

Land Stewardship Proposal for the Narrows Planning Unit

**Proposed Recipient: The Regents of the University of California
(The Sierra Foothill Research and Extension Center, a unit of the
University of California Division of Agriculture and Natural
Resources, will operate and manage the property.)**

PART 1 – ORGANIZATIONAL INFORMATION

1. Contact Information

Primary Contact: Arthur Craigmill
Director, UC Sierra Foothill Research and Extension Center
8279 Scott Forbes Road
Browns Valley, CA 95918
(530) 639-8800
alcraigmill@ucdavis.edu

Secondary Contacts: Dustin Flavell
Superintendent, UC Sierra Foothill Research and Extension Center
8279 Scott Forbes Road
Browns Valley, CA 95918
(530) 639-8812
dkflavell@ucdavis.edu

Cynthia Arnot Barber
Director, Development Services
Division of Agriculture and Natural Resources
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200
(510) 987-9139
cynthia.barber@ucop.edu

Executive Director: Barbara Allen-Diaz
Associate Vice President, Academic Programs
and Strategic Initiatives
Director of the Research and Extension Centers
Professor and Russell Rustici Chair in Rangeland Management
Division of Agriculture and Natural Resources
Office of the President
University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200
(510) 987-0060
Barbara.Allen-Diaz@ucop.edu

2. Executive Summary

The Division of Agriculture of the University of California ("ANR") has extensive, long-term experience in the ownership and management of properties utilized for research and education, including 9 Research and Extension Centers located throughout the state. The 5,721-acre Sierra Foothill Research and Extension Center ("SFREC") in Browns Valley adjoins the 41 acres Narrows Unit property on all sides down to the Yuba River, and the only access to the parcel is through the SFREC property. SFREC maintains a 160+/- acre "natural area" around the Narrows Unit property.

Established in 1960, SFREC is comprised of more than 5,700 acres which range in elevation from less than 300 feet along the Yuba River to nearly 2,000 feet of woodland foothills. As the soil, climate, terrain and vegetation are representative of millions of acres of California foothill rangelands, this site is an invaluable field laboratory for basic and applied research relevant to needs and concerns on a local and global level. Research at SFREC has and continues to include pasture development; cattle nutrition and disease control; restoration of oaks and native species; wildlife habitat improvement; weed management; and water and soil quality and management. Our researchers have endeavored to balance livestock production with natural resource enhancement. The knowledge gained from our research is delivered to the citizens of California for use and application. For example, work completed at SFREC contributed to the United States Department of Agriculture's grazing guidelines for sustainable use of foothill ranges, as well as guidelines for fostering oak restoration.

Our interest in and objective for obtaining title to the Narrows Unit is to expand our existing natural area acreage down to the Yuba River. SFREC natural areas are managed with no inputs and no grazing so they may serve as control areas for other research treatment areas of SFREC, to which modifications have been made (grazing, controlled burning, etc). The Narrows Unit property is also contiguous with areas of the SFREC Schubert watershed, which has undergone monitoring and data collection for more than 30 years, enhancing our understanding of issues related to the effects of various land management regimes, and climate on stream flow.

The financial capacity and organizational capability of ANR is well established and contained within the organizational structure of the University of California. Management of the additional 41-acre Narrows Unit as part of the SFREC natural areas will not require any additional significant effort on the part of the SFREC staff. Nor do we anticipate any appreciable increase in expenditure of funds associated with the management of the Narrows Unit.

3. Organizational Information:

The Sierra Foothill Research and Extension Center is a property and educational program of The Regents of the University of California, a political subdivision of the state of California. The Regents of the University of California was created by the Legislature of the State of California on March 23, 1868.

4. Tax Exempt Status

The Regents of the University of California's property is exempt from taxation by virtue of being property of the "State of California." The law with respect to the University's exemption is longstanding and well-settled. Article XIII, section 3(a), of the Constitution of California expressly exempts all property owned by the State from property taxation. The Regents of the University of California is encompassed within the meaning of the term "State." (Regents of the University of California v. State Bd of Equalization (1977) 73 Cal. App.3d 660,664.) The exemption applies by virtue of "ownership" and is not dependent on the use to which the property is put. (Anderson-Cottonwood Irrigation Dist. V. Klukkert (1939) 12 Cal.2d 191 at p. 196).

In addition, The Regents of the University of California has exempt status under section 501(c)(3) of the Internal Revenue Code. Please see the attached Internal Revenue Service letter of determination.

5. Organization's Legal Name

The name of this corporation is: The Regents of the University of California

6. Organization's Common Name

Common Name: University of California

Note: The Narrows Unit would be managed by the University of California's Sierra Foothill Research and Extension Center of the University of California Division of Agriculture and Natural Resources.

7. Letter from Associate Vice President Allen-Diaz

See attachment.

8. Rationale for Applying

The 41 acres commonly known as the Narrows Unit ("Narrows Unit") is adjacent to and contiguous with the University of California Sierra Foothill Research and Extension Center ("SFREC") land. The Narrows Unit is bordered by The Regents of the University of California ("University") owned property on the north side and the Yuba River on the southern side. The only land access available to the Narrows Unit is through the SFREC land. The rationales for applying to receive ownership of the Narrows Unit are (i) to expand the SFREC natural areas presently surrounding the Narrows Unit by annexing these 41+- acres to SFREC; (ii) to preserve the natural areas as a valuable and historical resource; (iii) provide prospective controls for research purposes for comparison with similar areas that are grazed; and (iv) to provide additional access to the Yuba River immediately downstream from the powerhouses for research projects on salmon restoration. Currently, the SFREC managed areas adjacent to the Narrows Unit are managed as natural areas, without cattle grazing allowed. If the University obtains the

Narrows Unit, the SFREC management plan would not result in a sufficient change in the environment. As a control area, the Narrows Unit will enhance our knowledge gained through research conducted on other areas of SFREC, benefitting the public through increased knowledge related to agriculture, resource sustainability, and preservation of native animal and plant species.

9. Organization's Mission

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA'S MISSION STATEMENT:

“The distinctive mission of the University is to serve society as a center of higher learning, providing long-term societal benefits through transmitting advanced knowledge, discovering new knowledge, and functioning as an active working repository of organized knowledge. That obligation, more specifically, includes undergraduate education, graduate and professional education, research, and other kinds of public service, which are shaped and bounded by the central and pervasive mission discovering and advancing knowledge.”

<http://www.universityofcalifornia.edu/aboutuc/missionstatement.html>

ANR VISION STATEMENT:

“ANR envisions a thriving California in 2025 where healthy people and communities, healthy food systems, and healthy environments are strengthened by a close partnership between the University of California and its research and extension programs and the people of the state. The University remains connected and committed to the people of California, who enjoy a high quality of life, a healthy environment, and economic success in a global economy.”

http://ucanr.org/About_ANR/Strategic_Vision/

ANR RESEARCH AND EXTENSION CENTERS' MISSION STATEMENT

“It is the mission of the Research and Extension Center (REC) system to advance knowledge and understanding of agricultural and natural resource systems by providing University of California researchers and educators with managed and sustainable resources to conduct quality research on high-priority statewide and regional issues; coordinating and consulting with researchers to facilitate the successful completion of approved research projects; extending the results of research; advancing knowledge and understanding of agriculture and natural resource systems; and communicating to the local communities agricultural and natural resource values.”

<http://ucanr.org/sites/rec/files/29099.pdf>

The University of California Division of Agriculture and Natural Resources supports the preservation and enhancement of the beneficial public values identified by the Stewardship Council by developing and extending knowledge and understanding of agriculture and natural resource systems, not only at the local level, but throughout the state and, indeed, the world. With respect to the Narrows Unit, the University would protect the natural habitat by annexing the land to our existing natural area. If the Narrows Unit is deeded to The Regents of the

University of California, it will be managed consistently with our current SFREC management practices, minimizing impacts, and preserving the existing habitat, while supporting our teaching, research, and extension mission, including K-12 education.

10. Geographic Focus

The Sierra Foothill Research and Extension Center is comprised of 5,721+/- acres consisting of (i) 4,945+/- acres of dry annual rangeland (oak woodlands); (ii) 160+/- acres of irrigated pasture; (iii) 272+/- acres of un-grazed natural areas; and (iv) 353+/- acres developed with facilities, roads, and housing. The grazed acreage is fenced into 81 fields of varying sizes with the fencing configurations changing with the research needs. In addition, SFREC has over a mile of Yuba River Frontage and 1,550+/- acres have been almost totally cleared (less than 10% canopy cover or less than 5 trees per acre). In the oak woodland/rangelands, approximately 1,365+/- acres have been partially cleared or thinned (from 10% to 75 % canopy cover or 10 to 100 trees per acre), and 2,805+/- acres remain unmodified. The un-grazed natural areas are comprised of 12 of the unmodified woodlands (272+/- acres) in which there have been no major modification to vegetation or grazing by domestic animals.

The SFREC contains almost the entire watersheds of six small permanent streams within its boundaries. The SFREC has continuously monitored these watershed areas for more than 30 years, and is unique in California for having this wealth of historical data. Most stretches of the seven permanent streams found on the SFREC are bordered with riparian vegetation that is maintained in its natural state.

At SFREC, 145 bird species, 12 reptile species, 4 amphibian species, and 35 mammal species, including threatened and endangered species have been cataloged. In addition, the Yuba River is unique among California's large anadromous fish streams because it is managed as a wild stream without hatchery facilities. The California Department of Fish and Game and UC are both involved in habitat restoration projects on the Yuba River bordered by the SFREC property.

In 2010, the SFREC celebrated the 50 year anniversary of its acquisition in 1960. The Research and Extension Center System (formerly known as the Agricultural Field Stations) is composed of 9 centers located throughout the state. During these last 50 years, SFREC has been a driving force locally, to the citizens of the State of California, and nationally for sustainability, teaching, research and historical data collection on oak woodland rangelands.

11. Organizational Experience and Capacity

The entire Research and Extension Center System, as part of the Division of Agriculture and Natural Resources (“ANR”) of the University of California, is a relevant example of the University’s experience and capacity to manage lands effectively. The system is composed of nine Centers, with the oldest dating back nearly a century. The goals for the Research and Extension Centers are to:

- Provide controlled sites with managed and sustainable resources, cultural expertise, and soil, water, topography, climate, and other local characteristics suitable to conduct quality research on high-priority statewide and regional issues.
- Provide a local base for cooperation and collaboration between advisors, specialists and faculty, and the integration of the research-extension continuum.
- Ensure equal access to all ANR academics, facilitate flexible response to high-priority issues, and encourage integration of programs using the Research Advisory Committee (RAC) process.
- Provide a combination of statewide administration and the delegation of local control of program to facilitate the most efficient use of resources, and the greatest flexibility for responding to local needs.
- Provide a local base for communicating the value of ANR research and extension programs, and agricultural and natural resource values.

The 5,721+- acre Sierra Foothill Research and Extension Center is located at 8279 Scott Forbes Road in Browns Valley, CA. GPS coordinates for the Office are 39° 15' 4.068" N (39.25113 N) and 121° 18' 47.274" W (121.313132 W). The SFREC has been owned and managed by the UC Division of Agriculture and Natural Resources for more than 50 years. The SFREC is managed as a resource for teaching and research related to rangelands and watersheds with an historic emphasis on cattle production. All projects carried out at SFREC are reviewed and approved by a Research Advisory Committee composed of experts and one member of the public appointed by the Director. Management practices vary depending upon approved research protocols; however, the overarching goal is to support research and ensure environmental safety and resource sustainability.

12. Organizational Experience and Capacity (8 Research and Extension Centers in addition to SFREC)

Since 1912, when it acquired its first Research and Extension Center, ANR has successfully managed multiple centers. Today, in addition to SFREC, there are 8 other Research and Extension Centers.

Desert Research and Extension Center (DREC)

El Centro, CA (250 acres), founded in 1912. (<http://desertrec.ucdavis.edu/>)

DREC accommodates 50 research projects annually, including research related to vegetable crop breeding and culture, irrigation management, soil salinity, improved varieties of grain and forage crops, emerging bio-energy crops, and control of various insects and pests.

Hansen Research and Extension Center (Hansen REC)

Santa Paula, CA (27 acres), recently added to REC system.
(<http://ucanr.org/sites/hansenagcenter/>)

The soils and climate at the Hansen REC are typical of the Ventura County region. The Hansen REC supports research related to fruit and vegetable crops grown in the region, and offers youth education programs. Facilities include meeting rooms, demonstration gardens, a greenhouse and a plant tissue drying oven.

Hopland Research and Extension Center (HREC)

Hopland, CA (5358 acres), founded in 1951. (<http://groups.ucanr.org/hopland/>).

HREC provides rich diversity of soil, plant and animal communities for the support of natural resources and agricultural research and extension programs, particularly those relevant to rangelands of central and north coast California. Facilities include an office complex, library and meeting rooms, all-purpose laboratory, greenhouse, and barns.

Intermountain Research and Extension Center (IREC)

Tulelake, CA (140 Acres) founded in 1960. (http://ucanr.org/sites/Intermountain_REC/)

IREC supports research related to field and vegetable crops and resource conservation. Research topics include weed, insect, and disease control; water management; and plant nutrition. Facilities include an office building; greenhouse; headhouse; potato storage and research facility; seed storage room; equipment storage, and mechanic's shop.

Kearney Agricultural Research and Extension Center (KREC)

Parlier, CA (330 acres), founded in 1962. (<http://www.uckac.edu/>)

KREC supports research in the development of new fruit, nut, and grape varieties, innovative cultural and irrigation practices, pest and disease management techniques, and postharvest biology. Facilities include a state-of-the-art greenhouse, postharvest laboratory, mosquito control laboratory, multiple insectaries, and academic and administrative offices.

Lindcove Research and Extension Center (LREC)

Exeter, CA (175 acres), founded in 1959.

(http://ucanr.org/sites/lindcove/About_Lindcove_REC/)

The Mediterranean-like climate and soils of LREC are representative of the commercial citrus growing region of the California Central Valley, and ideally suited for supporting research on growing citrus, evaluating new varieties, and managing pests. Facilities include a greenhouse, screenhouse, orchards, fruit quality laboratory, and a packline.

South Coast Research and Extension Center (SCREC)

Irvine, CA (200 acres), founded in 1956. (<http://ucanr.org/sites/screc/>)

SCREC serves as a regional field laboratory for UC scientists to conduct agricultural and natural resources management research and extend research-based information related to a wide range of crops, including subtropicals. Facilities include a laboratory, several greenhouses, a lath house, and several administrative office buildings.

West Side Research and Extension Center (WSREC)

Five Points, CA (320 acres), founded in 1959. (<http://ucanr.org/sites/westsiderec/>)

WSREC supports research on new crops, varieties, weed and insect control, disease management, fertility, irrigation, and salinity management. Facilities include laboratories, neutron probe and calibration facilities, glasshouse with soil handling and grinding facilities and soil and plant drying ovens, lath house, and dormitories.

13. Organizational Finances

The University of California audited financial reports may be viewed at:

<http://www.universityofcalifornia.edu/reportingtransparency/>

The University of California budget may be viewed at: <http://budget.ucop.edu/pubs.html>

Attached are the 2010-11 budgets for the University of California Research and Extension Center system and the Sierra Foothill Research and Extension Center, specifically, as well as the 2007-08, 2008-09, and 2009-10 financial reports for the Sierra Foothill Research and Extension Center.

14. Non-governmental Organizations

Not applicable.

15. Grant Funding

The SFREC does not apply for external grants as a separate entity. In fact, the SFREC can be viewed as a granting agency in that SFREC resources are allocated at a subsidized rate to UC researchers whose projects are approved by the SFREC Research Advisory Committee. Because SFREC exists for large scale field research projects, UC researchers have been able to obtain large, external grants independently, (e.g. USDA grants) to do research at SFREC. Combined, external grant funding for individual researchers conducting work at SFREC exceeds \$1 million annually. Non-UC researchers from other universities and state and federal agencies (e.g. Oregon State University, Iowa State University, California Department of Fish and Game, Army Corps of Engineers, USDA, etc.) are also directly involved in research projects at SFREC.

16. Acquisition of fee title and use of timber revenue, lease revenue, or funding provided by the Stewardship Council

Fee title will be held in the name of The Regents of the University of California. It is the intention of the SFREC to manage the Narrows Unit without any funding provided by the land itself or from the Stewardship Council. In addition, there are no plans to seek lease revenue funding anytime in the future to manage the proposed additional land to SFREC.

17. Key Personnel/Staff

Center Director:	Arthur Craigmill (40%)
Superintendent:	Dustin Flavell
Office Manager:	Chris Feddersen
Office Assistant:	Sandy Mecham (50%)
Principal Ag Sup:	Martin Beaton
Ag Tech	Gary Childers
Ag Tech	John Wedgeworth
Herdsman	Justin Tindall
Ag Tech	Abraham Mendoza
Ag Tech	Mike Williams

18. Collaborative Efforts

With specific reference to SFREC, there are currently 23 active and ongoing research and extension projects. Researchers from three UC campuses, Oregon State University, the University of Nevada, Reno, and Iowa State University are project leaders and cooperators at SFREC. Each year, SFREC also hosts multiple public meetings for state and federal employees, and local residents/ranchers, and each year, more than 500 members of the public attend these events. The SFREC has an ongoing partnership with CalFire in vegetation management and as a site for training their staff. In addition, SFREC provides educational opportunities and outreach programs for school children in Kindergarten through High School.

19. Stakeholder Input

Due to the steepness and remote location of the 41+/- acres of the Narrows Unit, it has limited potential use for anything other than for research or use as rangeland. At this time, the current plan is to use this parcel as additional acreage in the SFREC natural area that is adjacent to the Narrows Unit. A non-University of California, local resident serves as a member of the SFREC Research Advisory Committee to insure local stakeholder input into the management and research carried out at SFREC. Since no public use of this parcel is planned, no additional stakeholder input will be solicited regarding its management. In addition to SFREC review of this potential gift, the University's systemwide Division of Agriculture and Natural Resources staff, environmental planners and other staff of the University of California Office of the President have considered this potential addition and believe it would be beneficial both to SFREC and to preserving the land in the best interests of the citizens of the State of California.

20. Best Practices, Standards, and Guiding Principles

We adhere to the guidelines, regulations and policies of the University of California. Detailed information may be found at <http://www.ucop.edu/riskmgt/>.

21. Provision for another Organization to Assume Ownership

We have not made provisions for another organization to assume ownership as we expect to maintain and operate the property as an extension of the Sierra Foothill Research and Extension Center. In the event that the University is no longer able to continue operations, the University of California Offices of General Counsel and Real Estate Services would counsel and guide us in transferring ownership, while honoring the intent of the Stewardship Council.

22. Current or Past Violations of the Law

None.

23. Applicable Law or Policy Precluding Acceptance of a Conservation Easement

There are no laws precluding The Regents of the University of California from accepting a gift of land with a conservation easement. The University has accepted many gifts of real property with conservation easements.

24. Conflict of Interest Disclosure

There are no conflicts of interest between the staff of the Sierra Foothill Research and Extension Center or ANR leadership and the Stewardship Council. While we have not made specific inquiries of individual members of the Board of Regents, there are no conflicts of interest of which we are aware. In any event, SFREC and ANR do no consult with members of the Board of Regents on matters related to potential gifts or proposals.

PART 2 – LAND STEWARDSHIP

25. Please identify the specific parcel(s) or portions of parcels that your organization is interested in receiving fee title. Please refer to the background information packet for parcel identification numbers and approximate acreage.

The Regents of the University of California is interested in receiving fee title to:

Parcel 916, the 41-acre parcel located within the Narrows Planning Unit. This parcel is bounded to the north and west by University of California lands.

26. Requirement of a Lot Line Adjustment, Boundary Survey, or Legal Parcel Split

No lot line adjustment, boundary survey, or legal parcel split will be required. The conveyance will be of the total assessor's parcel.

27. Internal Process for Approving the Acquisition of, and Completing the Transaction Associated with, Real Property.

The University has completed transactions for vacant rural land lands on numerous occasions. All vesting of University of California property is in the name of The Regents of the University of California, a California corporation. However, based upon our preliminary review, we estimate the value of this property at under \$20 million dollars, therefore, the transaction would not require approval of the Board of The Regents, but would be approved instead under delegated authority within the University of California Office of the President. The internal processing of the transaction would be coordinated by Connie Miller, Associate Real Estate Officer, UCOP (510-987-0802); Cynthia Barber, Director, ANR Development Services, (510) 987-9139; Art Craigmill, Director, Sierra Foothill Research and Extension Center, (530) 639-8800; and Janet Norris, University of California Senior University Counsel, (510) 987-9994.

28. Baseline and Enhanced Land Management

It is our intent to leave the land in its natural state. It will be an extension of our natural area, immediately adjacent to the Narrows Unit. No cleanup or repairs are needed on the site. The area surrounding our existing nature area and, consequently, the Narrows Unit, is fenced to prevent cattle from entering the area, so no new fencing is necessary.

The Stewardship Council established four objectives for the Narrows Planning Unit as part of their recommendations for the land's future. These objectives are a) to preserve and enhance biological resources while preserving cultural resources and open space, b) to preserve and enhance habitat in order to protect special biological resources, c) preserve open space in order to protect natural and cultural resources and viewsheds, and d) identify cultural resources in order to insure their protection. The proposed use of the Narrows Unit by the University of California is in accordance with all of these objectives. Maintenance of the Narrows Unit as a natural area, as part of the SFREC, will preserve open space and biological and cultural resources as no modifications will be made to the land; it will be maintained in its natural state. The habitat will remain as it has been for decades, the viewshed will be unchanged and there will be no human impacts on animals and plants in the area. At this time, no cultural resources have been identified in the Narrows Unit. Any which do exist in the area will not be impacted by any human activity under the SFREC natural area management plan. Private or publicly funded surveys for plants, animals, and cultural sites within the Narrows Unit will be possible after the transfer of ownership to the University of California, as long as they do not impact the natural state of the land.

It is not expected that the management activities under SFREC would differ from those of PG&E. Nor will our management practices impact public or existing economic uses. We do not expect any appreciable costs associated with managing the Narrows Unit, as it will be an extension of our existing and much larger nature area, and no improvements are planned.

29. Physical Enhancements/Capital Improvements

No physical enhancements or capital improvements are needed or planned. The land will remain in its natural state as an extension of SFREC's existing nature area, and as a control for similar areas that are grazed.

30. Land Conservation Partners and Youth Opportunities

None.

31. Previous Experience with Land Conservation Partner

Not applicable.

32. Letter from Land Conservation Partner

Not applicable.

33. Public Input

As public use is not planned, public input was not sought.

34. Budget and Funding Plan

As it is our intent to keep the Narrows Unit in its present condition and we have no plans for capital or land improvements, we anticipate no one-time or ongoing expenses associated with accepting the Narrows Unit and annexing it to our existing land.

PART 3 – SUPPORTING DOCUMENTATION

Attached:

1. Internal Revenue Service Determination Letter
2. Letter from Associate Vice President Allen-Diaz
3. Operating Budgets for UC Research and Extension Centers (9) and SFREC
4. SFREC Financial Statements for the past 3 years
5. Budget and Funding Plan

TAX-EXEMPT STATUS

Internal Revenue Service

Department of the Treasury

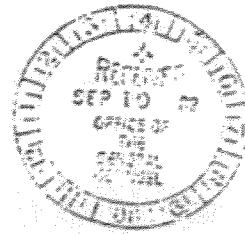
District
Director

450 Golden Gate Ave.
San Francisco, Calif. 94102

The Regents of the University
of California
c/o The Office of the General
Counsel
590 University Hall
2200 University Avenue
Berkeley, CA 94720

Person to Contact:
Desk Officer
Telephone Number:
(415) 556-5353
Refer Reply to:
EP/EO:1
Date:

8 SEP 1982



Re: Request for Confirmation of Exempt
Status under Section 501(c)(3) of
the Internal Revenue Code of 1954

Dear Regents:

This is in reference to your letter of July 13, 1982 requesting confirmation of the exempt status of The Regents of the University of California under section 501(c)(3) of the Internal Revenue Code of 1954.

In our letter of September 14, 1939, Code IT:F:T:1 CQ, it was held that you were entitled to exemption under the provisions of section 101(6) of the Revenue Act of 1938.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code of 1954 or under a prior or subsequent Revenue Act remains in effect until exempt status has been terminated, revoked or modified.

Our records indicate that you are the regularly constituted state university of the State of California originally created by a state legislature act of 1868; that you are engaged in educational activities; that your income is derived from investments, endowments, tuition, and miscellaneous sources; and that your income is used in furtherance of your educational activities.

In addition, it appears from our records (including the information submitted with your letter of July 13, 1982), that there has been no change in your organization's exempt status. Accordingly, our letter of September 14, 1939 is still in effect. This letter does not constitute a no change examination letter.

Because section 501(c)(3) of the Internal Revenue Code of 1954 was derived from and continues, without substantive change, the language of section 101(6) of the Revenue Act of 1938 ("1939 Code") and because our letter of September 14, 1939 is still in effect, it appears that you and your constituent units are entitled to exemption as an organization described in section 501(c)(3) of the 1954 Code.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code of 1954 (formerly section 23(b) of the Internal

TAX-EXEMPT STATUS

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The Regents of the University of California

Revenue Code of 1938). Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes as provided in the applicable provisions of sections 2055, 2106, and 2522 of the Internal Revenue Code of 1954.

You are not required to file Form 990, Return of Organization Exempt from Income Tax, because you are a State institution, the income of which is excluded from gross income under section 115(a) of the Internal Revenue Code of 1954.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. This office has not been asked to consider and therefore, in this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 511 of the Internal Revenue Code of 1954.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone are shown in the heading of this letter.

Sincerely,

Michel Sassi

District Director

UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO

SANTA BARBARA • SANTA CRUZ



OFFICE OF THE VICE-PRESIDENT —
AGRICULTURE AND NATURAL RESOURCES

OFFICE OF THE PRESIDENT
Division of Agriculture and Natural Resources
1111 Franklin Street, 6th Floor
Oakland, California 94607-5200

June 27, 2011

Allene Zanger, Executive Director
Pacific Forest and Watershed Lands Stewardship Council
15 North Ellsworth Avenue, Suite 100
San Mateo, California 94401

Dear Ms. Zanger,

On behalf of the University of California, I want to express my appreciation for the opportunity for the Sierra Foothill Research and Extension Center (SFREC) to submit a Land Stewardship Proposal to the Stewardship Council for the Narrows Unit, located in Yuba and Nevada counties. I support this proposal and our participation in the Council's land conservation process.

The SFREC was established in 1960 and has served as an invaluable resource to researchers and educators devoted to the advancement of knowledge of agriculture and natural resource systems. This facility has served as the site for studies related to livestock and agronomic productivity, and management of open spaces, watersheds, hardwoods, and wildlife. In 2010, SFREC was host to more than 20 research projects related to these issues, which are of such great importance not only to ranchers, but to Californians as a whole. Having conducted years of rangeland management and ecology research at SFREC, I have a deep understanding of the value and importance of this resource. The work conducted at this site could not possibly be duplicated on private land.

The Narrows Unit would be a valuable expansion of our field laboratory by expanding SFREC's nature areas, currently surrounding the Narrows Unit, allowing additional access to the Yuba River for research related to salmon restoration, and providing controls for comparison with similar areas that are grazed.

Thank you again for this opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara Allen-Diaz".

Barbara Allen-Diaz
Associate Vice President, Academic Programs and
Strategic Initiatives
Director, Research and Extension Centers
Russell Rustici Chair in Rangeland Management

The University of California
Budget and Audited Financial Statements

Audited Financial Statements:

The University of California audited financial reports may be viewed at:
<http://www.universityofcalifornia.edu/reportingtransparency/>

University of California Budget:

The University of California budget may be viewed at: <http://budget.ucop.edu/pubs.html>

Land Stewardship Proposal for the Narrows Planning Unit

Budget and Funding Plan

**Proposed Recipient: The Regents of the University of California
(The Sierra Foothill Research and Extension Center, a unit of the
University of California Division of Agriculture and Natural
Resources, will operate and manage the property.)**

Pacific Forest and Watershed Lands Stewardship Council
Land Stewardship Proposal Budget and Funding Plan
Narrows Planning Unit

PROJECT BUDGET - TRANSACTION COSTS

A. Document Preparation Costs

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Title Report	report	1	1,500	1,500		
Input Activity						
A. Total Document Preparation Costs			1,500	1,500	Estimate	

B. Closing Costs

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Title Insurance	Transaction	1	500	500	500	
Escrow	Transaction	1	1,000	1,000	1,000	Uncertain that escrow fee will be necessary
Recordation	Transaction	1	500	500	500	UC may be exempt from recording fees.
EIR				-		Classified as exempt from CEQA.
B. Total Closing Costs			2,000	2,000		

C. Other

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Boundary Survey	linear mile	3	-	-		
Lot Line Adjustment	transaction	1	-	-		
Input Activity						
C. Total Other			-	-		
TOTAL TRANSACTION COSTS			3,500	3,500		

Additional Notes:

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PROJECT BUDGET - BASELINE LAND OWNERSHIP AND MANAGEMENT ACTIVITIES (SEE NOTE 1)

PROJECT REVENUES

Source	Description	Non- SC Sources of Funding		Comments
		One-Time Grants	Ongoing Funding	
Committed Funds (cash received or award made)				
Grant Awards				
Fundraising				
Matching Funds				
Lease Revenues				
Timber Revenues				
General Fund/Reserves				
Other (Describe)				The annual SFREC is not expected to increase with the addition of 41 acres. (2010-11 budget: \$602,294)
Total Committed Funds		-	-	
Pending Funds (no award made to date)				
Grant Awards				
Fundraising				
Matching Funds				
General Fund/Reserves				
Other (Describe)				
Total Pending or Potential Funds		-	-	

TOTAL PROJECT REVENUES

PROJECT EXPENSES

A. Baseline Management Activities

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
SFREC Crew Input Activity	General area oversight	hour			-	-			Overight of the area will require no additional time or resources from SFREC.

A. Total Baseline Management Activities

B. Baseline Land Ownership Costs

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
Property Taxes Insurance		year	1	-	-	-			UC is exempt from property tax.
		year	1						

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Input Activity								
<small>Right click on the row above > Select copy > right click again > select Insert copied cells</small>								
B. Total Baseline Land Ownership Costs								
C. Other								
Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request One-Time Costs	Comments
Input Activity								
Input Activity								
<small>Right click on the row above > Select copy > right click again > select Insert copied cells</small>								
C. Total Other								
TOTAL PROJECT EXPENSES								
NET REVENUE/(EXPENSE) - BASELINE LAND OWNERSHIP AND MANAGEMENT ACTIVITIES								

Additional Notes:

Baseline management costs related to the addition of 41 acres to our existing 5700 acres are expected to be de minimis. The annual SFREC is not expected to increase. (2010-11 budget - \$602,294)

Note 1: According to the Stewardship Council's Land Conservation Program Funding Policy, the Stewardship Council will require future land owners to demonstrate that they have the funding and other capacity to maintain that property interest so as to preserve and/or enhance the beneficial values on the Watershed Lands. Exceptions to this guideline will be rare and considered only in circumstances where,

- 1) The funding of baseline land ownership and management activities will clearly lead to enhancement of the beneficial public values on the lands; and/or,
- 2) The funding of baseline land ownership and management activities is only temporary (≤ 5 years).

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PROJECT BUDGET - ENHANCEMENTS TO BENEFICIAL PUBLIC VALUES

PROJECT REVENUES

Source	Description	Non- SC Sources of Funding		Comments
		One-Time Grants	Ongoing Funding	
Committed Funds (cash received or award made)				
Grant Awards				
Fundraising				
Matching Funds				
Lease Revenues				
Timber Revenues				
General Fund/Reserves				
Other (Describe)				
Total Committed Funds				
Pending Funds (no award made to date)				
Grant Awards				
Fundraising				
Matching Funds				
General Fund/Reserves				
Other (Describe)				
Total Pending or Potential Funds				

TOTAL PROJECT REVENUES

PROJECT EXPENSES

A. Enhanced Land Management Activities

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
Protection of Natural Habitat		Hour							Management as a natural area with no inputs requiring no additional resources.
Input Activity									
A. Total Enhanced Land Management Activities									

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B. Capital Improvements

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
NONE									

B. Total Capital Improvements

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
Input Activity									
Input Activity									

C. Total Other

TOTAL PROJECT EXPENSES	-	-	-	-	-	-	-	-
NET REVENUE/(EXPENSE) - ENHANCEMENT OF BENEFICIAL PUBLIC VALUES	-	-	-	-	-	-	-	-

Additional Notes: