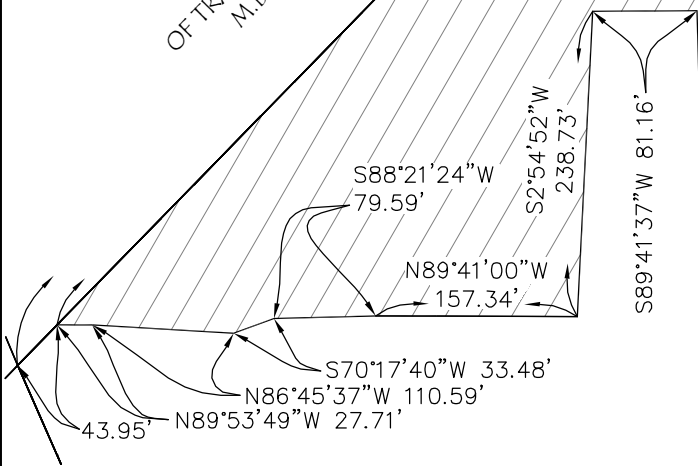
SEE DETAIL "B" ABOVE

R.S. 273/83-85

RANCHO LOS
ALAMITOS
P 1/461

LOTS 3 AND 4
OF TRACT MAP NO. 1779
M.B. 22/25-27

SECTION 3
SECTION 2



SEE PAGE 5

SCALE: 1"=150'

EXHIBIT "B" CONSERVATION EASEMENT

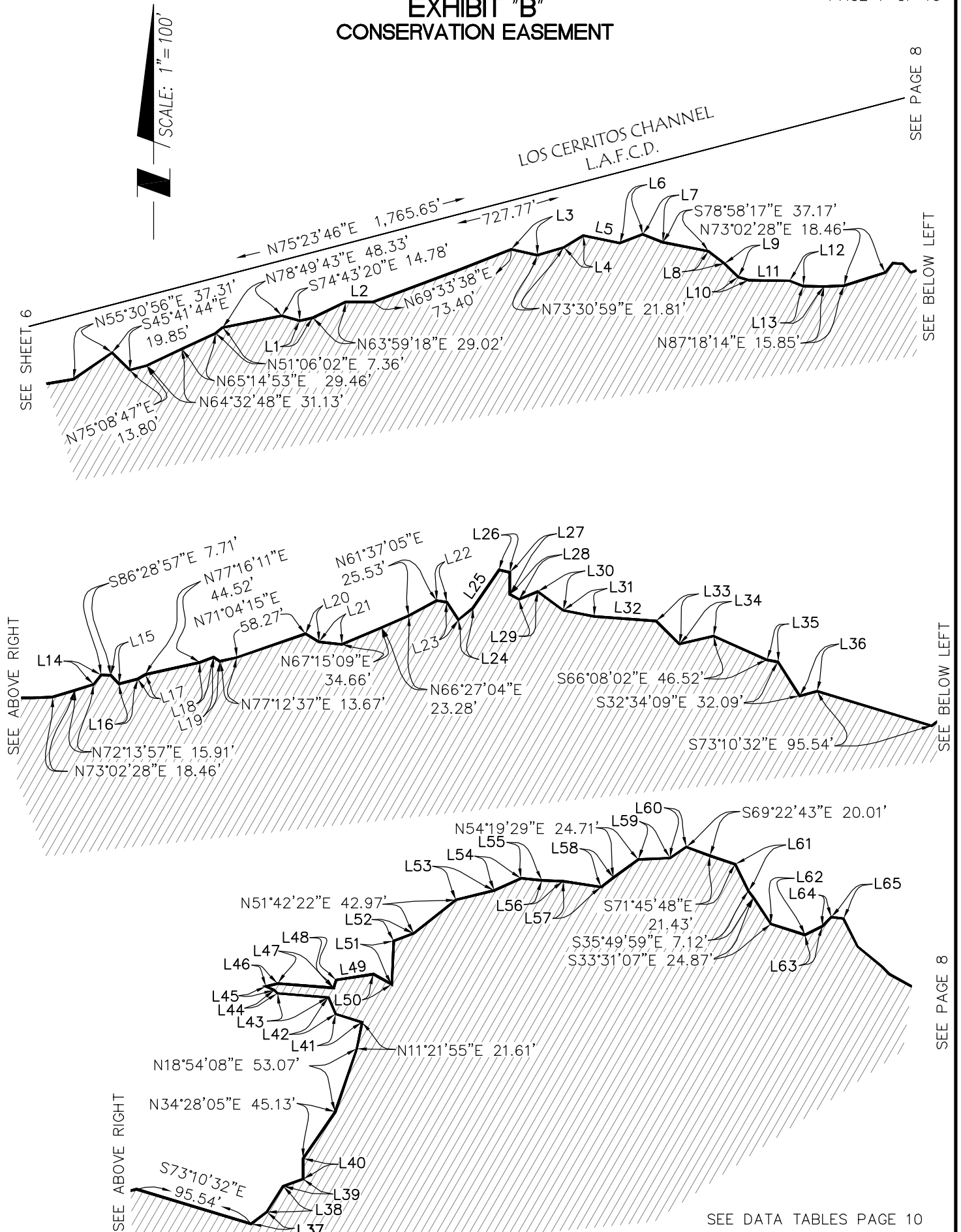


EXHIBIT "B" CONSERVATION EASEMENT

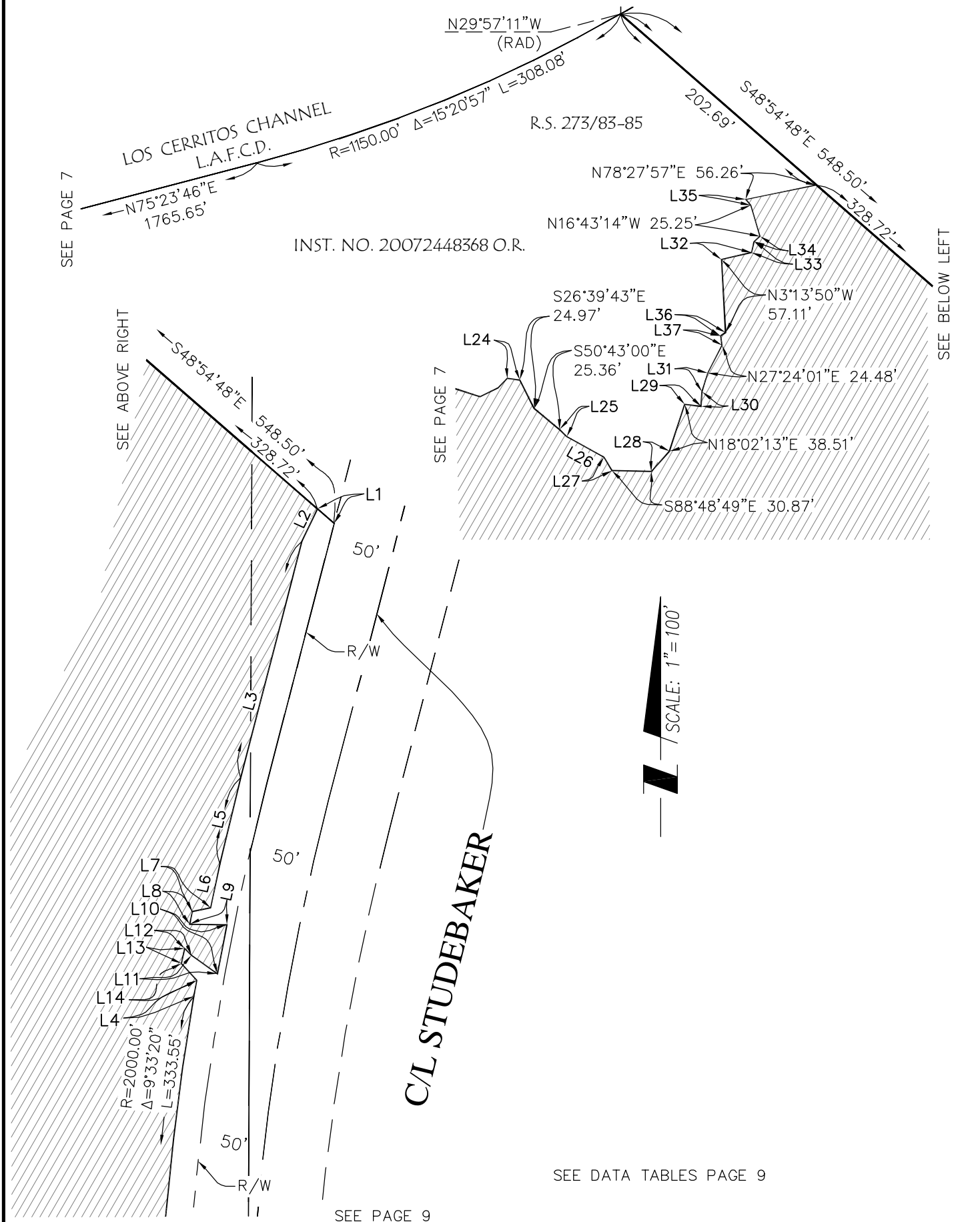
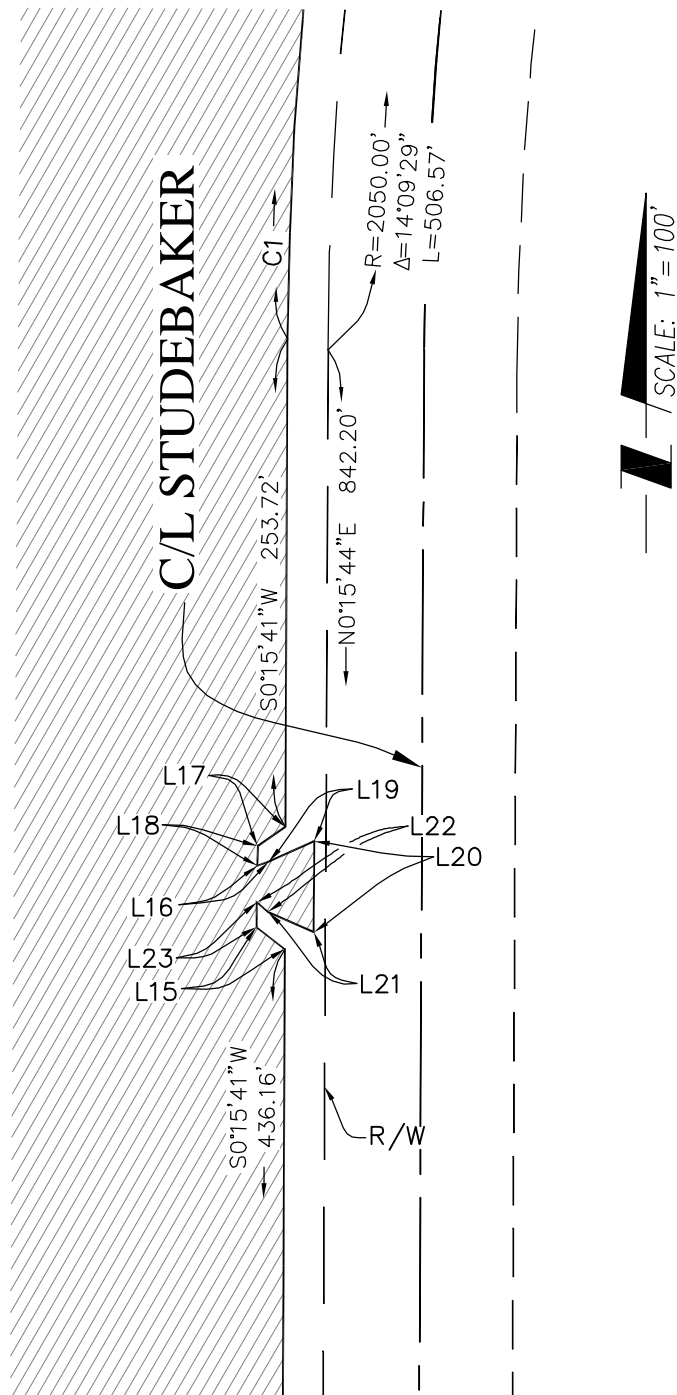


EXHIBIT "B"

CONSERVATION EASEMENT

SEE PAGE 8

CURVE TABLE - SHEET 8 & 9 ONLY			
CURVE	RADIUS	DELTA	LENGTH
C1	2000.00'	9°33'20"	333.55'



LINE TABLE - SHEET 8 & 9 ONLY		
LINE	BEARING	LENGTH
L1	S48°54'48"E	17.09'
L2	S25°44'47"W	28.06'
L3	S14°29'13"W	190.52'
L4	S9°49'01"W	12.69'
L5	S13°31'29"W	69.55'
L6	S12°04'54"W	34.78'
L7	S78°18'05"W	14.62'
L8	S11°44'59"W	10.05'
L9	S89°19'57"E	29.09'
L10	S10°53'11"W	39.08'
L11	N54°33'08"W	24.85'
L12	N45°30'20"W	7.59'
L13	S11°44'59"W	11.97'
L14	S42°04'30"E	17.81'
L15	S52°29'44"E	18.61'
L16	N70°21'46"E	6.27'
L17	S54°54'10"W	17.63'
L18	S0°51'38"W	10.29'
L19	N65°33'52"E	25.96'
L20	S0°15'39"W	47.32'
L21	N66°20'15"W	25.96'
L22	N49°00'28"W	7.73'
L23	S0°51'38"W	13.11'
L24	S82°45'13"E	9.81'
L25	S44°47'29"E	8.16'
L26	S61°13'05"E	33.21'
L27	S30°19'04"E	12.23'
L28	N41°40'33"E	21.19'
L29	S82°47'36"E	12.89'
L30	N3°45'10"E	11.27'
L31	N16°27'37"E	15.25'
L32	N77°12'01"E	24.12'
L33	N12°57'39"E	8.67'
L34	N47°26'10"E	6.34'
L35	N40°41'33"W	5.91'
L36	N55°35'44"E	4.69'
L37	N8°31'19"W	7.49'

EXHIBIT "B"

CONSERVATION EASEMENT

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L1	S78°09'37"W	10.73'
L2	N89°52'07"E	22.07'
L3	S77°26'08"E	21.49'
L4	N58°51'02"E	18.31'
L5	S78°13'23"E	29.83'
L6	N68°58'10"E	19.50'
L7	S68°18'36"E	17.15'
L8	S52°54'03"E	16.23'
L9	S45°41'23"E	15.39'
L10	S71°52'38"E	8.79'
L11	S89°23'36"E	32.58'
L12	S68°54'36"E	11.52'
L13	S89°05'03"E	16.97'
L14	N38°23'19"E	9.65'
L15	S43°06'49"E	9.35'
L16	N75°28'12"E	15.43'
L17	N60°19'23"E	7.24'
L18	N69°54'08"E	11.68'
L19	S56°05'26"E	5.94'
L20	S59°26'19"E	12.40'
L21	S83°26'52"E	18.25'
L22	S81°58'25"E	8.24'

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L23	S33°05'54"E	16.78'
L24	N51°04'41"E	14.82'
L25	N34°34'15"E	36.87'
L26	S77°42'24"E	8.73'
L27	S0°25'29"W	17.62'
L28	S62°52'56"E	8.50'
L29	N67°19'29"E	16.10'
L30	S53°30'06"E	25.29'
L31	S78°46'16"E	25.11'
L32	S85°45'11"E	49.54'
L33	S45°39'34"E	26.11'
L34	N76°57'58"E	27.85'
L35	S78°53'04"E	9.18'
L36	N74°58'55"E	14.40'
L37	N52°16'18"E	15.68'
L38	N32°36'46"E	24.33'
L39	N70°10'31"E	16.81'
L40	N0°19'45"E	16.37'
L41	N72°42'07"W	21.98'
L42	N23°39'51"W	14.37'
L43	N85°18'41"W	40.78'
L44	N46°43'54"W	3.73'

LINE TABLE – SHEET 7 ONLY		
LINE	BEARING	LENGTH
L45	N66°15'27"W	7.13'
L46	N74°57'08"E	9.74'
L47	S85°18'41"E	44.79'
L48	N16°22'53"E	6.52'
L49	N80°54'11"E	30.17'
L50	S60°54'44"E	16.78'
L51	N2°22'12"E	34.49'
L52	N68°52'18"E	17.27'
L53	N76°03'55"E	31.36'
L54	N66°01'21"E	23.49'
L55	S84°47'54"E	16.76'
L56	S87°55'49"E	16.83'
L57	S81°09'16"E	30.72'
L58	N52°32'54"E	12.36'
L59	N87°22'26"E	25.23'
L60	N55°28'17"E	15.63'
L61	S26°26'09"E	23.76'
L62	S72°30'00"E	28.41'
L63	N63°55'17"E	15.63'
L64	N44°02'43"E	10.18'
L65	S82°45'13"E	9.81'

Exhibit F

Bank Crediting and Credit Transfers

CONTENTS

- Exhibit F-1a Credit Evaluation and Credit Table (Intertidal and Upland Credit Releases 1-6)
- Exhibit F-1b Credit Evaluation and Credit Table (Subtidal Credit Releases 4, 5, and 6 Only)
- Exhibit F-2 Credit Purchase Agreements and Payment Receipts Template
- Exhibit F-3 Credit Transfer Ledger Template

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit F
Bank Crediting and Credit Transfers*

Exhibit F-1a

Credit Evaluation and Credit Table (Intertidal and Upland Credit Releases 1-6)

CREDIT EVALUATION AND CREDIT TABLE

(TIDAL AND BUFFER CREDIT RELEASES 1 – 6)

All Tidal Credits are joint USACE and CCC Credits that may be used to mitigate for a single impact, contingent upon the approval of either agency. Buffer Credits may only be sold in conjunction with Tidal Credits that are being used as mitigation for USACE permitted impacts to Waters of the U.S. Mitigation ratios and number of Credits required for purchase to compensate for permanent impacts to Waters of the U.S. and Coastal Wetlands shall be determined by the USACE and CCC, respectively, on a case-by-case basis.

The Restoration Types indicated in the table below were determined based on pre-and post-implementation of the Bank Development Plan as it relates to the definitions provided in the Final Mitigation Rule¹ and the California Coastal Act².

Preservation - The removal of a threat to, or preventing the decline of, aquatic resources by an action in or near those aquatic resources. This term includes activities commonly associated with the protection and maintenance of aquatic resources through the implementation of appropriate legal and physical mechanisms. Preservation does not result in a gain of aquatic resource area or functions.

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

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

In addition to conformance with the definitions of Restoration Types, the Credit determination was also informed by the results of the CRAM Report (BEI Exhibit I-2), which demonstrates functional lifts associated with certain metrics.

¹ Environmental Protection Agency, 40 CFR Part 230. Compensatory Mitigation for Losses of Aquatic Resources; Final Rule and U.S. Army Corps of Engineers, 33 CFR Part 332. Compensatory Mitigation for Losses of Aquatic Resources; Final Rule and U.S. Army Corps of Engineers Regional Compensatory Mitigation and Monitoring Guidelines for the South Pacific Division, dated January 12, 2015.

² California Coastal Act of 1976 (California Public Resources Code § 30000, et seq).

Credit Determination Table				
Habitat Type	Credits (acres)	Restoration Type	Credit Type	Authority
Tidal (below 4.3 feet NGVD 1929)				
Coastal Salt Marsh (Steamshovel Slough)	26.81*	Preservation	Tidal Preservation	USACE/CCC
Coastal Salt Marsh	7.25	Rehabilitation	Tidal Rehabilitation	USACE/CCC
Coastal Salt Marsh	20.66	Reestablishment	Tidal Re-establishment	USACE/CCC
Tidal Habitat Subtotal	54.72			
Buffer³ (above 4.3 feet NGVD 1929)				
Transitional Habitat	1.80	Re-establishment	Buffer Re-establishment	USACE
Saltbush/Goldenbush	7.44	Establishment	Buffer Establishment	USACE
Mulefat Scrub	1.04	Enhancement	Buffer Enhancement	USACE
Buffer Subtotal	10.28			
Mitigation Bank Habitat	65.00**			

*The available Credits for Steamshovel Slough Preservation exclude 2.9 acres of Subtidal habitat. The release of these 2.9 acres of Credits are considered during Credit Releases 4, 5, and 6 (see Exhibit F-1b).

**The total Mitigation Bank Habitat accounts for 67.90 Credits once the 2.90 Subtidal Credits from Steamshovel Slough are included.

³ As defined in the BEI, "Buffer" means an upland area that protects and/or enhances aquatic resource functions associated with wetlands, rivers, streams, lakes, marine, and estuarine systems from disturbances associated with adjacent land uses.

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit F
Bank Crediting and Credit Transfers*

Exhibit F-1b

Credit Evaluation and Credit Table (Subtidal Credit Releases 4, 5, and 6 Only)

CREDIT EVALUATION AND CREDIT TABLE
(SUBTIDAL CREDIT RELEASES 4, 5, and 6 ONLY)

All Subtidal Credits are joint USACE and CCC Credits that may be used to mitigate for a single impact, contingent upon the approval of either agency. The table below provides the Subtidal Credits within Steamshovel Slough available for release only during Credit Releases 4, 5, and 6. Each release would account for 33%, 33%, and 34%, respectively. The remaining 65.00 Credits within the Bank are described in Exhibit F-1a.

The Restoration Type indicated in the table was determined based on pre-and post-implementation of the Bank Development Plan as it relates to the definition provided in the Final Mitigation Rule¹ and the California Coastal Act.²

Preservation - The removal of a threat to, or preventing the decline of, aquatic resources by an action in or near those aquatic resources. This term includes activities commonly associated with the protection and maintenance of aquatic resources through the implementation of appropriate legal and physical mechanisms. Preservation does not result in a gain of aquatic resource area or functions.

In addition to conformance with the definitions of Restoration Types, the Credit determination was also informed by the results of the CRAM Report (BEI Exhibit I-2), which demonstrates functional lifts associated with certain metrics.

Credit Determination Table				
Habitat Type	Credits (acres)	Restoration Type	Credit Type	Authority
Subtidal				
Coastal Salt Marsh (Steamshovel Slough)	2.90	Preservation	Subtidal Preservation	USACE/CCC

¹ Environmental Protection Agency, 40 CFR Part 230. Compensatory Mitigation for Losses of Aquatic Resources; Final Rule and U.S. Army Corps of Engineers, 33 CFR Part 332. Compensatory Mitigation for Losses of Aquatic Resources; Final Rule and U.S. Army Corps of Engineers Regional Compensatory Mitigation and Monitoring Guidelines for the South Pacific Division, dated January 12, 2015.

² California Coastal Act of 1976 (California Public Resources Code § 30000, et seq.).

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit F
Bank Crediting and Credit Transfers*

Exhibit F-2

Credit Purchase Agreements and Payment Receipts Template

UPPER LOS CERRITOS WETLANDS MITIGATION BANK**CREDIT PURCHASE AGREEMENT**

This CREDIT PURCHASE AGREEMENT (“Agreement”) is made and entered into this day of _____, 20____ by and between LOS CERRITOS WETLANDS, LLC (Bank Sponsor) and _____(Project Proponent) as follows:

RECITALS

A. The Bank Sponsor has developed the Upper Los Cerritos Wetlands Mitigation Bank (Bank) located in the city of Long Beach, Los Angeles County, California; and

B. The Bank has been developed pursuant to that certain Bank Enabling Instrument (BEI) entered into by and among Bank Sponsor, Los Angeles District of the United States Army Corps of Engineers (USACE), Region IX of the U.S. Environmental Protection Agency (USEPA), the Carlsbad Office of the U.S. Fish and Wildlife Service (USFWS), and the California Coastal Commission (CCC) (the USACE, USEPA, USFWS, and CCC are collectively referred to as the “Signatory Agencies”); and

C. Project Proponent is seeking to implement the project described on Exhibit “A” attached hereto (Project), which would unavoidably and adversely impact XX acres of waters of the United States and/or XX acres of Coastal Wetlands, and seeks to compensate for such impacts by purchasing Credits from Bank Sponsor; and

D. Project Proponent has been authorized by the USACE under permit number [File No.] and/or CCC under Coastal Development Permit number [CDP No.] to purchase from the Bank Sponsor [credit quantity and type of Waters of the U.S./Coastal Wetland or credit quantity and type of Waters of the U.S. and amount of Buffer] Credits upon confirmation by the Bank Sponsor of Credit availability/adequate balance of Credits remaining for Transfer; and

E. Project Proponent desires to purchase from Bank Sponsor and Bank Sponsor desires to sell to Project Proponent [credit type and quantity of Waters of the U.S./Coastal Wetland or credit quantity and type of Waters of the U.S. and amount of Buffer] Credits (the “Transferred Credits”) from the Bank on the terms and conditions herein.

NOW, THEREFORE, in consideration of the agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Bank Sponsor and Project Proponent hereby agree and acknowledge as follows:

1. Bank Sponsor hereby sells to Project Proponent and Project Proponent hereby purchases from Bank [credit type and quantity of Waters of the U.S./Coastal Wetland or credit quantity and type of Waters of the U.S. and amount of Buffer] Credits for the purchase price of \$.00. Upon receipt of the purchase price, the Bank Sponsor will then deliver to Project Proponent an executed Bill of Sale in the manner and form as attached hereto and marked Exhibit "B". The purchase price for said Credits shall be paid by wire transfer of funds according to written instructions by Bank Sponsor to Project Proponent, or by check payable to "Los Cerritos Wetlands, LLC."

2. The sale and transfer herein is not intended as a sale or transfer to Project Proponent of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

3. Project Proponent shall have no obligation whatsoever by reason of the purchase of the Credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the Credits sold, or the Bank. As required by law, Bank Sponsor shall monitor and make reports to the appropriate agency or agencies on the status of any Credits sold to Project Proponent. Bank Sponsor shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Credits pursuant to the BEI. Bank Sponsor hereby shall indemnify Project Proponent of and from all such liabilities and obligations.

4. The Credits sold and transferred to Project Proponent shall be nontransferable and non-assignable, and shall not be used as compensatory mitigation for any other project or purpose.

5. Project Proponent must exercise his/her/its right to purchase within 30 days of the date of this Agreement. After the 30-day period this Agreement will be considered null and void.

6. Upon purchase of the Credits specified in paragraph E above, the Bank Sponsor shall submit to the Signatory Agencies, copies of the: a) Credit Purchase Agreement; b) Bill of Sale; c) Payment Receipt; and d) an updated Credit transfer ledger.

7. This Agreement may be executed in counterparts, all of which shall be treated as part of the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

BANK SPONSOR

LOS CERRITOS WETLANDS, LLC.

By: _____

Name:

Its:

PROJECT PROPONENT

NAME OF PROJECT PROPONENT

By: _____

Name:

Its:

Exhibit “A”

**DESCRIPTION OF PROJECT
TO BE
MITIGATED**

Name of Project:

[Insert project name]

Project Location:

[Insert project location, city, county]

USACE File Number:

[Insert file number]

And/or

CCC CDP Number:

[Insert number]

Project Description:

[Insert project description]

Exhibit "B" BILL OF SALE
Contract # _____ [Bank Sales Number]
USACE File No. and/or CCC CDP No.

In consideration of \$_____, receipt of which is hereby acknowledged, LOS CERRITOS WETLANDS, LLC (Bank Sponsor) does hereby bargain, sell and transfer to _____ [Project Proponent], [credit type and quantity] Credits, in the Upper Los Cerritos Wetlands Mitigation Bank in the city of Long Beach, Los Angeles County, California, developed and approved under the authority of the Los Angeles District of the United States Army Corps of Engineers, Region IX of the U.S. Environmental Protection Agency, the Carlsbad Office of the U.S. Fish and Wildlife Service,, and the California Coastal Commission (CCC) associated with the project described in Attachment 1.

Bank Sponsor represents and warrants that it has good title to the Credits, has good right to sell the same, and that they are free and clear of all claims, liens, or encumbrances.

Bank Sponsor covenants and agrees to warrant and defend the sale of the Credits hereinbefore described against all and every person and persons whomsoever lawfully claiming or to claim the same.

Bank Sponsor hereby accepts the responsibility for providing the required compensatory mitigation requirements of USACE File No. _____ and/or CCC CDP No. _____.

DATED: _____

LOS CERRITOS WETLANDS, LLC

By: _____

Name:

Its:

Attachment 1

Upper Los Cerritos Wetland Mitigation Bank

_____ [type and quantity of credits] **CREDITS: PAYMENT RECEIPT**

PROJECT PROPONENT INFORMATION

Name:

[Insert Project Proponent Name]

Address:

[Insert Street Address]

[City, State, Zip code]

Telephone:

[Insert Contact Phone Number]

Contact:

[Insert Contact Name]

PROJECT INFORMATION

Project Description:

[Insert Brief Project Description]

Project Location:

[Insert Project Location Information]

USACE File Number:

[Insert File Number]

And/or

CCC CDP Number:

[Insert CDP Number]

Credits to be Purchased:

[Number and Type of Credits]

PAYMENT INFORMATION

Payee:

Los Cerritos Wetlands, LLC

Payer:

[Insert Project Proponent/Payer's Full Legal Name]

Amount:

[Insert Total Payment Amount]

Method of payment:

Cash ____ Check No. _____ Money Order No. _____

Received by:

(Signature)

[Insert name]

[Insert Title]

Date:

[Insert Date Payment Received]

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit F
Bank Crediting and Credit Transfers*

Exhibit F-3

Credit Transfer Ledger Template

Credit Transfer Ledger

Exhibit F-3
Credit Transfer Ledger Template

As defined in the BEI, "Buffer" means an upland area that protects and/or enhances aquatic resource functions associated with wetlands, rivers, streams, lakes, marine, and estuarine systems from disturbances associated with adjacent land uses. Buffer Credits can only be Transferred in combination with Waters of the U.S. Tidal Credits for impacts to Waters of the U.S. under USACE authority.

² Subtidal credits of 2.90 acres are not eligible for transfer until Credit Releases 4, 5, and 6, at which time 0.96 credits (33%), 0.96 acre (33%), and 0.99 credits (34%) would be released, respectively.

³ Pre-Transaction Availability carries over from the previous Post-Transaction Availability from the specified credit type.

⁴ Transaction amounts are positive for Releases and negative for Transfers.

*Upper Los Cerritos Wetlands Mitigation Bank
Bank Enabling Instrument*

*Exhibit K
Other Documentation, Permits, Amendments, or Revisions*

Exhibit K-5

Covenant and Agreement for Preservation of the Upper Los Cerritos Wetlands Mitigation Bank

COVENANT AND AGREEMENT FOR PRESERVATION OF THE
UPPER LOS CERRITOS WETLANDS MITIGATION BANK

THIS COVENANT AND AGREEMENT FOR PRESERVATION OF THE UPPER LOS CERRITOS WETLANDS MITIGATION BANK (hereinafter referred to as “Agreement”) is executed by LOS CERRITOS WETLANDS, LLC, a California limited liability company (“LANDOWNER”) and SYNERGY OIL AND GAS, LLC, a Delaware limited liability company (“OPERATOR”) (individually, a “Party” and collectively, “Parties”) with references to the following facts:

A. Landowner is the fee title holder of 150 acres of property in the City of Long Beach, Los Angeles County, California, generally located north of 2nd Street, south of Loynes, west of Studebaker, and east of Pacific Coast Highway, more particularly depicted and described at **EXHIBIT A** (“Synergy Oil Field”).

B. Operator is an oil and gas production company and is the holder of the mineral rights 500 feet and below ground surface of the Synergy Oil Field, and operates oil and gas production and storage facilities on approximately 75 acres of the Synergy Oil Field, depicted and described at **EXHIBIT B** (“Southern Portion of Synergy Oil Field”).

C. Landowner intends to construct, establish and operate the Upper Los Cerritos Wetlands Mitigation Bank (“Bank”) the northern 68.74 acres of the Synergy Oil Field, more particularly depicted and described at **EXHIBIT C** (“Bank Property”).

D. This Agreement is made in consideration of the granting of a Department of the Army permit (File # _____) (“Section 404 Permit”) by the U.S. Army Corps of Engineers, Los Angeles District (“USACE”) to discharge dredged or fill material into waters of the United States and for work or structures in or affecting navigable waters of the U.S. associated with conducting wetlands restoration work on the Bank Property necessary to establish the Bank.

E. The design of the Bank includes construction of a sheet pile wall, berm and tide gates (collectively, “Bank Structures”) to preserve the restored wetlands and habitat values of the Bank and to protect the Southern Portion of the Synergy Oil Field and ongoing oil and gas operations from tidal inundation and tidal flow, and a chain link fence and gate at the property boundary of the Synergy Oil Field (“Fence”).

F. The Parties desire to enter into this Agreement to ensure the structural integrity and long-term operation and maintenance of the Bank Structures in order to preserve the restored values of the Bank and ensure tidal flows outside the Bank.

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

1. **Maintenance of Bank Structures and Fence.** Operator warrants the structural integrity of the Bank Structures and will ensure the tidal flow outside of the Bank. Operator’s obligations, duties, and responsibilities include:

a. [Insert language regarding maintenance of the functional integrity of Bank Structures per the Bank Development Plan and Section 404 Permit when issued.]

b. [Insert language regarding maintenance of the two tidal flap gates within the Bank Structures depicted in **EXHIBIT D** per the Bank Development Plan and Section 404 Permit when issued.]

c. [Insert language regarding maintenance of the Fence per the Bank Development Plan and Section 404 Permit when issued].

2. **Termination of Oil Operations on the Southern Portion of the Synergy Oil Field.** Operator agrees to fully cease oil operations on the Southern Portion of Synergy Oil Field no later than the 20th anniversary from the date the City of Long Beach issues a certificate of occupancy for a new office building on the property located at 7001 E. Pacific Coast Highway, Long Beach, California commonly referred to as the "Pumpkin Patch Site" ("Termination of Oil Operations Date"). Operator shall remove all remaining equipment, infrastructure and debris associated with the oil production facilities and activities and complete oil field cleanup activities prior to the Termination of Oil Operations Date and prior to removing the sheet pile wall. In addition, Operator agrees to remove the sheet pile wall and tidal flap gates prior to the Termination of Oil Operations.

3. **Third-Party Beneficiary.** USACE is a third-party beneficiary of this Agreement.

4. **Forum.** The Agreement shall be enforceable in law and equity by the United States in a forum of the USACE's choosing.

5. **Term.** This Agreement shall remain in force until terminated. Neither Party may terminate this Agreement without the prior written consent of the USACE.

6. **Termination.** The obligations set forth under this Agreement shall terminate when oil operations are terminated or relocated off the Synergy Oil Field, but in no event later than the Termination of Oil Operations Date, as defined in Section 2., above.

7. **Notices.** Any notice, demand, request, consent, approval, or other communication that any Party desires or is required to give to any other shall be in writing and be served personally or sent by first class mail, postage prepaid, addressed as follows:

Landowner:

Los Cerritos Wetlands, LLC, a California limited liability company
6433 E 2nd Street
Long Beach, CA 90803

Operator:

Synergy Oil and Gas, LLC, a Delaware limited liability company
6433 E 2nd Street
Long Beach, CA 90803

With a copy in all instances to:

USACE

Los Angeles District
 915 Wilshire Blvd.
 Los Angeles, CA 90017
 Attn: District Counsel

or to such other address as any party shall designate by written notice to any other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first class mail, five (5) days after deposit into the United States mail.

Each Party agrees to notify the other promptly, and in any event no later than thirty days after any change in named representative, address, telephone, or other contact information.

8. **Assignment.** This Agreement is not assignable, either in whole or part, without the prior written consent of the USACE and subject, further, to the requirement that the assignee assumes and agrees in writing to observe and perform all of the assignor's obligations, duties, and responsibilities pursuant to this Agreement. Any purported assignment without such consent shall be null and void. Liability for acts, omissions, or breaches occurring prior to the assignment and assumption shall survive the assignment and assumption.

9. **Severability.** Each provision of this Agreement is distinct and severable from the others. If one or more provisions is or becomes invalid, unlawful, or unenforceable in whole or in part, the validity, lawfulness and enforceability of the remaining provisions (and of the same provision to the extent enforceable) will not be impaired, and the Parties agree to substitute a provision as similar to the offending provision as possible without its being invalid, unlawful or unenforceable.

10. **Entire Agreement.** This Agreement, exhibits, and any documents referred to herein sets forth the entire agreement of the Parties with respect to the Agreement and supersedes all prior discussions, negotiations, understandings, or agreements of such Parties relating to the Agreement. No alteration or variation of this Agreement shall be valid or binding unless contained in an amendment in accordance with Section 11.

11. **Amendments and Modifications.** Either Party to this Agreement may propose to make changes to this Agreement by notifying the other party in writing. Proposed changes to this Agreement must be agreed upon by both parties in writing, and with the prior consent of the USACE.

12. **Effective Date.** This Agreement shall become effective when signed by both Parties.

13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall constitute one and the same instrument.

14. **Recordation.** As soon as practicable after the Effective Date, Landowner shall record this Agreement in the Official Records of Los Angeles County and provide Operator and USACE with a copy of the recorded instrument.

15. **Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

16. **Survival.** The provisions of this Agreement which require performance after the termination of this Agreement shall remain in force notwithstanding the termination of this Agreement.

17. **Other Relationships or Obligations.** This Agreement shall not affect any pre-existing or independent relationships or obligations between the Parties.

18. **Liberal Construction.** Any general rule of construction to the contrary notwithstanding, this Agreement shall be liberally construed to accomplish the Purpose of this Agreement. If any provision in this Agreement is found to be ambiguous, an interpretation consistent with the purpose of this Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the Parties have signed this Agreement, intending to be legally bound.

LOS CERRITOS WETLANDS, LLC,

A California limited liability company

By: _____

Dated _____

Name: _____

Its: _____

SYNERGY OIL AND GAS, LLC,

A Delaware limited liability company

By: _____

Dated _____

Name: _____

Its: _____