

DRAFT LAND ACQUISITION PLAN

For Review Only by

Hyundai Motor America
City of California City
U.S. Fish and Wildlife Service
California Department of Fish and Game

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I. Introduction

Hyundai Motor America (Hyundai) is planning to develop an automotive test track in the City of California City, Kern County, California. Hyundai's proposed development site consists of approximately 4,498 acres of private lands, and includes a two-mile extension of a water line by the City of California City (City) and an access road from Highway 58 to service the project. Hyundai and the City collectively are the Project Applicants. The Project Applicants' environmental studies have shown that the site includes populations and habitat of the federal and state -listed, threatened, desert tortoise and the state-listed, threatened, Mohave ground squirrel. The Project Applicants therefore are submitting to the U.S. Fish and Wildlife Service (USFWS) an application for an incidental take permit, under Section 10(a) of the federal Endangered Species Act, for impacts to the desert tortoise, Hyundai and the City also are submitting to the California Department of Fish and Game (CDFG) a request for concurrence with the Section 10(a) permit for impacts to desert tortoise, pursuant to Section 2080.1 of the California Endangered Species Act (CESA), and an application for an incidental take permit pursuant to Section 2081 of the CESA for impacts to the Mohave ground squirrel

As part of the proposed compensation for incidental take of the listed species, the Project Applicants are proposing to acquire 3,386.5 acres of offsite lands suitable for desert tortoise and Mohave ground squirrel, and are proposing to provide funding to CDFG for CDFG to implement enhancement activities for habitat acquired, and perform long-term management of the acquired habitat in perpetuity for the desert tortoise and Mohave ground squirrel.

This Land Acquisition Plan addresses the off-site habitat compensation requirements related to incidental take of desert tortoise and Mohave ground squirrel habitat associated with this project. Those requirements are set forth in the following permits and are as follows:

- Under the proposed Habitat Conservation Plan, USFWS Section 10(a) permit, and CDFG Section 2080.1 concurrence, Project Applicants shall acquire, within twelve months of surface disturbance at the proposed project site, a total of 3,386.5 acres of desert tortoise habitat that is also Mohave ground squirrel habitat;
- Under the proposed CDFG Section 2081 permit, Project Applicants shall acquire within twelve months of surface disturbance at the proposed project site, any additional acreage required by CDFG for Mohave ground squirrel habitat;
- Project Applicants shall provide for enhancement of habitat acquired off-site for the conservation of the desert tortoise and Mohave ground squirrel; and

- Project Applicants shall provide for management of habitat acquired off-site in perpetuity for the conservation of the desert tortoise and Mohave ground squirrel, with interest income generated from a non-wasting, long-term endowment fund.

This Land Acquisition Plan outlines Project Applicants' duties to:

- Identify the process by which Project Applicants will acquire and permanently protect acquired habitat;
- Identify viable habitat acquisition areas to benefit the desert tortoise and Mohave ground squirrel; and
- Provide for a feasible schedule of activities, including acquisition and enhancement, to be completed within 12 months from initiation of habitat disturbing activities.

Hyundai will act on behalf of the Project Applicants to acquire the compensation lands and provide the capital to fund the endowment for long-term management of the compensation lands.

II. Land Acquisition Process

A. Project Site Identification

Hyundai and the City, in conjunction with USFWS and CDFG, shall identify habitat within and around existing protected preserve areas in order to enlarge areas of protected habitat. Site visits to all project sites will be performed by Hyundai, the City, CDFG and USFWS prior to acquisition, if feasible and if requested by CDFG and USFWS.

B. Direct Contact and Negotiation with Landowners

Hyundai will evaluate title farm reports, tax records, and other public and private databases to establish a contact database of landowners within a given area. Negotiations with landowners will be conducted via email, fax, telephone, and in-person meetings.

C. Due Diligence for Title and Environmental Characteristics of Habitat

Hyundai will examine preliminary title reports to evaluate the existence and impact of any recorded liens, encumbrances, easements, covenants, contingent liabilities, environmental contamination indicators, and other "clouds-on-title". These due diligence actions will be performed prior to formal submission to the USFWS and CDFG of a request for approval to acquire the land. In the event that title defects are found and are deemed to be remediable during the escrow process, Hyundai will present its findings and recommendations to USFWS and CDFG and request approval to acquire the land contingent on clearing title defects.

D. Escrow and Transfer of Conservation Easement to State of California

Hyundai will enter into a Purchase Agreement, typically with a 90-day escrow, upon obtaining approval from USFWS and CDFG of the suitability of the land as compensation. Within the escrow process, title defects are cured, final title reports are approved and title insurance is purchased. Finally, a Conservation Easement Deed in favor of the State of California will be recorded, with CDFG's concurrence.

E. Periodic Reporting to Agency Partners

Hyundai will issue a report on its acquisition activities every two (2) months or more frequently upon request by USFWS and CDFG for the first 12 months following surface disturbance at the project site. All survey, title, and other acquisition documentation will be included as reference attachments.

III. Proposed Acquisition Areas

A. The Desert Tortoise Research & Natural Area (DTRNA)

The DTRNA is located in southeastern Kern County, California and was designated by Congress as an Area of Critical Environmental Concern (ACEC), Attachment 1, Hyundai Proving Grounds Proposed Compensation Land, and Attachment 2, Proximity of Development Site to The Desert Tortoise Research and Natural Area. Since 1974, the Desert Tortoise Preserve Committee (DTPC), in conjunction with The Nature Conservancy, the Bureau of Land Management (BLM) and CDFG, has focused on acquiring fourteen (14) square miles of private in-holdings among the 39.5 square mile preserve established by Congress. Currently, less than two (2) square miles of habitat within the DTRNA is held by private ownership. In 1987, the DTPC received guidance from Ed Hastey, the then Director of the California State Office of the BLM, to commence habitat acquisition and management activities in “buffer zone” areas outside of the DTRNA boundaries located west, south and east of the DTRNA. Subsequent coordination with BLM resulted in increasing acquisition priorities at the northwestern and northern expansion areas. Collectively, the acquisition map illustrating the DTPC’s priorities for habitat acquisition is commonly referred to as the DTRNA Buffer Zone.

To date, the DTPC has acquired 1,501.16 acres of habitat within the DTRNA Buffer Zone. Currently there exists approximately 10,000 acres of habitat within the DTRNA Buffer Zone to be acquired. There are also areas immediately adjacent to the DTRNA Buffer Zone that, if acquired, would add to the large, contiguous block of desert tortoise habitat proposed for protection by the BLM and DTRNA. Within the DTRNA Buffer Zone, DTPC’s acquisition priorities are as follows:

- 1. Priority 1 Acquisition Targets** include Section 7 at the northwestern corner of the DTRNA, the northern half of Section 34 at the northern boundary of the DTRNA, habitat located south of the DTRNA between the DTRNA perimeter fencing and the Mojave-Randsburg Road within Sections 25 and 35, and the boundary parcels abutting the northern boundary of the Mohave-Randsburg Road in Sections 19, 20, 16, 10, 11, and 1. Acquisition of Priority 1 habitat will permit extension of the existing DTRNA perimeter fencing and minimization of unauthorized trespass into the DTRNA currently generated by vehicular access from Munsey Road and Neuralia Road.

- 2. Priority 2 Acquisition Targets** are focused on a one-mile buffer area abutting the eastern perimeter fence of the DTRNA consisting of Sections 6, 17, 18, and 19. Acquisition of Priority 2 habitat will permit extension of the existing DTRNA perimeter fencing, intensive management of vehicular traffic on Bucknell Road, and minimization of unauthorized trespass into the DTRNA, currently generated by Off Highway Vehicle users of Park “C”.

3. Priority 3 Acquisition Targets are focused on all interior parcels between the existing eastern perimeter fencing of the DTRNA and the Mohave-Randsburg Road consisting of portions of Sections 5, 4, 3, 2, 8, and 9.

B. Other Priority Areas

The area between Mohave-Randsburg Road and Twenty Mule Team Parkway, northeast of areas that have been and currently are heavily trafficked by recreational vehicles, is another targeted area for acquisition of desert tortoise habitat. A preferred area in this block is near the state-owned lands in Sections 7 and 18 in Township 31 S and Range 40 E. This second potential acquisition area ultimately would provide a larger block of protected, state-owned lands in an area targeted as a CDFG ecological reserve. Furthermore, the area is adjacent to both the Fremont-Kramer Desert Wildlife Management Area (DWMA) and the targeted expansion area of the DTRNA, adding to a large, contiguous block of protected tortoise habitat.

HYUNDAI/KIA PROVING GROUND
California City Area Compensation Land Availability

No.	APN	Acres	Description
Relocate	30201002	320.00	N 1.2 Sec. 1 T.32 R.37
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1	26915001	160.35	PM 3 Sec. 15 T.31 R.39
2	26917003	155.73	SW 1/4 Sec. 15 T.31 R.39
3	26917004	160.50	SE 1/4 Sec. 15 T.31 R.39
4	26917005	150.40	SE 1/4 Sec. 16 T.31 R.39
5	26917007	159.19	NE 1/4 Sec. 9 T.31 R.39
6	26917008	150.20	NE 1/4 Sec. 9 T.31 R.39
7	26917012	154.54	S 1/4 Sec. 16 T.31 R.39
8	26917023	107.97	NW 1/4 Sec. 15 T.31 R.39
9	26917024	114.92	NE 1/4 Sec.15 T.31 R.39
10	26918014	162.45	SW 1/4 Sec. 17 T.31 R.39
11	26918036	115.58	NE 1/4 Sec. 17 T.31 R.39
12	26919001	77.48	SW 1/4 Sec. 18 T.31 R.39
13	26919002	242.83	SE 1/4 Sec. 18 T.31 R.39
14	26919003	210.44	SW 1/4 Sec. 17 T.31 R.39
15	26943202	50.00	W 1/2 E 1/4 Sec. 16 T.31 R.39
16	27101015	158.77	SE 1/4 Sec. 39 T.31 R.39
17	27102008	167.93	E 1/4 Sec. 1 T.31 R.39
18	27102015	147.83	SE 1/4 Sec. 1 T.31 R.39
19	27103001	117.16	NW 1/4 Sec. 6 T.31 R.40
20	27103002	78.50	E 1/2 NE 1/4 Sec. 6 T.31 R.40
21	27103006	87.59	SE 1/4 Sec. 6 T.31 R.40
22	27704004	163.52	NE 1/4 Sec. 1 T.31 R.40
23	27705001	168.48	SE 1/4 Sec. 1 T.31 R.40
24	27705002	171.12	SW 1/4 Sec. 1 T.31 R.40

25	27706101	156.44	NE 1/4 Sec. 2 T.31 R.40
26	27720001	163.21	NE 1/4 Sec. 12 T.31 R.40
27	27720002	157.17	SE 1/4 Sec. 12 T.31 R.40
28	30813001	153.07	NW 1/4 Sec. 21 T.31 R.39
29	30813003	160.60	NE 1/4 Sec. 21 T.31 R.39
30	30813004	155.22	SE 1/4 Sec. 21 T.31 R.39
31	30813005	149.51	SW 1/4 Sec. 21 T.31 R.39
32	33407201	238.10	S 1/2 Sec. 25 T.31 R.38
33	33411301	240.00	S 1/2 Sec. 6 T.31 R.38
34	45701006	130.20	NW 1/4 Sec. 12 T.31 R.39
35	45701006	80.00	S 1/2 Sec. 12 T.31 R.39
36	45701009	79.18	S 1/2 of NE 1/8 Sec. 11 T.31 R.39
37	45701010	110.40	N 1/2 NE 1/4 Sec. 12 T.31 R.39
38	45701013	161.28	SE 1/4 Sec. 12 T.31 R.39
39	45701014	161.01	SW 1/4 Sec. 12 T.31 R.39
40	45702019	88.84	NE 1/4 Sec. 13 T.31 R.39
41	45704003	156.33	NE 1/4 Sec. 7 T.31 R.39
42	27103005	165.57	SW 1/4 Sec. 6 T.31 R.39
43	45704018	158.39	SE 1/4 Sec. 17 T.31 R.40
44	18215002	160.00	SW 1/4 Sec. 27 T.31 R.40
45	18215003	160.00	SE 1/4 Sec. 27 T.31 R.40

IV. Resource Management Plan

The compensation lands will be managed in compliance with the *USFWS Desert Tortoise (Mojave Population) Recovery Plan (1994)*, *The Sikes Act Management Plan for the DTRNA (1988)* and *Recommendations for Management of the Desert Tortoise in the California Desert (1988)*. Two types of management actions will be undertaken:

A. Short Term Enhancement Options. Short-term enhancement includes any actions that can have an immediate effect on the compensation habitat and that can be initiated and concluded within nine (9) months of acquisition of the habitat. Initial enhancement activities will be determined on a parcel by parcel basis, during escrow. Prior to the close of escrow, enhancement will be specified, and will be either performed or fully funded by Hyundai and the City within nine (9) months of close of escrow. Either Project Applicants or CDFG, with the concurrence of the USFWS, may engage in the following activities to enhance the compensation lands:

- Emergency measures to control unleashed dogs and dog packs. *Desert Tortoise (Mojave population) Recovery Plan (1994)*, Appendix F, p. F29.
- Install perimeter fencing along Mohave-Randsburg Road and Munsey Road upon acquisition of parcels abutting each roadway. *Desert Tortoise (Mojave Population) Recovery Plan (1994)*

- Remove trash and debris from habitat acquired to reduce contamination and habitat degradation. *The Sikes Act Management Plan for the DTRNA (1988)*
- Stabilization of erosion areas, if any
- Hazardous materials removal, if any
- Removal of man-made features suitable for raven perching or nesting

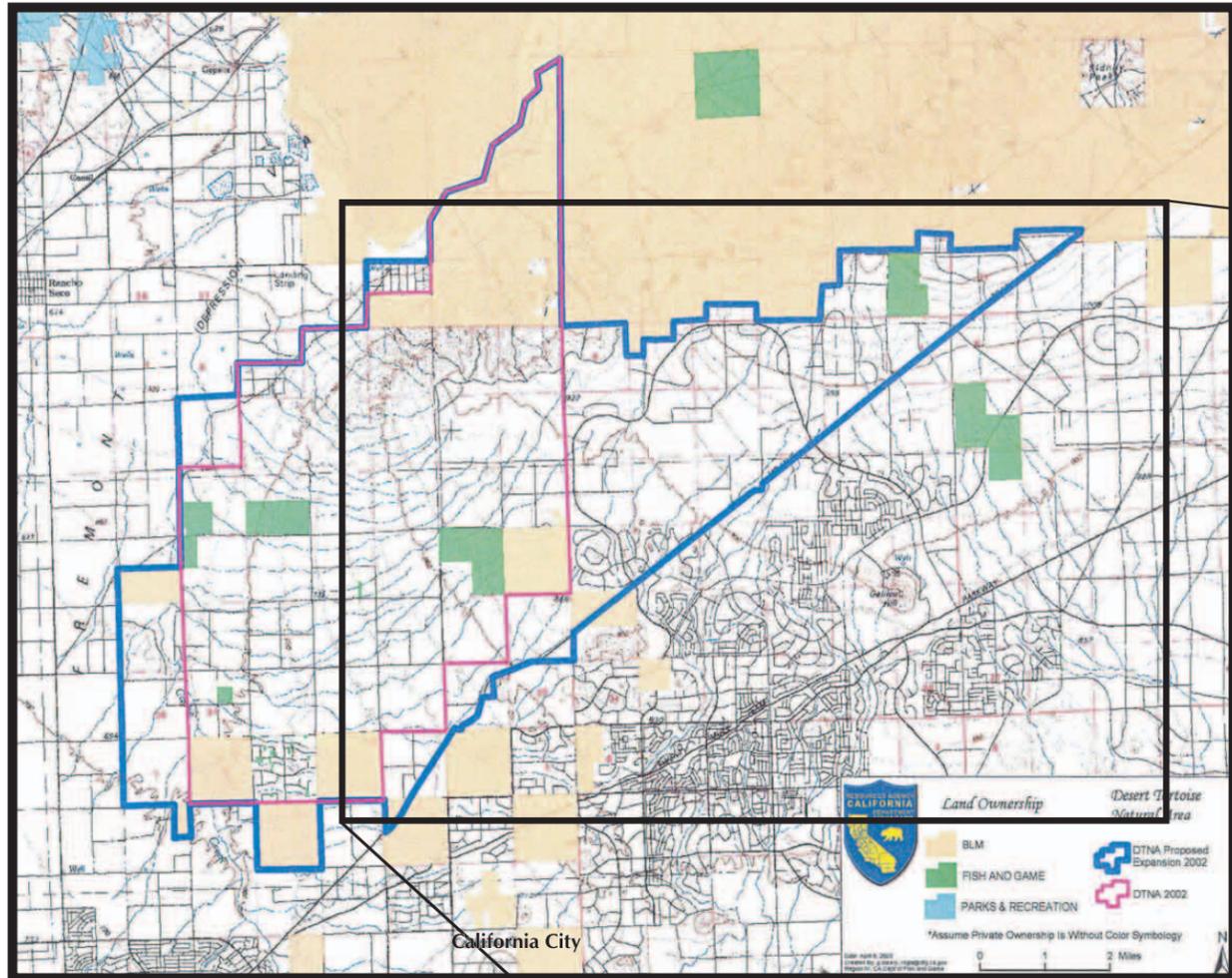
B. Long Term Management Options. Long-term management includes any actions that require continuous management actions and/or resource investments to achieve results that positively affect the long-term recovery of the species. All funds designated for these purposes are expected to be managed as an endowment account whereby the principal of the account is not expended—and if possible increased through residual interest income—and parts of the interest income is used for management in perpetuity. CDFG, with the concurrence of the USFWS and Project Applicants, will engage in the following activities for long-term management:

- Reduce populations of the common raven to reduce predation on small desert tortoises. *Desert Tortoise (Mojave Population) Recovery Plan (1994)*, Appendix F, p. F30.
- Fund research focused on the DTRNA and adjacent Fremont-Kramer Desert Wildlife Management Area and Critical Habitat including issues of desert tortoise diseases, general health and nutrition, predation, habitat restoration, efficacy of barrier fencing and culverts, and other research recommended in the Recovery Plan. *Ibid.*
- Establish shooting closure throughout the Fremont-Kramer area during the tortoise activity season. *Recommendations for the Management of the Desert Tortoise in the California Desert (1988)*, Recommendation 16, p. 34.
- Fund and manage continued research on population characteristics and conservation requirements of the Mohave ground squirrel.

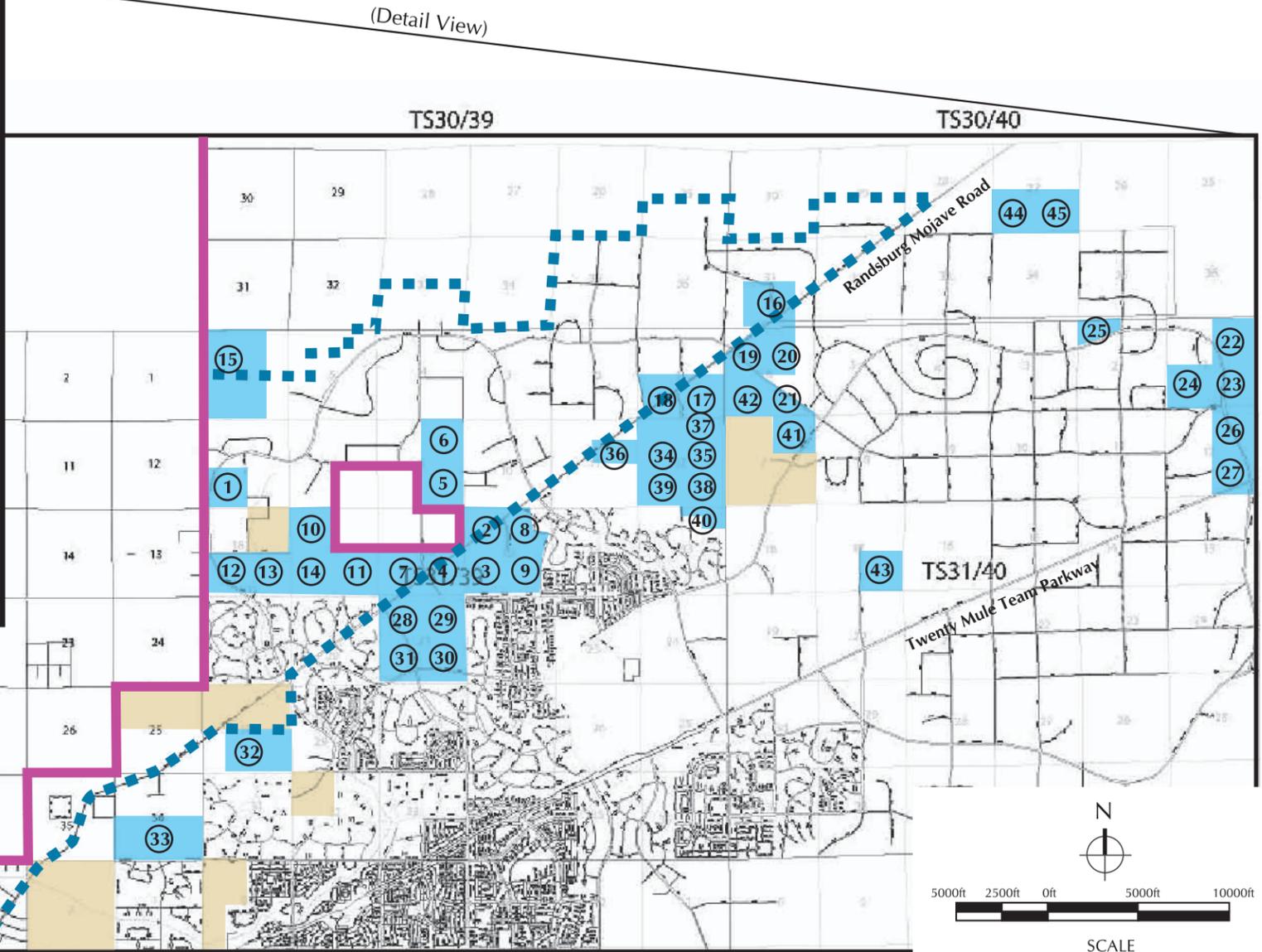
V. Schedule for Completion

Time / Activity	1/04	2/04	3/04	4/04	5/04 through 2/05					3/05
Prepare Land Acquisition Plan	x									
Obtain approval for Land Acquisition Plan	x	x								
Conduct Site Visits	x	x								
Compile Landowner Database		x								
Contact/negotiate with Landowners		x	x	x	x	x	x	x	x	
Evaluate title reports			x	x	x	x	x	x	x	
Obtain approval to acquire			x	x	x	x	x	x	x	
Execute Purchase Agreements & Escrow			x	x	x	x	x	x	x	
Finalize Escrow & Transfer Easement to State of CA					x	x	x	x	x	X
Initiate short-term enhancement					x	x	x	x	x	X
Schedule long-term management actions					x	x	x	x	x	X
Issue Final Acquisition Report				x	x	x	x	x	x	X

VI. Acquisition Maps



Existing and Proposed DTNA Boundaries



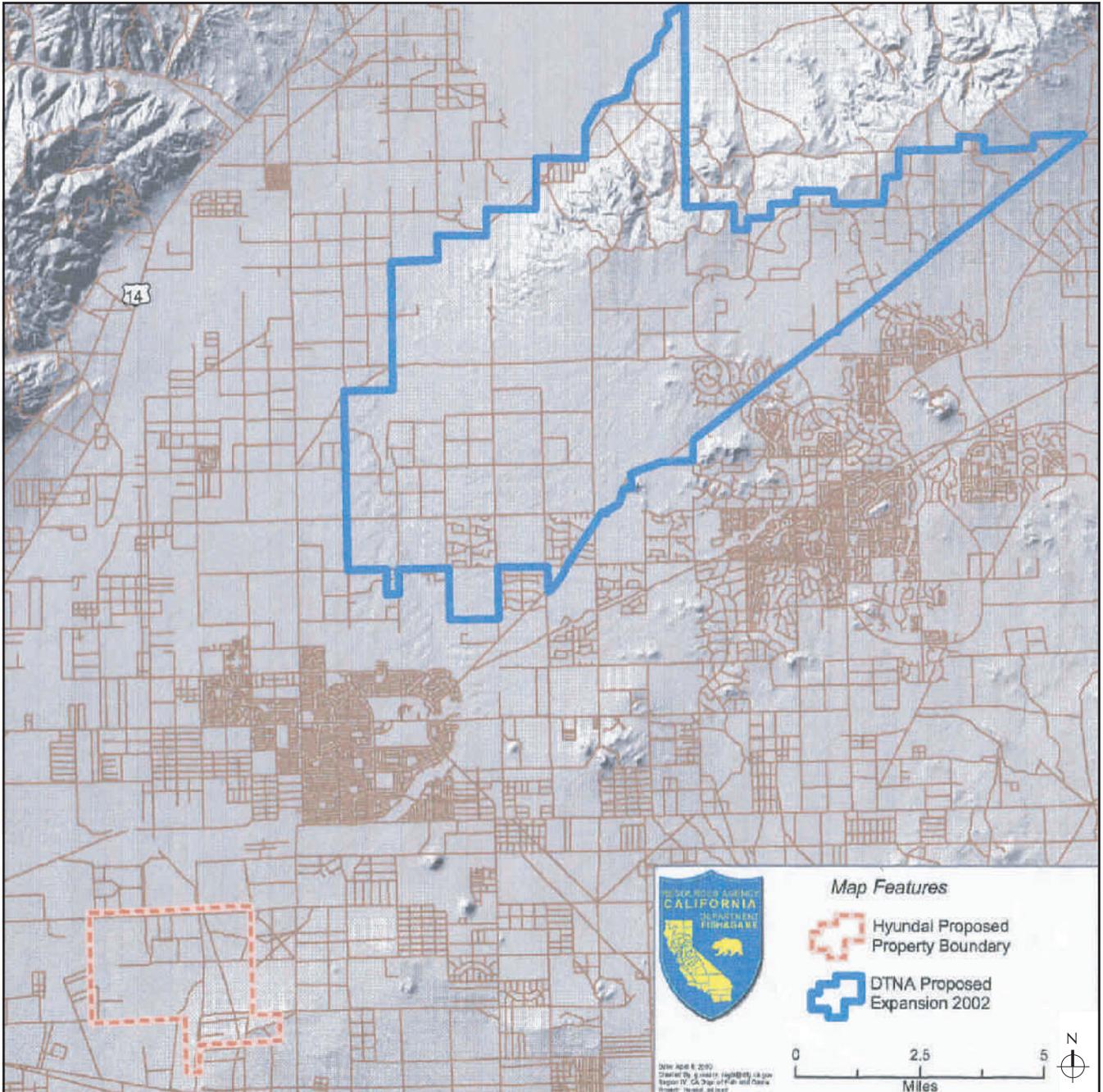
(Detail View)

(Detail View)

SOURCE: CDFG

- LEGEND**
- Proposed Compensation Lands
 - Federal/State Jurisdiction
 - Desert Tortoise Preserve Lands
 - Proposed Desert Tortoise Preserve Land
 - Parcel Number





SOURCE: CDFG

