



Midpeninsula Regional
Open Space District

R-11-91
Meeting 11-30
November 9, 2011

AGENDA ITEM 4

AGENDA ITEM

Authorization to Amend the Preliminary Use and Management Plans for the Lobitos Ridge Property Addition to the Purisima Creek Redwoods Open Space Preserve located at 2050 Purisima Creek Road in unincorporated San Mateo County (Assessor's Parcel Number 066-230-030) to Incorporate a Farming Grounds Management Plan; Approval of a Categorical Exemption in Accordance with the California Environmental Quality Act; and Authorization to Execute an Agricultural Lease for the Lobitos Ridge Farming Grounds

GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA) as set out in this report.
2. Adopt an Amendment to the Preliminary Use and Management Plan for the Lobitos Ridge Addition to the Purisima Creek Open Space Preserve to incorporate a Farming Grounds Management Plan.
3. Adopt the attached Resolution authorizing the General Manager to execute a five-year agricultural lease to Mariano Ochoa for the Lobitos Ridge Farming Grounds on the terms and conditions set forth in the attached agricultural lease.

SUMMARY

In March 2010, the District purchased the Peninsula Open Space Trust (POST) Lobitos Ridge property. At the time of purchase, the District assumed an existing agricultural lease with the intent of continued agricultural row crop farming on the property with the current tenant, Mariano Ochoa. In the last year, staff has worked to prepare a comprehensive Farming Grounds Management Plan in keeping with the District's *Service Plan*. This plan has been reviewed by Mr. Ochoa, the County of San Mateo Farm Bureau, and the San Mateo County Agricultural Advisory Committee. As this plan is the District's first Farming Grounds Management Plan, it was presented to and reviewed by the District's Use and Management Committee. This report outlines the objectives of the Farming Grounds Management Plan and the terms and conditions of a five-year District agricultural lease with an option to extend the term for an additional five years.

DISCUSSION

The District purchased the POST Lobitos Ridge property in March 2010 along the south side of Purisima Creek Road as an addition to the Purisima Creek Redwoods Open Space Preserve (see Board report R-10-32). The District Board of Directors adopted a Preliminary Use and Management Plan for this property. The Lobitos Ridge farming grounds are leased to a local farmer, Mariano Ochoa, on a month-to-month basis for agricultural row crop production. This agricultural lease was assigned to the District at the time of purchase. Under the terms of the existing lease, Mr. Ochoa has grown flowers and vegetables on 7.63 acres of prime agricultural land since 2004. This prime agricultural land is the first actively farmed prime agricultural land to come under District ownership on the San Mateo Coast. For the District to maintain continued agricultural row crop farming on the property, implementation of the Farming Grounds Management Plan (Attachment 2) and District agricultural lease (Attachment 3) is required.

A number of existing farm-related structures and improvements are located on the property including a two-story farmhouse (circa 1870), single-story cottage (1925), barn, garage, and several wood-frame sheds of varying sizes. Preceding the purchase of the POST Lobitos Ridge property, POST and the District agreed to complete repairs and improvements to the farmhouse, water system, septic system, and barn, as a significant amount of deferred maintenance had accumulated on the property. As the farmhouse and barn were considered to be historically significant, care was taken to maintain the historic integrity of the buildings. The Ochoa family current leases the farmhouse under a separate month-to-month residential lease which complements the farm operation. In conjunction with the creation of a District agricultural lease as described in this report, the residential lease is being modified under the General Manager's authority to increase the monthly rent to align more closely with market rates.

This report outlines the objectives of the Farming Grounds Management Plan and the terms and conditions of a five-year District agricultural lease with an option to extend the term for an additional five years.

Farm Grounds Management Plan

The Farming Grounds Management Plan for the Lobitos Ridge farming grounds was prepared by Mike Gatzman, an agricultural consultant from the Bay Area with extensive farm management experience. The plan includes guidelines to assist and promote sustainable farming practices to preserve the productive agricultural qualities of the property. Sustainable farming practices include those that are economically feasible, environmentally sound, and socially responsible. The plan was written with input from local farmers and ranchers, representatives of the San Mateo County Farm Bureau, San Mateo County Agricultural Advisory Committee, local Natural Resources Conservation Service staff, and the County Agricultural Commissioner along with District staff and the current farm tenant. It is intended to be an adaptive management plan and is subject to change as site-specific conditions may warrant and as the status of the agricultural industry may indicate, all at the discretion of the District.

The Farming Grounds Management Plan is organized into three primary sections (Farming Techniques, Soil Management, and Sanitation) plus miscellaneous items pertaining to farm management on the property. It provides guidance on best management practices while providing for a sustainable farming operation that supports a local farming family.

FARMING TECHNIQUES

It is recommended that the tenant either be a California Certified Organic Farming (CCOF) operation or utilize organic growing techniques if not certified organic. The District and tenant are required to utilize Best Management Practices (BMPs) as defined by the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) while work takes place on the farm. Additionally, Integrated Pest Management (IPM) techniques will be utilized in farm management with input from the District's pest control advisor.

SOIL MANAGEMENT

It is recommended that the tenant maintain the vegetative buffer at the south end of the field to reduce the risk of sediment entering Purisima Creek from the farm fields. The tenant also has the option to plant a winter cover crop in the fields to hold soil in place during the wet winter months to reduce the risk of sedimentation. Additionally, cultivation of the fields is restricted during wet periods (primarily December to March) and the use of ditches to channel storm water off the fields is restricted unless pertinent to a habitat enhancement project. There is currently little to no soil loss from the farming operation.

The District requires notification by the tenant prior to any soil movement or grading work, excluding tilling and cultivation related directly to the farming operation.

SANITATION

Compliance with state and federal laws governing the health and sanitary practices for farm workers is required. Additionally, tenant will dispose of animal waste and garbage off-site and has the option to dispose of trimmings and culls from farm product processing off-site or plow them back into the field as compost. All waste water produced by on-site processing of agricultural products will be properly treated, filtered and disposed of and not allowed to run into Purisima Creek. Limited product processing currently occurs on the property.

OTHER SITE-SPECIFIC ISSUES

Water use for irrigation of agricultural row crops will adhere to the requirements of the Purisima Creek water adjudication. Water adjudications are court procedures for certain watersheds within California in order to establish allowable quantities, timing, and types of water use (for both residential and agricultural purposes) for a watershed. In the case of Purisima Creek, the Superior Court of San Mateo County decreed through the adjudication order that this property can use up to 10,900 gallons per day as a second priority water right when Purisima Creek flows at least 0.75 cubic feet per second, (cfs or equivalent to 336 gallons per minute, gpm) as measured at the Upper Purisima Creek Road Bridge. All irrigation equipment will be required to be in good repair. Permissible, low water use irrigation methods will be implemented to limit water use, and to reduce the risk of run-off and possible soil loss.

Maintenance of non-farming areas on the property such as roads, barns, parking areas and the riparian corridor will include vegetation management/brushing to improve aesthetics, upkeep of the structures, and limited grading to maintain the integrity of the driveway. Storage of equipment and storage of petroleum products and agro-chemicals is limited to specific locations on the property and will comply with state and federal regulations as well as Environmental Protection Agency requirements.

Additionally, District staff and the District's Pest Control Advisor will meet annually with the tenant to complete an annual soil analysis, discuss plans and issues on the farm and assess the overall condition of the property to ensure the tenant is in compliance with the lease agreement and Farming Grounds Management Plan.

Coastside Protection Program Process

The Lobitos Ridge farming grounds are located within the Coastside Protection Area. The San Mateo County coastal annexation process, the District's *Service Plan* for the Coastside Protection Area, and subsequent conditions approved by the San Mateo County Local Area Formation Commission (LAFCo) established a number of policies and procedures for implementing the District's Coastside Protection Program. The Program now guides the District's purchase, use, and management of open space land within the Coastside Protection Area. The Program requires consultation with interested public agencies, officials, organizations, and community interest groups to solicit input into the decision-making and planning process prior to the Board's consideration of significant decisions regarding use or improvements on District-owned lands within the Coastside Protection Area.

To comply with the District's *Service Plan* for the Coastside Protection Area, the Farming Grounds Management Plan for the Lobitos Ridge farming grounds has been considered and discussed with representatives of the San Mateo County Farm Bureau and Agricultural Advisory Committee at their April 11th meeting. Both organizations support the Farming Grounds Management Plan.

Additionally, the San Mateo Coastal Annexation Final Environmental Impact Report (FEIR) developed mitigation measures to address potential impacts to agricultural use. These, as well as the other mitigation measures in the FEIR, have been adhered to in the development of the Farming Grounds Management Plan and throughout the planning process for the Lobitos Ridge Property. Because this project represents the first property on the coastside with row crop production subject to an agriculture production plan and lease, the agriculture mitigation measures have been attached to this report for reference (see Attachment 3).

AMENDMENT TO PRELIMINARY USE AND MANAGEMENT PLAN

The project consists of amending the District's Preliminary Use and Management Plan for the Lobitos Ridge addition to the Purisima Creek Open Space Preserve to allow for the continuation of farming under specific management practices set forth in the Farming Grounds Management Plan, by award of a five-year lease to the current tenant.

CEQA COMPLIANCE

Project Description

The proposed project consists of implementation of a Farming Grounds Management Plan (Management Plan) and accompanying lease for the farmed seven acres of the Lobitos Ridge addition to the Purisima Creek Open Space Preserve in coastal San Mateo County, California. The 340-acre Lobitos Ridge property was purchased by the District in March 2010 and is within the Coastside Protection Area, an area that was annexed into District boundaries in 2004. The project therefore incorporates all of the San Mateo Coastal Annexation Final Environmental Impact Report (FEIR) mitigation measures that apply to agricultural land management within the Coastside Protection Area and is subject to the FEIR mitigation monitoring program.

The farmed area consists of two rectangular parcels bisected by the driveway to the building compound area. The residential structure is covered by a separate month-to-month lease and is not a component of the agricultural lease. The farm ground is considered prime soils for vegetable and flower production by both the USDA and San Mateo County. Irrigation water is supplied by a pumping system from Purisima Creek with quantities allocated by an adjudication order of the Superior Court of San Mateo County. The farmed area has been farmed by the lease tenant using similar practices to those prescribed in the Management Plan.

The goal of the Farming Grounds Management Plan is to provide guidelines to assist and promote sustainable farming practices to preserve the productive agricultural qualities of the property and protect the natural resources. The Management Plan ensures progress towards this goal through prescriptive farming practices and Best Management Practices organized into sections addressing farming techniques, soil management, sanitation, and other site-specific issues which include irrigation water use.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt from CEQA) under Article 19, Sections 15301 and 15304 of the CEQA Guidelines as follows:

Section 15301 exempts operation, repair, restoration, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Farming Grounds Management Plan and lease will result in negligible expansion of the current use. The Plan and lease do not alter the ground disturbance area of the farmed ground operation. Section 15304 exempts minor public or private alterations in the condition of land, water, or vegetation that do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. The Farming Grounds Management Plan identifies a riparian corridor and buffer extending a minimum of 10 feet from the northern edge of the tree line of the riparian area. No farming activity, except maintenance of a vegetated buffer, may be undertaken in this area. Maintenance of non-farming areas on the property such as roads, barns, parking areas and the riparian corridor may result in minor alterations to land including vegetation management/brushing to improve aesthetics, upkeep of the structures, and limited grading to maintain the integrity of the driveway.

TERMS AND CONDITIONS

Retention of Current Grazing Tenant

Staff recommends that the Board approve entering into a five-year grazing lease with a five-year option to extend the lease with the current farming tenant, Mariano Ochoa, for the Lobitos Ridge farming grounds. Mr. Ochoa and his son are local farmers who have been growing flowers and some vegetables on this property since 2004 using similar practices to those prescribed in the Farming Grounds Management Plan. They have the necessary qualifications to farm this land consistent with the Farming Grounds Management Plan and the District's resource management objectives. Further, the District's *Service Plan* discourages displacing current operators of agricultural lands purchased by the District provided that the operator has an interest in staying on and a willingness to work with the District in running the operation in a manner that supports the District's public use and resource management goals.

Agricultural Lease Terms and Conditions

The previous lease term assigned from POST was for five years with a monthly rent of \$364.50 or \$4,374.00 per year.

Staff recommends a lease term of five (5) years, extendable for an additional five years at the District's election, and if the tenant seeks such an extension, on the terms and conditions set forth in the agricultural lease.

In determining rent for the Lobitos Ridge farming lands, staff surveyed Bay Area agencies to understand the market rate for leasing prime agricultural lands. East Bay Regional Park District, California State Parks, Sonoma County Agricultural Preservation and Open Space District, and POST were the agencies contacted.

Sonoma has a Small Farms Initiative Program whose goal is to support agricultural diversity and small farmers. Rents are generally low as the small lots of undeveloped land that are leased initially have no infrastructure that supports farming including water, electricity, barns, or housing for the farming family.

California State Parks leases prime agricultural lands in Santa Cruz County and south for a variety of crops including artichokes, Brussels sprouts, and strawberries. State Parks generally charges on a per acre basis. For land farmed with irrigated row crops (non-strawberries), rates vary from \$225 per acre to \$300 per acre, per year. Tenants are responsible for maintenance of the leased lands including maintenance of water systems and associated improvements such as farm buildings. An example of one of their leased properties is at Wilder Ranch State Park where Brussels sprouts are grown on 109 acres of prime agricultural land.

POST was very interested in the market rental information collected by District staff as they are also developing their rental rates for agricultural lands.

Staff has chosen a model similar to the California State Parks model even though the Lobitos Ridge farming grounds acreage is demonstrably smaller, a number of improvement are included

as part of the farm including a water system, farm buildings, and a barn to house equipment. The rent for the Lobitos Ridge farming grounds will be \$275.00 per acre for a total annual rent of \$2,098 per year (7.63 acres x \$275 = \$2,098). An additional a \$25 per acre, per year will be charged as an Environmental Management/Mitigation Fee (EMMF) totaling \$190 per year (7.63 acres x \$25 = \$190). The EMMF is explained below. Total annual rent for this property is \$2,288 (\$2,098 + \$190 = \$2,228). Rent will be paid semi-annually in January and July. Rent at the time will be \$1,049 and the EMMF will be \$95 totaling \$1,144. This is a reduction in rental revenues annually (see Fiscal Impacts), but the new rental model improves alignment with the market rates charged by similar agencies.

The EMMF charge is new for the District. It is similar to arrangements described in sister agency leases whereby a capital fund is setup and monthly the tenant contributes a percentage of rent enabling funding of agreed upon capital improvement projects in the future. The EMMF is a smaller fund set aside over time for small projects on the Lobitos farming grounds that can assist in addressing additional management needs that may arise such as invasive plant removal or planting a vegetative buffers.

Rental credits are available to the tenant to fund farm improvements previously agreed to between the District's Rangeland Ecologist and the tenant up to a maximum of the total rent for one year.

The tenant is required to manage and operate the Lobitos Ridge farming grounds according to the requirements and best management practices set forth in the Farming Grounds Management Plan.

FISCAL IMPACTS

The rent for the Lobitos Ridge farming grounds will be \$275.00 per acre for a total annual rent of \$2,098 per year (7.63 acres x \$275 = \$2,098). An additional a \$25 per acre, per year will be charged as an Environmental Management/Mitigation Fee (EMMF) totaling \$190 per year (7.63 acres x \$25 = \$190). Total annual rent for this property is \$2,288 (\$2,098 + \$190 = \$2,228). This is a decrease of \$2,146 from \$4,374 (12 x \$364.50) received annually under the current lease. Generally, the District does not lower rental rates, but this reduction is warranted to align District rental rates for prime agricultural lands with market rates.

Rental credits are expensed and variable each year. Rental credits are agreed to and budgeted, but as the year progresses, weather and unforeseen circumstances can change rental credit priorities as the year progresses. Any changes to rental credits will be reflected in the Mid-year Budget.

PUBLIC NOTICE

Written notice of this item has been sent to property owners of land located adjacent to or surrounding the Preserve, as well as to Coastside public officials, community interest groups, nonprofit land trusts, conservation-oriented organizations, elected officials, government agencies, and government sponsored organizations within the Coastside Protection Area.

NEXT STEPS

If the Farming Grounds Management Plan and the District agricultural lease are approved by the Board of Directors, staff will notify Mr. Ochoa of Board approval of this item and subsequently enter into a five-year lease.

Attachments:

1. Resolution
2. Farming Grounds Management Plan and Exhibits
3. San Mateo Coastal Annexation Final Environmental Impact Report Agriculture Mitigations
4. Agricultural Lease for Lobitos Ridge farming grounds

Prepared by:

Elaina Cuzick, Real Property Specialist
Kirk Lenington, Senior Resource Planner
Clayton Koopmann, Rangeland Ecologist

Contact person:

Elaina Cuzick

Graphics prepared by:

Zachary Alexander, Planning Technician

RESOLUTION NO. 11-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING THE AGRICULTURAL LEASE FOR THE LOBITOS RIDGE FARMING GROUNDS IN THE PURISIMA CREEK REDWOODS OPEN SPACE PRESERVE

The Board of Directors of the Midpeninsula Regional Open Space District does hereby resolve:

Section One. The District may, under the provisions of Section 5540 of the Public Resources Code, lease property owned by the District, and the Board of Directors hereby finds that lease of a portion of the Purisima Creek Redwood Open Space Preserve for agricultural row crop farming (referred to as the Lobitos Ridge Farming Grounds) to be in the public interest on the terms hereinafter set forth.

Section Two. The Board of Directors of the Midpeninsula Regional Open Space District approves the agricultural lease between Midpeninsula Regional Open Space District and Mariano Ochoa, a copy of which is attached hereto and by this reference made a part hereof, and does hereby authorize the President or other appropriate officers to execute said lease on behalf of the District.

Section Three. The General Manager or the General Manager's designee is hereby authorized to negotiate and approve the exercise of an additional 5-year option of the agricultural lease as set forth in the agricultural lease. The General Manager is further authorized to execute any and all other documents necessary or appropriate to the completion of such transactions. The General Manager shall report in writing on any such exercise of an option to continue the subject agricultural lease to the Board of Directors at the meeting immediately following the exercise thereof.

* * * * *

MANAGEMENT PLAN

LOBITOS RIDGE FARMING GROUND

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

REV. April 30, 2011

PROPERTY DESCRIPTION:

The farming ground under consideration for this Management Plan consists of approximately 7 acres that is a portion of a larger 340-acre Lobitos Ridge Area of the Purisima Creek OSP. The address is 2050 Purisima Creek Road, Half Moon Bay, and County of San Mateo, California, with an Assessor Parcel Number of 066-230-030. The site is located within Midpeninsula Regional Open Space District's Coastside Protection Area and zoned as a "Planned Agricultural District" per Chapter 21A of San Mateo County Codes. The ranch is approximately 2 miles east of Highway 1 and three miles east of the Pacific Ocean on the south side of Purisima Creek Road. (Exhibits 1 and 2)

The area under consideration consists of two rectangular farming parcels bisected by the driveway to the building compound area. The farm ground is primarily Tunitas Clay Loam with a 2 to 5 percent south-facing slope. This soil is rated as a "Capability Class II, with a Storie Index of 68, which is considered prime soils for vegetable and flower production by both the USDA and San Mateo County. Irrigation water is supplied by a pumping system from Purisma Creek with quantities allocated by an adjudication order of the Superior Court of San Mateo County. The residences on this parcel also have a domestic use allocation adjudicated under the same proceedings. There are two residences and three farm buildings located between the farm ground and the riparian area on the north side of Purisima Creek. (Exhibit 3)

GOALS OF THIS MANAGEMENT PLAN:

The Mission Statement of the MROSD is *"To acquire and preserve a regional greenbelt of open space land in perpetuity; protect and restore the natural environment; and provide opportunities for ecologically sensitive public enjoyment and education."* The Mission Statement for the Coastside Protection Area is *"To acquire and preserve in perpetuity open space land and agricultural land of regional significance, protect and restore the natural environment, preserve rural character, encourage viable agricultural use of land resources, and provide opportunities for ecologically sensitive public enjoyment and education.* This farm is within the Coastside Protection Area and the principals and policies embodied in both the District Mission Statement and the Coastside Protection Area Service Plan are the guiding principals for this site-specific management plan.

This plan provides for guidelines to assist and promote sustainable farming practices to preserve the productive agricultural qualities of the property. Sustainable farming practices include those that are economically feasible, environmentally sound, and socially responsible. There are three major elements to this plan: 1) Farming Techniques; 2) Soil Management; and 3) Sanitation, plus miscellaneous items important to this site. This plan is intended to be an adaptive management plan and is subject to change as site-specific conditions may warrant and as the status of the agricultural industry may indicate, all at the discretion of the District.

1. FARMING TECHNIQUES—ORGANIC OR CONVENTIONAL

An agreement on the approach to farming techniques between the District and tenant is critical and forms the boundaries for all on-site activities.

This farm is well suited for the production of vegetables, pumpkins, specialty niche crops (such as green beans, peas, peppers, berries, salad greens, herbs, etc.) and field flowers. This is demonstrated by the USDA Soil Survey and by the agronomic success of on-site production and that of numerous farms in the vicinity with similar soil types and microclimates. While it is recognized that different production methods may be required for various crops, the District prefers that the California Certified Organic Farming (CCOF) methodology or, if the tenant is not under CCOF certification, organic growing techniques be employed. However, conventional farming techniques are acceptable production methods. In addition, the growing techniques of any farming system shall follow Best Management Practices (BMP's) methods as defined by the University of California Cooperative Extension Service and the USDA Natural Resources Conservation Service. These practices are defined and employed on a case-by-case basis and dependant upon conditions encountered at the time the issue arises. They are generally defined as a series of sustainable and conservation practices that have been developed, scientifically tested, and determined to be effective conservation and sustainability practices. Each practice employed is specific to a crop, a location, weather conditions, soil type and health, slope, pest management program(s), weed control plans, irrigation techniques and practices, air and water quality considerations and other environmental factors, existing physical features, endangered species, management ability of the operator, existing regulations, and any other factor(s) that may influence the issue under consideration. This methodology considers all influencing factors for each event to determine the technique(s) to employ that will promote conservation and sustainability for the site.

If conventional farming techniques are employed on this site, in addition to BMP's, Integrated Pest Management (IPM) techniques, as defined by the crop specific University of California Cooperative Extension Service (UCCE) guidelines, shall be utilized. IPM techniques should also be utilized for organic production methods. Note that the IPM guidelines are currently available for major California crops but specific publications for those crops grown in this area have yet to be published. However, the approach to the application of IPM techniques is consistent across all crops and easily adapted to specific local situations. IPM entails the use of natural predators to control pests at or below

economic threshold levels. Should damage exceed economic thresholds, or pest numbers grow to levels that cannot be controlled by natural predators, then and only then will chemical control be utilized. Chemical control consists of using the least toxic material to control the specific issue. This approach is consistent with the District Integrated Pest Management Definition, which is attached for reference as Exhibit 4.

In order to assist with, monitor, and control the IPM program, as well as an organic growing plan, the application of any pesticide, or the use of fertilizers or soil amendments, the District will retain the services of a licensed Pest Control Advisor (PCA) who is familiar with local crops and the application of IPM techniques to those crops. The application of any pesticide, fertilizer, or soil amendment must be approved by the PCA prior to its use.

Agro-Chemicals:

The use of crop pesticides is anticipated, regardless of the farming techniques employed. Certain chemicals have been certified for organic growing methods and others for conventional use. Should non-chemical control methods not mitigate the particular issue, the district will require (1) notification prior to application of any chemical on the site, (2) that the chemical or compound comply with the District's Integrated Pest Management Policy, (3) the District, through its Pest Control Advisor, gives written prior approval of each application, and (4) the site be posted per District Policy. In all instances, Federal, State, and Local rules and regulations with respect to crop suitability, storage, mixing, application, reentry, and time to harvest intervals, as well as other special conditions as they may apply, will be followed. A pesticide use permit must be obtained from the County Agricultural Commissioner each year prior to any application of chemicals and a copy of the pesticide use report that is filed with the County Agricultural Commissioner on a monthly basis will be provided to the District.

The District intends to adopt an agro-chemical and pesticide policy. Until such policy is approved, the District's Pest Control Advisor will act as the authority for all agro-chemical and pesticide use requests by tenant.

Given the nature of invasive pests and their effect on regional agriculture, should any regulatory agency, be it Federal, State, or Local, require the application of a pesticide to assist in the eradication of an invasive pest, tenant will comply and be responsible for the fulfillment of said order. Application of the pesticide will comply with the "Agro-Chemical" procedures notes in the above paragraphs.

2. SOIL MANAGEMENT:

The prevention of erosion, and the maintenance and enhancement of soil fertility is the second element of this plan.

Erosion and Sediment Control:

Given the prevalent soil type, erosion is not considered a serious potential issue, if proper safeguards are employed. Grading of this site is precluded without the prior written consent of the District. Grading does not include normal field plowing, disking, cultivation, etc. but does include earth work and movement on non-cultivated portions of the site such as, but not limited to driveways, borders, and building areas. Water, from any source, should not be channelized, except that the district may channel storm water under emergency conditions or a conservation plan, or the tenant may do so only with the prior written consent of the District. The soil should not be worked when wet or late in the fall when heavy rains could potentially cause runoff issues. The use of winter cover crops is encouraged. Currently, there are no indications of erosion from the farming areas. However, if erosion becomes a problem, winter cover crops may be required. A vegetated buffer on the south end of the two farming blocks may be required to filter any runoff from the fields prior to its entry to the Purisima Creek riparian area (Exhibit 2). The vegetated buffer should be of sufficient width and height to mitigate potential erosion and installed and maintained according to Natural Resources Conservation Service (NRCS) Standards. As with Best Management Practices, these NRCS Standards are site, crop, and time specific and include, but are not limited to, the farming techniques utilized, soil types, pesticide programs, irrigation techniques and practices, slope of the site, cover crops, anticipated weather conditions and environmental features present or anticipated. Depending on the influencing factors, the vegetated buffer may be as narrow as five (5) feet or as wide as fifty (50) feet. Plant species to be utilized are also site specific with consideration given to water requirements, maintenance, and existing and surrounding vegetation. The location of the potential vegetated buffer would be at the south end of the farming areas. Livestock that may be permitted by the District on this farm will not impugn or damage the integrity of the vegetated buffers, if they are required.

Soil Amendments and Fertilizers:

In order to promote and insure a sustainable soil, and to replace the nutrients utilized by the past season's crop(s), the soil condition and health must be monitored. The District will collect and pay for nutrient soil analyses at the end of each growing season, generally considered November-December. See Exhibits 5 and 6 for details of soil sampling, and a generalized soil test interpretative guideline. Note that these guidelines are "general" and crop specific recommendations will vary somewhat from these norms. However, the norms in Exhibit 6 represent a healthy soil. It will be the responsibility of the tenant to properly amend the soil as the analyses may indicate to maintain the fertility to at least the levels as determined at the inception of any lease. However, any and all soil amendments, including manures and composts, will be approved by the District, through its PCA prior to their application. This will include the timing of said application as well as the product(s) that may be used. The first year's analyses will be considered as the baseline from which to manage the fertility.

3. SANITATION:

This third key element to sustainability and good management involves the prevention of rodents, insect and plant diseases, and promotes the health and safety of farm products and workers through sanitary farming practices.

Farm Labor Health:

There are numerous State and Federal laws governing the health and sanitary practices for farm labor. One of the more important aspects for worker safety and health is adequate and clean bathrooms and wash facilities. Complying with these numerous code sections will help to reduce the spread of certain human and crop diseases and promote agricultural product safety. All laws whether Federal, State, or Local, must be strictly adhered to.

Weed Control:

It is a well-established fact that weeds, either native or invasive, and within the field or around borders, can be incubation sites for plant diseases and a breeding area for rodents or insects. Management and control of weedy plant species is a required component of any farming plan. However, under an integrated pest management system, certain weedy plant species provide habitat for beneficial insects that control target pests. In order to lower the risk of incubation of plant diseases, rodents and invasive pests, and for aesthetic purposes, weeds should generally be removed. However, on a case-by-case basis, certain weedy plants may remain or be cultivated to manage invasive issues. Consultation with the District's PCA will be required when weedy plant species are to remain or be introduced.

Control methods of weedy plants will be based on the farming methods agreed upon by the District and Tenant (organic or conventional). If organic farming has been approved, weeds may be controlled by flaming, mowing, mulching, disking or other mechanical methods, covering with weed mats, hoeing or hand removal. Depending on the crop, a combination of techniques may be applicable. If conventional farming methods have been approved by the District, any of the organic techniques are acceptable, or they may be utilized in combination with chemical control. Chemical control will require that the procedures set forth under the "Agro-Chemical" section above, be strictly followed.

Nuisances:

Garbage and refuse shall be kept in tightly closed containers and disposed off-site on a regular basis. If any product processing is conducted on-site, trimmings and culls will not be accumulated. They are to be routinely returned to the fields for plow-down or composting, or they may be hauled off-site. Should the District permit livestock, manure will not be allowed to accumulate in confined areas where it may attract flies or other pests. Other trash or hazards that may attract any type of pest or act as an incubation area for plant diseases, insects or rodents must be regularly disposed off-site.

OTHER SITE-SPECIFIC ISSUES:

Agricultural Irrigation and Water Use:

Irrigation water is available from Purisima Creek under an adjudication order of the Superior Court of San Mateo County. That order allows this property to use up to 10,900 gallons per day as a second priority water right when Purisima Creek flows at least 0.75 CFS, (336 gpm) as measured at the Upper Purisima Creek Road Bridge. Given the source of irrigation water, there is no guarantee that sufficient water will always be available in quantities necessary to produce certain crops. Tenant should plan the cropping program with the pumping limits and potential restrictions in mind.

A pump and delivery system for agricultural water has been installed by the District and is capable of handling the water allocation. Tenant is responsible for the operation, maintenance and repair of the pumps and buried pipelines (Exhibit 7), and for any field application hardware necessary to irrigate crops.

Given the amount of water allocated under the Order, and including Best Management Practices in the irrigation application techniques, drip tape, micro irrigation emitters or sprinklers are acceptable methods of application. Furrow or flood applications are not permitted. Tenant will assure that the water application does not cause erosion, and that there is no irrigation water runoff into Purisima Creek. Additionally, tenant will comply with all water regulations including those of the Regional Water Quality Control Board.

Special attention needs to be given to the rainwater runoff from Purisima Creek Road that tends to saturate the northern ends of both blocks, and to the lower contour area at the south end on the west farming block to ensure that erosion does not occur.

On-Site Processing of Agricultural Products:

Limited processing of agricultural products grown on-site may occur with the prior written consent of the District. Limited processing may include trimming, washing, or packaging of products. Details of the intended processing activity must be submitted with the request. If permission is granted for this activity, (1) all waste water will be properly treated, filtered and disposed of in the growing area and not allowed to run into Purisima Creek, (2) crop residue will be returned to the fields, and (3) the processing area will be cleaned at the end of each day that product processing occurs.

Non-Farming Areas on the Site:

Three barns (outbuildings) are available for tenant's use (Exhibit 3). These outbuildings are in good repair and shall be maintained by tenant. They may be used to house tractors when not in use, store agricultural equipment, supplies, farm products produced on-site, or as a farm shop. No structures may be constructed, altered, or removed without the

prior written consent of the District. Portable storage containers may be utilized only with District's prior written consent.

Environmental Compliance:

The storage of petroleum products will comply with all regulations with respect to quantities and containment basins. San Mateo County Environmental Health Department has these requirements available. Regular servicing of tractors and equipment will be permitted but extreme care must be taken to avoid spills of petroleum products. Major overhauls and repairs to tractors and other motorized equipment or vehicles may be completed on-site if accomplished on an impervious surface, such as concrete, and no petroleum products or other fluids are spilled on or into the soil. All products spilled on the concrete will be cleaned up and properly disposed.

Any materials registered with the Environmental Protection Agency will require special storage conditions, per the label on that product. This includes, but is not limited to most agro-chemicals. The spilling of any registered material (including fuel spills) must be reported to the San Mateo County Environmental Health Agency and the District on a timely basis.

Roads and Parking Areas:

Tenant will assure that vehicle and/or equipment use do not cause erosion to driveways supporting the agricultural buildings. Methods to prevent damage may include mowed cover crops on less frequently used roads or gravel on the main travel portions of the access roads, as may be required. The areas over the septic systems and leach fields (Exhibit 7) shall not be planted due to the nature of the advanced disposal systems, and travel or parking of vehicles or farm equipment in those areas is not permitted. Native grasses, as approved by the District, may be grown, but not irrigated.

Riparian Area:

The riparian area for Purisma Creek is noted on Exhibit 2. No farming activity may be undertaken in that area. Furthermore, any activity, except maintenance of vegetated buffers, must be set back a minimum of ten (10) feet from the northern edge of the tree line of the riparian area (Exhibit 2) or further, at the direction of the District.

Owl Nesting Box:

A nesting box is located on the large wooden barn in the southeast corner of the site. This is considered to be a biological rodent control method and will be maintained by the District under District Guidelines (Exhibit 8).

GENERAL SITE APPEARANCE:

The property is owned by a public agency. As such, the guiding rules should be a, sanitary and well-organized site that is clean and neat in appearance. To that end, roads should be well maintained and erosion from runoff limited. Trees outside of the riparian area (Exhibit 2) should be maintained and trimmed. Weeds must be controlled either by mowing, grazing, flaming, or the use of an approved herbicide. Tractors will be garaged in the large barn when not in use and implements will be stored in the specified area (Exhibit 3). All supplies will be stored inside of the outbuildings and the outbuildings will be maintained in good order. Non-operating vehicles will not be stored on site.

OTHER ITEMS:

One on-site agricultural product farm stand may be permitted at the District's option, if located in the non-farmed area and traffic is not substantial. The District encourages tenant to discuss improvements that would add to the long term agricultural production values and enhance the natural resources of the site. To that end, an improvement program proposed by the tenant may be considered in exchange for rent credits. A rental credit request must be submitted to the District, in writing, prior to tenant undertaking the proposed project. The District will review the request on a timely basis and inform tenant of its decision. Annual rent credits shall not exceed the annual rents.

The farming techniques and operations shall have no adverse impact on neighboring farming, grazing, rural residential or other activities.

MONITORING PLAN:

The District requires that District personnel and District PCA meet semi-annually with tenant to review the status of the site and tenant's operation with respect to the conditions of the lease and this Management Plan.

Any corrective actions identified and discussed during this meeting will be memorialized through a follow-up letter from the District.

SUMMARY:

This Management Plan is intended to guide the District and tenant to ensure protections for the farm and its natural resources. It encompasses the three critical areas of concern identified by the District, plus site-specific issues. As such, it should be considered an adaptive plan and modified as conditions may change or warrant.

LIST OF EXHIBITS:

- Exhibit 1: General Area Map
- Exhibit 2: Map of Farm and Riparian Corridor with Tree Line
- Exhibit 3: Map Defining Farm Buildings, Residences, and Equipment Parking /
Storage Areas
- Exhibit 4: MROSD Definition of Integrated Pest Management
- Exhibit 5: Soil Sampling Techniques
- Exhibit 6: Generalized Soil Test Interpretation Guide
- Exhibit 7: Map of the Water Delivery and Treatment System and the Leach Fields
- Exhibit 8: MROSD Procedure for Owl Box Maintenance
- Exhibit 9: Agency Contact Information

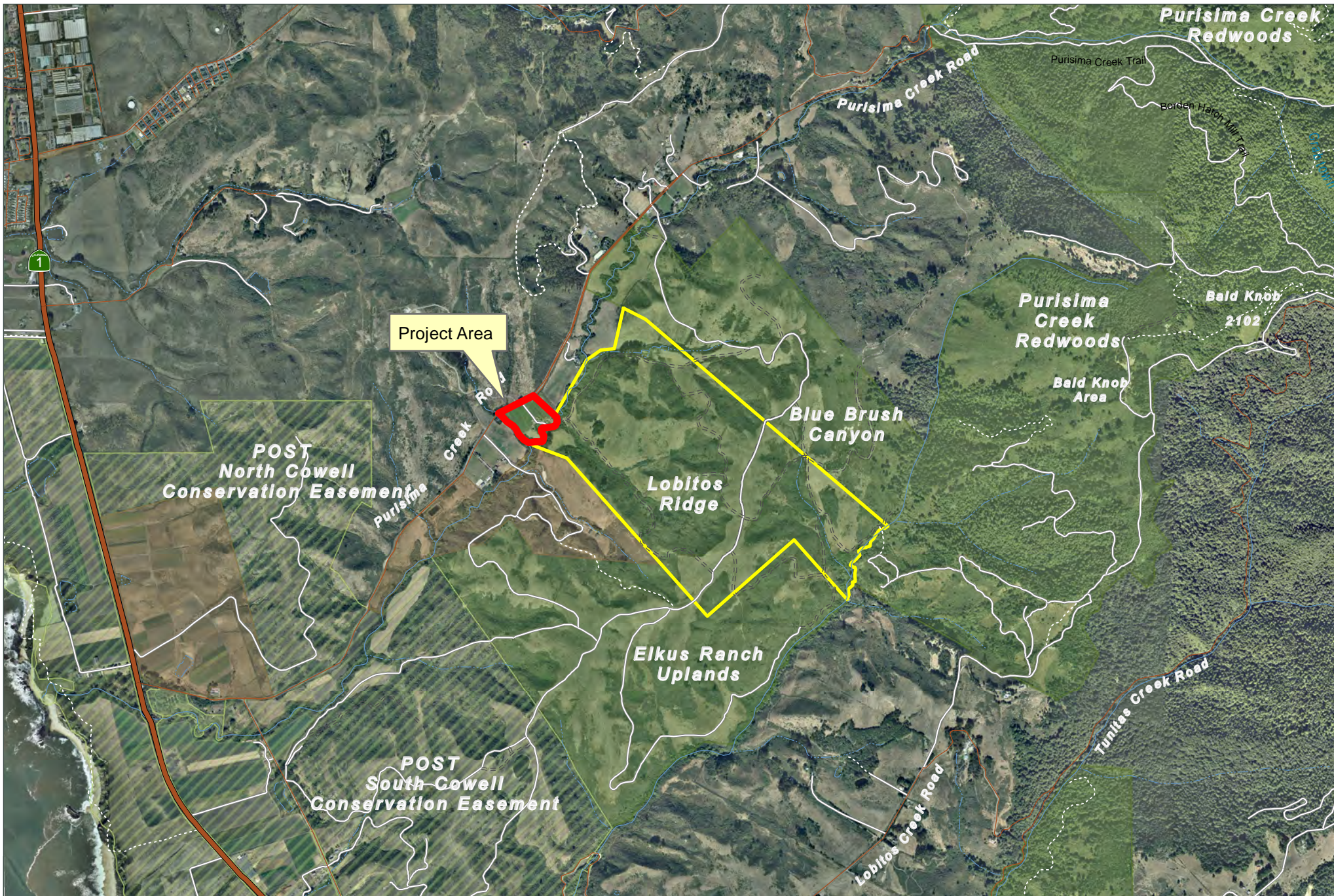






Exhibit 1

-  MROSD
-  Other Protected Open Space or Park Lands
-  Conservation or Agricultural Easement
-  Other Public Agency

Midpeninsula Regional Open Space District

February 2011



Path: G:\Projects\Purisima_Creek_Redwoods\LobitosVag_Mgt_plan\LobitasRidgeFarmLease_Riparian_and_TreeLine.mxd

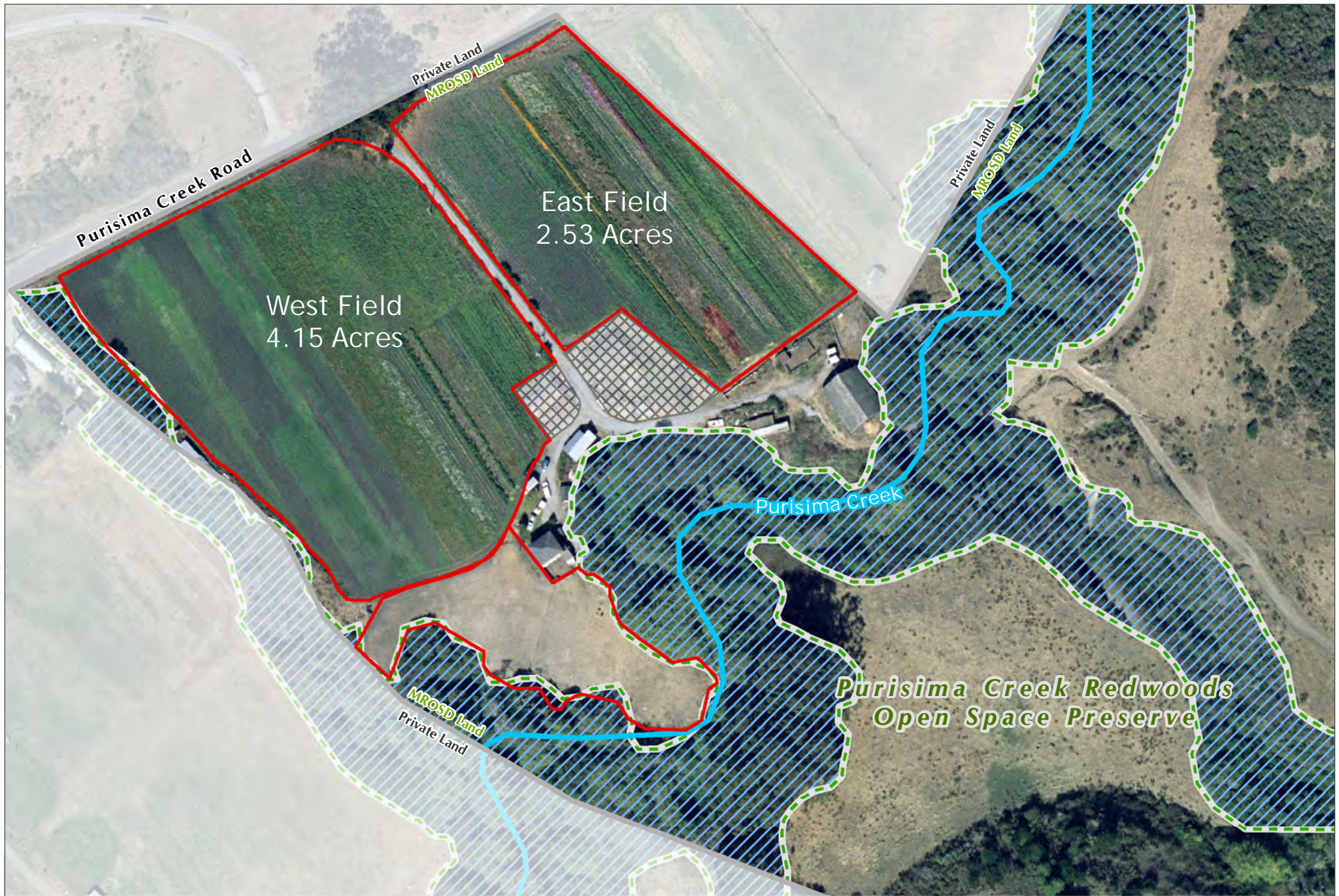

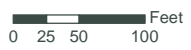



Exhibit 2: Lobitos Ridge Farm Lease - Riparian Corridor and Tree Line

-  Riparian Corridor
-  Lobitos Agriculture Fields
-  Separate Residential Lease
Not Included in Ag Lease
-  Tree Line

Midpeninsula Regional
Open Space District

January 2011



Path: G:\Projects\Purissima_Creek_Redwoods\Lobitos\Ag_Mgt_plan\LobitosRidgeFarmLease_Areas.mxd



Exhibit 3: Lobitos Ridge Farm Lease - Lease Designation Areas and Acreages

 Lobitos Agriculture Fields

 Separate Residential Lease
Not Included in Ag Lease

Midpeninsula Regional
Open Space District

January 2011

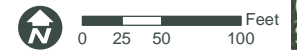


Exhibit 4

MROSD's definition of Integrated Pest Management as stated by the Resource Management Policy is:

Integrated pest management (IPM) is a long-term strategy that specifically reviews alternatives and monitors conditions to effectively control a target pest with minimum impact to human health, the environment and non-target organisms. IPM can be used for many types of pests and situations (e.g. landscape weeds, ants in houses, thistles invading native grasslands). Chemical and non-chemical techniques considered, and techniques will vary according to site conditions or as conditions at a treatment site change over time. If pesticides are necessary to meet a pest control objective, the least toxic and most target-specific pesticide is chosen. IPM requires knowledge of the biology of pests, the available methods for controlling them, and the secondary effects of these methods. It also requires monitoring site conditions before, during and after treatment to determine if objectives are being met and if methods need to be revised.

NUTRIENT ANALYSES – SOIL SAMPLING

Soil samples should be collected and analyzed at the end of each growing season to assure that soil conditions are stable or improving. This technique is a primary measure of soil health and productivity potential for the farm. Different crops utilize different amounts of nutrients from the soil and those nutrients must be replaced to ensure the long-term viability of this basic resource.

Sampling:

- a. Should be completed at the end of the growing season (generally November or December).
- b. Using a soil probe, take a continuous soil sample from the surface down to the lowest level of the root zone for the crop(s) just harvested. Insure that no surface vegetative material is included in the sample.
- c. Collect approximately two quarts of soil in a clean bucket and mix it thoroughly. Do not touch the soil with your hands – use disposable plastic gloves. Mix soil with soil probe or gloved hands. Then, fill a pint bag of the mixed soil to send to the laboratory for analysis. The samples taken should cover the entire field if similar crops are produced in all of one field. If crops differ in a field (flowers and beans in the same field), then the sampling should be completed by growing areas of each crop.
- d. The east field and the west field should be sampled separately.

ANALYTE	UNITS	LOW	MEDIUM	HIGH
Organic Matter	Percent	<2.0	<2.0--3.0	>3.0
pH	pH	<6.0	6.0--7.0	>7.0
Soluable Salts (EC _e)	mmhos/cm	<0.7	.07--2.0	>2.0
Phosphorus (P1)	ppm	<30.0	30.0--50.0	>50.0
Sodium Bicarbonate	ppm	<15.0	15.0--25.0	>25.0
Potassium	% cation sat. ppm	<2.0 <150	2.0--5.0 150--200	>5.0 >200
Calcium	% cation sat.	<60.0	60.0--70.0	>70.0
Sodium	% cation sat.	<3.0	3.0--5.0	>5.0
Magnesium	% cation sat.	<10.0	10.0--20.0	>20.0
Chloride	ppm	<170	170--350	>350
Nitrogen (NO ₃ -N)	ppm	<10.0	10.0--25.0	>25.0
Sulfur (SO ₄ -S)	ppm	<10.0	10.0--15.0	>15.0
Boron (saturated paste extract)	ppm	<0.2	0.2--0.7	>0.7
Iron	ppm	<5.0	5.0--15.00	>15.0
Manganese	ppm	<2.0	2.0--10.0	>10.0
Copper	ppm	<0.8	.08--1.2	>1.2
Zinc	ppm	<0.7	.07--1.5	>1.5
Molybdenum	ppm	<0.1	0.1--0.2	>0.2

"Low"--nutrient may be inadequate

"Medium"--nutrient range may provide a safe growing environment

"High"--levels may cause problems for some crops





Each crop has specific requirements that may vary from the above table

Path: G:\Projects\Purisima_Creek_Redwoods\Lobitos\Ag_Mgt_plan\LobitasRidgeFarmInfrastructure.mxd




Exhibit 7: Lobitos Ridge Farm Lease - Infrastructure

-  Leach Field for Septic System
No Cultivation or Parking
-  Equipment Parking/Storage
-  Livestock Pen

-  Residential Water Pump & Irrigation Pump
-  Water Storage Tanks & Potable Water Treatment
-  Irrigation Water Valve
-  Irrigation Water Pipeline

Midpeninsula Regional
Open Space District
January 2011




Responsibilities of Having an Owl Box

Thank you for your interest in owl boxes. Barn owls and Western screech owls will use artificial cavities in the form of nest boxes. There are many owl nest boxes available for purchase, however we feel our design is the most beneficial for the protection of the owls. The decision to put up an owl box should not be made lightly. There are responsibilities involved. These include:

- Annual cleaning out of the box within a narrow window of time (October through late November, Halloween through Thanksgiving), see cleaning instructions below.
- Commitment to *not* disturb nesting owls. All native birds are protected by Federal Law, especially when nesting. Any disturbance is a Federal offense. So, if you decide that your tree needs cutting down, or trimming, and there are owls using your box, you will have to wait until at least late October to make any changes to the tree.
- Protecting the owls from poisoning by not using rodenticides (rat & gopher poisons) and pesticides on your property, and confirming that they are not in use on adjacent properties.
- Notifying the Hungry Owl Project if you plan to move and whether you are taking the box or leaving it behind. Note: box cannot be moved during nesting season.
- Contacting a licensed wildlife hospital, the Hungry Owl Project, or your local humane society if you find an injured or orphaned owl.

If you feel comfortable with these responsibilities, and have the right habitat for barn or screech owls, we encourage you to install an owl box to help provide homes and protection for these beautiful, and beneficial, predators. Please note that the best way to benefit from the amazing hunting prowess of barn owls on your local rodent and gopher populations is to install more than one box, as the owl will not hunt directly beneath its nest because this could attract the attention of predators.

Cleaning Your Owl Box – (October – November)

Tools needed: rubber gloves, face mask, trowel or other scrapping tool or crow bar, trash bag or box, drill or other tool to open screws or eye hooks on clean out flap.

Always have a helper to hold the ladder steady, and to stand by while you are at the box. An owl may be roosting (sleeping) in your box, so try to peek into the box through the front entrance hole. If you see an owl, retreat and remove the ladder. Call HOP for advice.

Wear a mask and gloves. Owls create pellets of bones and fur that they regurgitate daily into the owl box. It might sound gross, but the pellets actually create a dry "carpet" that is soft and warm for the eggs to be laid on.

Once the clean-out flap and the top of the box are open, use your scraper or crow bar to loosen up the tightly compacted "carpet" inside. Scrape the carpet and all other debris into the trash bag, or box, or onto the ground (it's biodegradable!). You will get a good look at the remains of what your owls have been eating! You will likely find loose bones and possibly the desiccated remains of prey. You may possibly find the remains of deceased baby owls – sometimes not all of the babies survive. There may be some live insects in the box, usually beetles and the occasional maggot. Sometimes wasps nest in the boxes, these can be removed without the use of poisons, please call us for advice. Song birds or squirrels sometimes use the boxes during the summer, so some nesting material might be found. This can be removed. If the box is very wet inside, try to determine why – wetness can create bacteria and is unhealthy for the owls. After getting as much debris as possible out of the box, close and secure the flap. Do not leave any material inside the box—the owls will take care of creating a new "carpet." Close the trash bag or box and place in a trash receptacle. Repair any damage or wear that has occurred – check to see if any screws are coming loose and tighten them. Now your box is ready and waiting for a new owl family! Thank you for completing this messy, but important, task!

Agency Contact Information:

United States Department of Agriculture
Natural Resources Conservation Service (NRCS)
625 Miramontes Street, Suite 103
Half Moon Bay, CA 94019
650-726-4660

State of California
University of California Cooperative Extension Service (UCCE)
80 Stone Pine Road, Suite 100
Half Moon Bay, CA 94019
650-726-9059

County of San Mateo
Agricultural Commissioner
728 Heller Street
Redwood City, CA 94064
650-363-4700

California Certified Organic Farmers
2155 Delaware Avenue, Suite 150
Santa Cruz, CA 95060
831-423-2263

VII. Mitigation Monitoring Plan

In accordance with Section 15097(a) and (c) of the CEQA Guidelines, in order to ensure that the mitigation measures and project revisions identified in the EIR are implemented, the Midpeninsula Regional Open Space District shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects.

The District will monitor all mitigation measures contained in the Mitigation Monitoring Plan. "Monitoring" is generally an ongoing or periodic process of project oversight. All mitigation measures will be implemented by appropriate District personnel or Department. All mitigation measures will be incorporated into the Final Service Plan.

The following table lists the Impacts, Mitigation Measures, Timing of the Mitigation Measure (when the measure will be implemented), and the Department responsibility for ensuring that the mitigation measure will be implemented. Changes to DEIR text is shown as either underline where new or ~~strikeout~~ where deleted.

Impact	Measure	Timing	Monitoring Responsibility— District Department
AGRICULTURE			
<p>Impact AGR-1: The Coastal Annexation Area contains Prime Farmland, Unique Farmland, and Farmland of Statewide Importance. Some parcels acquired by the District would likely contain lands with one or more of these designations. Acquisition of these lands by the District would not in and itself convert the lands to non-agriculture use.</p>	<p>Mitigation AGR-1a: No new buildings or staging areas shall be located on prime agricultural lands or on Unique Farmlands or Farmlands of Statewide Importance as shown on Farmland Mapping and Monitoring Program of the California Resources Agency that are being used for agricultural purposes. To implement this Mitigation Measure, In order to avoid conversion of Farmland to non-agricultural use, the <i>Draft Service Plan</i> should be revised to provide that the ranger office/maintenance facility and the staging areas may not be located on prime agricultural lands or on Unique Farmlands or Farmlands of Statewide Importance as shown on Farmland Mapping and Monitoring Program of the California Resources Agency <u>Farmland in agricultural use.</u></p>	<p>As to siting of facilities, prior to Board approval of Use and Management Plan and prior to preparation of any project design.</p> <p>As to <i>Service Plan</i> revision prior to Board approval of Final <i>Service Plan</i></p>	<p>Planning</p>
<p>Impact AGR-1: The Coastal Annexation Area contains Prime Farmland, Unique Farmland, and Farmland of Statewide Importance. Some parcels acquired by the District would likely contain lands with one or more of these designations. Acquisition of these lands by the District would not in and itself convert the lands to non-agriculture use.</p>	<p>Mitigation AGR-1b: Trails and habitat preservation areas shall either be located to avoid prime agricultural lands and Unique Farmlands or Farmlands of Statewide Importance as shown on Farmland Mapping and Monitoring Program of the California Resources Agency or traverse such lands in a manner that does not result in interference with agricultural activities or substantially reduce the agricultural potential of those lands. <u>Owners and operators of active agricultural activities lands shall be consulted to identify appropriate routes on those lands they cultivate.</u> The agricultural activities and the agricultural potential of traversed lands shall be protected and buffered from trail user impacts by means of distance, physical barriers (i.e., sturdy fences), or other non-disruptive methods.</p>	<p>As to siting and design prior to Board approval of Use and Management Plan and prior to opening any trails to public access; project oversight thereafter</p>	<p>Planning (siting and design)</p> <p>Operations (construction supervision and ongoing oversight)</p>
<p>Impact AGR-1: The Coastal Annexation Area contains Prime Farmland, Unique Farmland, and Farmland of Statewide Importance. Some parcels acquired by the District would likely contain lands with one or more of these designations.</p>	<p>Mitigation AGR-1c: The District shall adopt Draft Service Plan Policy P.1 by ordinance. This policy reads as follows: “Within the Coastal Annexation Area, the District shall only acquire lands or interests in lands from willing sellers. The power of eminent domain will not be exercised by the District within the Coastal Annexation Area. This policy is a Basic Policy for the Coastal Annexation Area.”</p>	<p>Prior to Final <i>Service Plan</i> approval</p>	<p>Planning</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
Acquisition of these lands by the District would not in and itself convert the lands to non-agriculture use.			
<p>Impact AGR-1: The Coastal Annexation Area contains Prime Farmland, Unique Farmland, and Farmland of Statewide Importance. Some parcels acquired by the District would likely contain lands with one or more of these designations.</p> <p>Acquisition of these lands by the District would not in and itself convert the lands to non-agriculture use.</p>	<p>Mitigation AGR-1d: Amend the Draft Service Plan to include the following:</p> <p>The term “prime agricultural land” as used in this Plan means:</p> <ul style="list-style-type: none"> a) All land which qualifies for rating as Class I or Class II in the U.S. Department of Agriculture Soil Conservation Service Land Use Capability Classification, as well as all Class III lands capable of growing artichokes or Brussels sprouts. b) All land which qualifies for rating 80-100 in the Storie Index Rating. c) Land which supports livestock for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the U.S. Department of Agriculture. d) Land planted with fruit or nut bearing trees, vines, bushes, or crops which have a non-bearing period of less than five years and which normally return during the commercial bearing period, on an annual basis, from the production of unprocessed agricultural plant production not less than \$200 per acre. e) Land which has returned from the production of an unprocessed agricultural plant product an annual value that is not less than \$200 per acre within three of the five previous years. <p>The \$200 per acre amount in subsections d) and e) shall be adjusted regularly for inflation, using 1965 as the base year, according to a recognized consumer price index.</p> <p>The term “prime agricultural land” as used in this Plan shall also include Unique Farmland and Farmland of Statewide Importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency.</p>	<p>Prior to Board approval of the Final <i>Service Plan</i></p>	<p>Planning</p>
<p>Impact AGR-2: Subsequent to annexation, the District would likely acquire some parcels subject to Williamson Act contracts. Under the</p>	<p>Mitigation AGR-2: See Mitigation LU-2</p>	<p>Prior to Board approval of <i>Service Plan</i></p>	<p>Planning</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
<p>Williamson Act, recreational and open space uses are allowable uses on lands subject to contract. District acquisition of Williamson Act lands for such uses would thus not conflict with the contract or related agricultural preserve designation.</p>			
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation AGR-3a: Guideline 3.2 in the <i>Draft Service Plan</i> should be modified to state: "Improvements or public uses located upon open space lands other than agriculture...shall be located away from existing prime agricultural lands and Unique Farmlands or Farmlands of Statewide Importance as shown on Farmland Mapping and Monitoring Program of the California Resources Agency toward areas containing non-prime agricultural lands, unless such location would not promote the planned, orderly, efficient use of an area. To the extent feasible, all All trails and other public facilities should be located so as not to fragment agricultural operations unless no feasible alternative is available. While trails that bisect grazing lands would not be likely to fragment grazing operations, trails that bisect cultivated crops could adversely affect the vitality of agricultural operations and should be avoided where feasible. If trails must traverse cultivated lands then they shall be permitted only if adequate buffers, signs, and other measures necessary to ensure that trail use does not interfere with the agricultural operations shall be are implemented."</p>	<p>Prior to Board approval of Final <i>Service Plan</i>; as to siting and design, prior to approval of Use and Management Plan; ongoing project oversight thereafter.</p>	<p>Planning (siting and design) Operations (ongoing project oversight)</p>
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation AGR-3b: The District shall provide private property signs where appropriate and provide trail users information regarding private property rights to minimize public/private use conflicts and trespassing. The District shall clearly sign trails adjacent to active agriculture and provide trail users with information regarding property rights to minimize trespassing and conflicts with agricultural users.</p>	<ol style="list-style-type: none"> 1. Install private property signs immediately after acquisition. 2. Install other signs prior to opening trails for public use. 	<p>Operations</p>
<p>Impact AGR-3: Notwithstanding the</p>	<p>Mitigation AGL-3c: Trails shall either be located to avoid prime agricultural</p>	<p>Prior to Board</p>	<p>Planning (siting</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
<p>foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>lands <u>and Unique Farmlands or Farmlands of Statewide Importance as shown on Farmland Mapping and Monitoring Program of the California Resources Agency</u> or traverse such lands in a manner that does not result in interference with agricultural activities or substantially reduce the agricultural potential of those lands. Operators of active agricultural activities on lands owned by or under easement to the District shall be consulted to identify appropriate routes on lands they cultivate. <u>Owners and operators of active agricultural activities on lands adjacent to District lands used for non-agricultural purposes shall be consulted to identify routes that will avoid adverse effects on agricultural operations.</u> The agricultural activities and the agricultural potential of traversed lands shall be protected and buffered from trail user impacts by means of distance, physical barriers (i.e., sturdy fences), or other non-disruptive methods.</p>	<p>approval of Use and Management Plan, and prior to opening any trails to public access</p>	<p>and design) Operations (construction, supervision, and ongoing project oversight)</p>
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation AGL-3d: <u>The District lands or easements that comprise the trail setting upon which trails are sited shall provide width sufficient for management and/or buffer space from adjacent uses so as not to preclude the viability of those uses. Buffers established to separate recreation and other open space uses from agricultural operations shall be designed and managed in accordance with the following standards:</u></p> <ul style="list-style-type: none"> a) <u>Buffers shall be designed in relation to the nature of the adjoining land use, potential land uses and proposed public access;</u> b) <u>Buffers shall be designed in relation to the topography and other physical characteristics of the buffer area;</u> c) <u>Buffers shall be designed with consideration of biological, soil, and other site conditions in order to limit the potential spread of non-native invasive species or pathogens onto agricultural lands;</u> d) <u>Buffers shall be of sufficient width to allow agricultural use of adjoining agricultural lands including application of pesticides and other agricultural chemicals on all lands needing treatment taking into account the likelihood and extent of potential pesticide drift;</u> e) <u>All lands used for buffers should be on land or interests in land owned by the District; adjoining landowners shall not be required to provide land for buffers.</u> f) <u>The District shall be responsible for the management and maintenance of all lands used as buffers.</u> g) <u>If a specific buffer fails to resolve conflicts between a recreational use and</u> 	<p>Prior to Board approval of Use and Management Plan, and prior to opening any trails to public access</p>	<p>Planning (siting and design) Operations (ongoing project oversight)</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
	<p><u>adjacent agricultural uses the recreational use shall be moved to a different location.</u> <u>All buffers shall be developed in consultation with the owners and operators of adjoining agricultural lands.</u></p>		
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation AGR-3e: Where pesticides are used, including pesticides for control of noxious weeds, they must be handled, applied, and disposed of in such a manner that they do not adversely affect adjacent agriculture, including organic agriculture. Pesticide use shall be guided by label restrictions and any advisories published by the California Department of Pesticide Regulation (CDPR) or the County Agricultural Commission. These chemicals shall only be applied by a person who is properly trained in their application.</p>	<p>Immediately upon acquisition; ongoing project oversight thereafter.</p>	<p>Operations</p>
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation AGR-3f: The District shall conduct its land management practices such that they do not have an adverse significant impact on the physical and economic integrity of timberland preserves on or contiguous to properties owned or managed by the District and so that the safety of visitors to District preserves is not compromised by timber harvesting (e.g., establishing appropriate buffers on District lands).</p>	<p>Upon acquisition; ongoing project oversight thereafter</p>	<p>Planning (siting and design) Operations (ongoing project oversight)</p>
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner</p>	<p>Mitigation AGR-3g: When acquiring lands in agricultural use, the acquisition shall be subject to continued use by the owner or operator until such time as it is sold or leased pursuant to the use and management plan adopted for the property. All agricultural land which is not needed for recreation or for the protection and vital functioning of a sensitive habitat will be permanently protected for agriculture and, whenever legally feasible, the District will offer for sale or lease the maximum amount of agricultural land to active farm operators on terms compatible with the recreational and habitat use. Lands that do not have significant recreation or sensitive habitat values and which</p>	<p>Include continuation of agricultural use in Preliminary Use and Management Plan; evaluate agricultural and recreational use prior to Board</p>	<p>Acquisition and Planning</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
<p>that avoids such conflicts whenever feasible.</p>	<p>can clearly support productive agricultural operations will generally be offered for sale while other agricultural lands will generally be offered for lease.</p>	<p>approval of Use and Management Plan; offer for sale or lease accordingly. Upon Board approval of Use and Management Plan</p>	
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation Measure AGR-3h: <i>Revise Draft Service Plan</i> Guideline G.6.3 as follows:</p> <p>GUIDELINE G.6.3 Inherent in the preservation of open space resources in the Coastal Annexation Area is the protection of: rare, threatened and endangered plant and animal species; ecological systems; <u>agricultural resources</u>, water quality; visual resources; <u>unique biological resources, including heritage and significant trees</u>; and the unique cultural resources in the Coastal Annexation Area, including historic, archaeological and paleontological resources. Therefore, prior to making any lands available to low-intensity public recreational access, the District shall prepare and adopt a <u>use and management plan, which, includes site-specific resource management and public access components plan</u> for any lands acquired by the District or managed through contract for other public or private non-profit property owners. <u>All lands acquired by the District within the Coastal Annexation Area will be inventoried to identify and prioritize resource management issues. Where there are critical issues, such as the presence of non-native invasive species which threaten the habitat of endangered species or the economic viability of an adjacent agricultural operation, resource management plans will be prepared for these areas even if they remain closed to the public.</u></p> <p><u>The use and management plan shall include an agricultural production plan for District-owned agricultural lands or District lands adjacent to agricultural lands. For district-owned lands, the plan shall describe the crop and/or livestock potential for the property together with the management actions required to protect existing agricultural production</u></p>	<p>Prior to Board approval of Final <i>Service Plan</i>.</p>	<p>Planning</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
	<p><u>(e.g., growing seasons, water requirements, pesticide, manure, and waste management) and the agricultural potential of the land. The plan shall consider the following factors:</u></p> <ul style="list-style-type: none"> a) <u>Availability of labor, including farm labor housing;</u> b) <u>Availability of farm support services and goods;</u> c) <u>Necessary capital improvements (e.g. water storage, fencing, land leveling)</u> d) <u>Farm operations, including erosion control, the season(s) and times of pesticide or herbicide usage, manure and waste management;</u> e) <u>Water use and availability;</u> f) <u>Access to transportation and markets; and</u> g) <u>Promoting agricultural production on District-owned land.</u> <p><u>In the case of District lands adjacent to agricultural production, the agricultural production plan shall develop site-specific measures to prevent activities on District lands from interfering with adjacent agricultural production.</u></p> <p><u>The development of use and management plans will include consultation with the current owner or operator of any agricultural operations on the land, adjoining landowners, the San Mateo County Environmental Services Agency in addition to other include opportunities for public involvement.</u></p>		
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation Measure AGR-3i: Amend <i>Draft Service Plan</i> Guideline G.2 as follows:</p> <p>Prior to making any lands available to public access for low-intensity recreation in the Coastal Annexation Area, the District shall have personnel and equipment available to manage public access such that: there would be no significant negative impact on existing services; and adequate stewardship to protect natural <u>and agricultural</u> resources will be provided.</p>	<p>Prior to Board approval of Final <i>Service Plan</i></p>	<p>Planning</p>

Impact	Measure	Timing	Monitoring Responsibility— District Department
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation Measure AGR-3j: Amend the <i>Draft Service Plan</i> to include the following policy:</p> <p>The District shall actively work with lessees of District lands and with the owners of land in which the District has an agricultural easement interest to:</p> <ul style="list-style-type: none"> a. Facilitate the provision of farm worker housing on District-owned lands by providing technical assistance in obtaining permits for such housing from the County of San Mateo. b. Seek grant funding for the continuation or establishment of viable agriculture through the California Farmland Conservancy Program and other agriculture grant programs. c. Provide technical assistance to secure water rights for the continuation or establishment of viable agriculture consistent with protection of sensitive habitats. 	<p>Prior to Board approval of Final <i>Service Plan</i>; ongoing project oversight thereafter</p>	<p>Planning</p>
<p>Impact AGR-3: Notwithstanding the foregoing policies that are a part of the project, future public recreation at new preserves within the Coastal Annexation Area may conflict with existing agricultural and timber uses on and adjacent to District lands if trails and other recreation areas are not designed and managed in a manner that avoids such conflicts whenever feasible.</p>	<p>Mitigation Measure AGR-3k: Amend the <i>Draft Service Plan</i> to include the following policy:</p> <p>The District shall actively pursue opportunities to enter agricultural easements and leases with interested farmers and ranchers. All agricultural easements and agricultural leases in the Coastal Annexation Area shall:</p> <ul style="list-style-type: none"> a. Be tailored to meet individual farmers and ranchers needs while respecting the unique characteristics of the property; b. Specify uses that are unconditionally permitted pursuant to the easement or lease to provide certainty to the farmer or rancher entering the lease or easement with the District; c. Include terms that allow farmers and ranchers to adapt and expand their operations and farming practices to adjust to changing economic conditions; d. Include terms that ensure farmers or ranchers may provide farm labor housing as defined and approved by San Mateo County; e. Ensure compatibility of resource protection and management, low-intensity public recreation and viable agricultural operations; and f. In the case of leases, be for a sufficient period of time to gain a return on the investment in the agricultural operation. 	<p>Prior to Board approval of Final <i>Service Plan</i>; ongoing project oversight thereafter.</p>	<p>Planning and Acquisition (development of conforming easements and lease terms; seeking opportunities for such transactions)</p>



**AGRICULTURAL LEASE
LOBITOS RIDGE/UC ELKUS UPLANDS AGRICULTURAL UNIT
PURISIMA CREEK REDWOODS OPEN SPACE PRESERVE**

1. LOBITOS RIDGE FARMING GROUNDS MANAGEMENT PLAN (“PLAN”)	3
2. PREMISES	3
3. TERM.....	4
4. RENT	5
5. LESSEE TAXES	6
6. ANNUAL AGRICULTURAL CALENDAR.....	6
7. USE OF LEASED PREMISES.....	6
8. ENTRY AND INSPECTION BY DISTRICT	7
9. PUBLIC ACCESS.....	7
10. MAINTENANCE OF IMPROVEMENTS.....	7
11. ALTERATIONS	8
12. TERMINATION FOR BREACH OR DEFAULT	8
13. SURRENDER OF LEASED PREMISES.....	10
14. ASSIGNMENT AND SUBLETTING.....	10
15. INDEMNIFICATION	10
16. INSURANCE.....	10
17. ABANDONMENT	11
18. WAIVER OF RELOCATION BENEFITS	11
19. UTILITIES	11
20. NO RIGHT TO REPAIR AND DEDUCT.....	11
21. GENERAL PROVISIONS.....	11

SUMMARY OF AGRICULTURAL LEASE TERMS

This is a summary (“Summary”) of the principal terms and conditions of the Agricultural Lease. Each item below shall be deemed to incorporate all of the terms and conditions set forth in the Agricultural Lease pertaining to such item. In the event of any conflict between the information in this Summary and any more specific provision of the Agricultural Lease, the more specific Agricultural Lease provision shall control.

District: Midpeninsula Regional Open Space District

Lessee: Mariano Ochoa

Term: Five (5) year Term commencing December 1, 2010 with option to extend the lease for an additional five (5) years for a total of ten (10) years

Use: Row crop - Agricultural

BiAnnual Rent: \$1049.00

BiAnnual Environmental Management/Mitigation Fee: \$95.00

Rent Payment Date: On or before the first day of January and on or before the first day of July of each year of this lease.

Late Fee: 5% of the BiAnnual Rent and BiAnnual Environmental Management/Mitigation Fee or \$57.20.

District Contact Information:

Primary Contact: Real Property Specialist
Tel: (650) 691-1200
Alternate: Skyline Area Superintendent
Tel: (650) 949-1848

Lessee Contact Information:

Primary Contact: Mariano Ochoa
Tel: (650) 726-1410
Alternate Contact: Kari & Frank Ochoa
Tel: (650) 726-1410
Cell: (650) 922-3945

Notice Addresses of District:

Midpeninsula Regional Open Space District
Attn: Real Property Specialist
330 Distel Circle
Los Altos, CA 94022

Notice Address of Lessee:

Mariano Ochoa
2050 Purisima Creek Road
Half Moon Bay, CA 94019

With a copy to:

MROSD – Skyline Field Office
Attn: Area Superintendent
21150 Skyline Boulevard
La Honda, CA 94020

AGRICULTURAL LEASE

THIS AGRICULTURAL LEASE (“LEASE”) IS MADE BY AND BETWEEN THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT (“DISTRICT”) AND THE UNDERSIGNED MARIANO OCHOA (“LESSEE”) UPON THE FOLLOWING TERMS AND CONDITIONS:

1. LOBITOS RIDGE FARMING GROUNDS MANAGEMENT PLAN (“PLAN”)

District has prepared a Plan for the Leased Premises, incorporated herein by this reference as Exhibit A, and has provided Lessee with a copy of said Plan. Lessee hereby acknowledges receipt thereof. Lessee shall manage and use the Leased Premises throughout the Term in a good and proper manner, according to approved methods of agricultural practice as more specifically set forth in the Plan, and as may be established and modified from time to time by District. The Plan serves this Lease as a management tool for developing and implementing activities in accordance with and complementary to the District’s overall land management, resource administration, public use, and other open space policies, guidelines and goals. The Plan may be amended by District from time to time, with Lessee’s input, and any such amendment by District shall be effective upon thirty (30) days written notice to Lessee thereof. A quick reference summary of the Plan is attached to this lease as Exhibit B.

2. PREMISES

- (a) **Leased Premises.** District leases to Lessee and Lessee leases from District, upon the terms and conditions herein, those certain tracts of land specifically defined and delineated in the Plan (the “Leased Premises”).
- (b) **Reserved Rights.** Lessee's use of the Leased Premises is subject to all existing easements, servitudes, leases and rights of way for ditches, levees, roads, public utilities, pipelines and any other purposes, whether of record or not, and including the right of District to authorize its directors, officers, employees, agents, and volunteers to use the Leased Premises for District purposes. District reserves the right to use the Leased Premises for all public open space purposes, including but not limited to natural resource restoration and management, natural resource monitoring, road grading, mowing, plowing, seeding, fertilizing, prescribed burning and performing any other appropriate or customary seasonal work. District further specifically reserves the right to make use of all roads and trails on the Leased Premises for patrol, maintenance and such other uses as District may reasonably desire to make of such roads or trails. District also reserves the right to make the Leased Premises open to the general public for low intensity open space recreation, subject to reasonable restrictions as determined by District, and including the right to construct trails, public trailhead facilities, and other facilities for such public use purposes.
- (c) **As Is Condition of Leased Premises.** District makes no warranties or representations to Lessee concerning the suitability of the Leased Premises for agricultural purposes. Lessee represents and warrants that Lessee has conducted a thorough and diligent inspection and investigation of the Leased Premises and the suitability of the Leased Premises for Lessee’s intended use. Lessee is fully aware of the needs of its agricultural operations and has determined, based solely on its own inspection, that the Leased Premises are suitable for its

operations and intended use. Lessee acknowledges, agrees to, and hereby accepts, the Leased Premises in their present condition, "AS IS, WITH ALL FAULTS", without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, rules and regulations governing the use, occupancy, management, operation and possession of the Leased Premises. Without limiting the foregoing, this Lease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Leased Premises, or any portion thereof, whether or not of record. Lessee acknowledges and agrees that District, including without limitation its directors, officers, employees and agents, has not made, and District hereby disclaims making, any representations or warranties, express or implied, concerning (i) any title or survey matters affecting the Leased Premises; (ii) the physical, geological or environmental condition of the Leased Premises including without limitation , and notwithstanding any provisions of the Plan, the availability, suitability, sufficiency, or existence of any sources of water, livestock watering system, or water rights of any kind; (iii) the present or future capacity or suitability of the Leased Premises for agricultural production; (iv) the feasibility, cost or legality of constructing any improvements on the Leased Premises if required for Lessee's use as permitted under this Lease; (v) the condition of any fences, roads, gates or range improvements; or (vi) any other matter whatsoever relating to the Leased Premises or its use, including, without limitation, any implied warranties of fitness for a particular purpose.

- (d) **Withdrawal of Leased Premises.** Pursuant to Public Resources Code §5563, District hereby reserves the right, at any time, to reduce the size of the Leased Premises leased hereunder, in whole or by any portion thereof, should the District Board of Directors ("Board") by ordinance determine to use such lands for park, open space or other District purpose inconsistent with Lessee's use, in which case the Lease shall terminate as to those lands so identified. District will notify Lessee of the tentative scheduling of any agenda item for Board consideration to act under Section 5563, as to the Leased Premises, no less than ninety (90) days in advance of the meeting proposed for consideration of such an item. Should less than the entire Leased Premises be removed from the Lease pursuant to this Section, and as permitted hereunder, and the corresponding rental amount, shall be reduced proportionate to the reduction in the area, based on acreage, subject to the Lease. In the alternative, Lessee may elect to terminate the Lease in its entirety and shall have no further rights or obligation hereunder except as to those matters specifically identified as surviving such termination.

3. **TERM**

- (a) **Term.** The Leased Premises are leased for an initial five (5) year term ("Initial Term") beginning December 1, 2010 ("Commencement Date") and expiring on November 30, 2015, unless extended as provided for herein. Provided Lessee is in compliance with the terms, covenants, and provisions of this Lease (including the Lobitos Ridge Farming Grounds Management Plan), District may elect to extend the Lease for one additional five (5) year period ("Subsequent Term"), for a maximum total Term of no more than ten (10) years, unless the Lease is terminated by District as otherwise provided for herein. The Subsequent Term shall expire on November 30, 2020. Collectively, the Initial Term and Subsequent Term are referred to herein as the "Lease Term".
- (b) **Termination of Lease at End of Term.** District or Lessee may terminate this Lease at the

end of the Term, if District or Lessee gives written notice to the other party at least one hundred and eighty (180) days prior to the Expiration Date of the effective Term.

- (c) **Possession.** Lessee agrees that in the event of the inability of District to deliver possession of the Leased Premises at the Commencement Date, District shall not be liable for any damage caused thereby nor shall this Lease be void or voidable, but Lessee shall not be liable for Rent (as described hereunder) until such time as District offers to deliver possession of the Leased Premises to Lessee. The Term of the Lease shall not be extended by any such delay.

4. RENT

- (a) **Rent.** Lessee shall pay to District biannual rent (“Rent”) as payment for the Leased Premises. Rent for half of the year of the Term is the amount set forth in the Summary. A summary of how the biannual rent is calculated is attached as shown in Exhibit C. Rent shall be paid on or before the date set forth in the Summary (“Rent Payment Date”) at the address shown for District in the Summary.
- (b) **Environmental Mitigation.** In addition to Rent, Lessee shall pay to District a biannual environmental management/mitigation fee (EMMF) for the Leased Premises. EMMF for half of the year of the Term is the amount set forth in the Summary. EMMF shall be paid on or before the dates set forth in the Summary (“Rent Payment Date”) at the address shown for District in the Summary. The EMMF shall be utilized by the District exclusively for natural resource mitigation and restoration projects on the Leased Premises.
- (c) **Rent Credit for Performance of Work.** Lessee may request permission from District to substitute performance of work (“Work”) on the Leased Premises, and only such matters for which Lessee is not otherwise obligated or responsible, in lieu of all or a portion of cash rental payments by the following procedure and subject to the following conditions:
- 1) Prior to commencing any such Work, Lessee shall submit a written proposal to District for approval of specific Work and shall provide an estimate of the value of such Work.
 - 2) District shall review such Lessee proposal and value estimate, and may elect, in its sole discretion, to authorize the performance of such Work, or may counter the offer of Lessee, either as to the scope of Work or valuation thereof. If acceptable to Lessee, District may authorize the performance of such Work in lieu of all or a portion of Rent in the agreed upon amount. Any such authorization shall be in writing and signed by a duly authorized District representative or shall be of no force and effect.
 - 3) In the event District approves specific Work to be performed by Lessee in lieu of all or a portion of Rent, all such Work shall be performed in a timely and professional manner, to the reasonable satisfaction of District.
 - 4) Lessee shall notify District upon completion of the authorized Work and shall arrange for inspection of such Work by District. If District, after inspection, accepts the Work as fully and correctly performed, it shall authorize, in writing, that such Work be substituted for all or a portion of Lessee’s Rent obligations in the agreed upon amount. If District determines that the Work has not been fully or correctly performed, it shall notify Lessee of the deficiencies and Lessee shall have a reasonable period of time to correct the identified deficiencies. Lessee shall thereafter notify District and request further inspection.
 - 5) Lessee may thereafter apply the credit authorized herein to Rent accruing under this

Lease.

- 6) In no event shall credit for Work performed in lieu of Rent exceed the amount of Rent due for the remainder of the then current Term and any excess claimed may not be carried over or otherwise applied to rental obligations arising thereafter. Should District terminate this Lease for any reason permitted hereunder, District shall, prior to the full application of any such credit to Rent due, reimburse Lessee for Work that was approved by District and correctly performed by Lessee, provided that District's termination of this Lease is not due to a material default or breach of Lessee that results in a determination by a court of competent jurisdiction that any such credit accrues to the benefit of the District.
- 7) Nothing contained herein shall be construed to make Lessee an employee or agent of District and Lessee shall be and remain an independent contractor.
- 8) The type of work that may be considered for rental credit shall include but not be limited to:
 - (i) Irrigation Improvements
 - (ii) Invasive plant treatment
 - (iii) Farm infrastructure improvements (ex. Greenhouse)

(d) **Late Charge.** Any Rent received by District five (5) or more days past the Payment Date on which such amount was due, shall be subject to a penalty of 5% of the amount due to District as set forth in the Summary, and Lessee shall pay such additional sum concurrently with the amount due.

5. LESSEE TAXES

Lessee agrees to be responsible for, and to pay promptly when due, all possessory interest taxes and any other such taxes that are assessed on the basis of this Lease or the agricultural operations permitted hereunder. Lessee shall pay any such possessory tax prior to delinquency thereof, and shall not be entitled to offset the amount of such tax against Rent payable under this Lease. Taxes assessed on any personal property of Lessee shall be solely the obligation of Lessee.

6. ANNUAL AGRICULTURAL CALENDAR

- a) The District requires that District personnel and the District Pest Control Advisor meet semi-annually with tenant to review the status of the site and tenant's operation with respect to the conditions of the Lease and the Plan.
- b) In November-December each year, the District will collect and pay for nutrient soil analyses.

7. USE OF LEASED PREMISES

- (a) **Lessee's Permitted Use.** Lessee may use the Leased Premises for the uses specified in the Plan, and for no other purpose or use without the prior written consent of District, the exercise of which shall be in its sole discretion.
- (b) **Hunting.** There shall be no hunting on the Leased Premises. Exceptions may be made, subject to approval by the District. Problems wildlife destruction of agricultural crops shall be handled through the District's Operation Department in cooperation with the County Animal Control or the California Department of Fish and Game. Lessee will report destruction of crops by wildlife to District staff immediately upon discovery. District staff will then investigate and select an appropriate course of action.

- (c) **Hazardous Substances.** Lessee agrees that it will comply with all laws, federal, state, or local, existing during the Term of this Lease pertaining to the use, storage, transportation and disposal of any hazardous substance as that term is defined in such applicable law. In the event the District or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost or expense, including attorney's fees and costs, as a result of the Lessee's illegal or alleged illegal use, storage, transportation or disposal of any hazardous substance, including petroleum derivative, the Lessee shall indemnify, defend and hold harmless any of these individuals against such liability. Where the Lessee is found to be in breach of this provision due to issuance of a government order directing the Lessee to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the Lessee or any person acting under Lessee's direct control and authority, Lessee shall be responsible for all costs and expenses of complying with such order including any and all expenses imposed on or incurred by the District in connection with a response to such government order. In the event a government order is issued naming the Lessee or the Lessee incurs any liability, during or after the Term of the Lease, in connection with contamination which preexisted the Lessee's obligations and occupancy under this lease or which were not caused by the Lessee, the District shall hold harmless and indemnify the Lessee in connection therewith and shall be solely responsible as between Lessee and the District for all efforts and expenses therefore.
- (d) **Signs.** Lessee shall not place or permit to be placed in, upon, about, or outside the Premises and sign, notice, flags, or display of any kind without prior consent of the District.
- (e) **Compliance with Law.** Lessee will comply with all applicable laws, permits, statutes, ordinances, rules, governmental orders, regulations, and requirements pertaining to the occupancy and use of the Leased Premises, including without limitation, District Land Use Regulations. Lessee shall not use, nor permit others to use, the Leased Premises for any unlawful or prohibited purpose or purposes except as may otherwise be specifically authorized hereunder.

8. ENTRY AND INSPECTION BY DISTRICT

Lessee agrees that District and its directors, officers, employees, agents and authorized volunteers may enter the Leased Premises at any time to inspect the Leased Premises, or to make any changes, alterations or repairs which District in its sole discretion considers appropriate for the protection, improvement or preservation of the Leased Premises, and to post any notice provided for by law or otherwise to protect the rights of District. Nothing herein contained shall be construed to obligate District to make any changes, alterations or repairs to the Leased Premises.

9. PUBLIC ACCESS

10. MAINTENANCE OF IMPROVEMENTS

- (a) **Routine Maintenance.** Except as otherwise specifically set forth herein, Lessee shall, at Lessee's sole cost and expense, in a timely manner, maintain and repair all improvements related to agricultural use, whether existing at commencement of the Lease or newly constructed, including roads, fences, gates, barns, buildings, structures, corrals, wells, pumps and pressure systems, spring boxes, pipelines, ponds, and water troughs, without any alterations or additions except as approved in writing by District. Lessee may maintain

- improvements and appurtenances that need replacement at a minimal operational level pending their replacement or reconstruction with prior written approval of District. Lessee
- (b) **Emergency Road Repairs.** Lessee may perform limited emergency repairs to any road that is impassable for uses authorized hereunder. Lessee must make a reasonable, good faith effort to notify District prior to commencing emergency work undertaken pursuant to this section. “Emergency” for purposes of this section shall mean imminent danger to the health or safety of humans, the natural resource values of the Leased Premises, water bodies or structures, or to livestock permitted on the Leased Premises hereunder. All emergency work undertaken pursuant to this section shall be performed, to the maximum extent feasible, in a manner consistent with District road repair standards. No material may be permitted to enter waterways. Lessee shall be responsible for remediation of any emergency road repair work, as such may be ordered by District or by lawful regulatory authority, including proper permitting, associated fees and charges and for any fines levied. Lessee shall not be entitled to reimbursement or rent credit for any such emergency repairs.
 - (c) **Failure to Perform.** In the event of failure, neglect, or refusal of Lessee to do or perform work, or any part thereof, or any act or thing in this Lease provided to be done and performed by Lessee, the District shall, at its option, have the right to do and perform the same, and Lessee hereby covenants and agrees to pay the District the cost thereof on demand.

11. ALTERATIONS

Lessee agrees to obtain and fully comply with all applicable permits, authorizations, laws, ordinances, and regulations, and to obtain the prior written consent of District before making any alterations of, changes in, or additions to the Leased Premises. All alterations, additions and improvements made in, to, or on the Leased Premises, except unattached, movable fixtures, are the property of the District and will remain upon, and be surrendered with, the Leased Premises upon termination of this Lease with those exceptions as shown in Exhibit D.

12. TERMINATION FOR BREACH OR DEFAULT

- (a) **District Right to Terminate for Default.** District shall have the right to terminate this Lease at any time upon default of this Lease by Lessee. In the event of such earlier termination by District, Lessee shall be allowed thirty (30) days following the giving by District of written notice of termination to Lessee in which to vacate the Leased Premises. In the event of such early termination, Lessee’s sole claim against District shall be to a pro-rata refund of Rent and EMMF actually paid in advance.
- (b) **Default.** The occurrence of any of the following shall constitute a material default under and breach of this Lease by Lessee:
 - 1) Any failure by Lessee to pay the Rent or any other monetary sums required to be paid hereunder (where such failure continues for three (3) business days after written notice to quit or pay rent by District to Lessee).
 - 2) The abandonment of the Leased Premises by Lessee.
 - 3) A failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after written notice thereof by District to Lessee; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

- 4) The making by Lessee of any general assignment or general arrangement for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); the appointment of trustee or receiver to take possession of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or, the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. Lessee agrees that in the event of the occurrence of any of the above-specified circumstances, then this Lease, or any interest in or to the Leased Premises, shall not become an asset in any of such proceedings.
- (c) **Remedies.** In the event of any material default or breach by Lessee, District may, at any time thereafter, and without thereby limiting District in the exercise of any right or remedy, at law or in equity, that District may have by reason of such default or breach:
- 1) Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Lessee's right to possession irrespective of whether or not Lessee has abandoned the Leased Premises. In the event District elects not to terminate the Lease, District shall have the right to attempt to re-let the Leased Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Leased Premises as District deems reasonable and necessary without being deemed to have elected to terminate the Lease, including removal of all persons and property from the Leased Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Lessee taking possession of the Leased Premises, notwithstanding failure by District to elect to terminate the Lease initially. District at any time during the Term of this Lease may elect to terminate this Lease by virtue of such previous default of Lessee.
 - 2) Terminate Lessee's right to possession by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Leased Premises to District. In such event District shall be entitled to recover from Lessee all damages incurred by District by reason of Lessee's default, including without limitation thereto, the following: (a) the worth at the time of award of any unpaid Rent which has been earned at the time of such termination; plus (b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (c) any other amount necessary to compensate District for all the detriment proximately caused by Lessee's failure to perform any obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; plus (d) at District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State law. Upon any such re-entry District shall have the right to make any reasonable repairs, alterations or modifications to the Leased Premises, which District, in its sole discretion, deems reasonable and necessary. As used in (a) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum from the date of default. As used in (b), the "worth at the time of award"

is computed by discounting such amount at the discount rate of the U.S. Federal Reserve Bank at the time of award plus one percent (1%). The term "Rent," as used in this Section, shall be deemed to be and to mean the Rent to be paid pursuant to Section 4 hereof and all other monetary sums required to be paid by Lessee pursuant to the terms of this Lease.

- (d) **Cumulative Rights.** All rights, options and remedies of District contained in this Lease, including but not limited to the rights set out in Section 2(d) herein, shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and District shall have the right to pursue any one or all of such remedies and any other remedy or relief which may be provided for by law or in equity, whether or not stated in this Lease. No waiver of any default of Lessee hereunder shall be implied from any acceptance by District of any Rent or other payments due hereunder or any omission by District to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The consent or approval of District to or of any act by Lessee requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent or approval to or of any subsequent similar acts by Lessee.

13. SURRENDER OF LEASED PREMISES

Lessee agrees that upon termination of this Lease to promptly surrender the Leased Premises and all appurtenances to District in the same condition as when received, reasonable use, wear and tear, damage by fire, acts of God or nature excepted, and to remove all of Lessee's crops and personal property from the Leased Premises.

14. ASSIGNMENT AND SUBLETTING

Pursuant to the provisions of Civil Code §1995.230, this Lease is personal to Lessee and may not be assigned, sublet or otherwise transferred by Lessee, in whole or in part, in any manner whatsoever without first obtaining the express written consent of District which may approve or disapprove such assignment, sublease or other transfer in its sole discretion based on its review and assessment of the proposed transferee's experience with Agricultural, especially on public lands, general business experience and financial stability on a level comparable to that of Lessee, and proposed transferee's ability to competently and timely perform all aspects of the Plan.

15. INDEMNIFICATION

Lessee agrees to indemnify, protect, defend, and hold District harmless from and against any and all claims, losses, damages, demands, liabilities, suits, penalties, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims and/or judgments arising out of or arising in connection with any injury or damage to any person or property including, without limitation, District and its directors, officers, employees, agents volunteers, and guests from any cause or causes whatsoever while in, upon or in any way connected with this Lease, the Leased Premises, or its appurtenances during the Term of the Lease.

16. INSURANCE

Lessee agrees to obtain, and keep in force during the term of the Lease, all at Lessee's own cost and expense, a policy or policies of Commercial General Liability Insurance and Business Auto Coverage insurance, each in an amount of not less than \$2,000,000.00 aggregate and per occurrence or accident for all covered losses. Such policy or policies shall name District as an additional insured, and evidence of such endorsement, by a duly executed Certificate of Insurance (ACORD 25-

S, or a successor or comparable form, subject to prior approval by District) shall be provided District within ten (10) days of execution hereof and shall be updated thereafter as necessary. Each of the policies must contain a provision that such policy will not be cancelled or materially changed without thirty (30) days prior written notice to District. Lessee shall also comply with all applicable statutory worker compensation requirements. Upon request by District, Lessee shall direct his insurer or insurance agent to furnish District with a copy of any policy required by this Lease, certified to be a true and complete copy of the original.

17. ABANDONMENT

Lessee shall be deemed to have abandoned the Leased Premises if Lessee fails to pay any rental amount due District at the times or in the manner provided, fails to observe and perform any of the other covenants or conditions of this Lease, where such failure to observe or perform continues for a period of fifteen (15) days after written notice by District to Lessee, or ceases active Agricultural use of the Leased Premises for a continuous period of sixty (60) days during a Agricultural Season. In the event Lessee is deemed to have abandoned the Leased Premises, any prepaid Rent shall belong entirely to District and shall not be refunded, in whole or in part, to Lessee.

18. WAIVER OF RELOCATION BENEFITS

Lessee specifically waives any and all rights to relocation benefits or assistance that might otherwise be available to Lessee upon termination of this Lease (for any reason or under any circumstances) including, but not limited to, those authorized under California Government Code §7260 *et seq.* or otherwise.

19. UTILITIES

District shall have no responsibility or liability of any kind with respect to any utilities that may be on or about the Leased Premises. Lessee shall have the sole responsibility to locate such utilities and to protect them from damage. Lessee shall make all arrangements directly with utility companies for delivery, and shall timely pay for any and all utilities and services furnished to or used by Lessee, including without limitation, gas, electric, water and telephone service for all deposits, connection, installation and usage charges.

20. NO RIGHT TO REPAIR AND DEDUCT

No residential tenancy is created by or permitted hereunder, and Lessee expressly waives the benefit of any existing, or subsequently enacted or set out, law, judicial or administrative decision, that might otherwise permit Lessee to make repairs or replacements at District's expense, or to terminate this Lease because of District's failure to keep the Leased Premises, improvements, or any part thereof, in good order, condition and repair, or to abate or reduce any of Lessee's obligations hereunder on account of the Leased Premises or improvements or any part thereof being in need of repair or replacement except as is specifically authorized pursuant to Section 4 (c) hereof. Without limiting the foregoing, Lessee expressly waives the provisions of California Civil Code §1932 or any similar laws with respect to the right of Lessee to terminate this Lease.

21. GENERAL PROVISIONS

- (a) **Amendments; Entire Agreement.** Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated except by a written instrument signed by the Parties hereto or as otherwise permitted hereunder. This Lease, including the Exhibits

hereto, contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease or the Plan and any changes therefrom) may be introduced in any judicial, administrative or other legal proceedings involving this Lease. Lessee hereby acknowledges that neither District, nor District's directors, officers, employees or agents, have made any representations or warranties with respect to the Leased Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Lessee by implication or otherwise unless expressly set forth herein.

- (b) **Severability.** If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- (c) **Time.** Time is of the essence to every term and condition hereof to which time is a material factor.
- (d) **Governing Law and Venue.** This Lease shall be construed pursuant to California law and proper venue for all purposes shall be in the County of Santa Clara.
- (e) **Attorneys' Fees; Costs of Suit.** If legal action shall be brought by either of the parties, the party prevailing in said action shall be entitled to recover from the party not prevailing the costs of the suit and reasonable attorney's fees. For purposes of this Lease, reasonable fees of attorneys employed by District shall be based on the fees regularly charged by private attorneys with an equivalent number of years of experience in the subject matter area of the law and actively practicing within the jurisdiction of District.
- (f) **Holding Over.** Lessee specifically waives the provisions of Code of Civil Procedure §1161(2). Any holding over after expiration of the Term with the express written consent of District shall be construed to automatically extend the Term of this Lease only on a month-to-month basis. All other terms, conditions and covenants of the Lease shall remain in effect during the hold over period so far as applicable.
- (g) **Notices.** Wherever this Lease provides for notices between the parties, or wherever the law requires or gives the right of serving a notice, the same shall be in writing and either served personally or sent by registered or certified mail, postage prepaid and addressed to the appropriate party as shown in the Summary. District and Lessee may at any time, in the manner provided herein, change the place or person designated for receiving notice.

IN WITNESS WHEREOF the parties hereto subscribe their names.

DISTRICT:

LESSEE:

Stephen E. Abbors, General Manager

Mariano Ochoa

Date: _____

Date: _____

Attest: _____
Michelle Radcliffe
District Clerk

Approved as to form:

Susan Schectman, General Counsel

**EXHIBIT A
TO
AGRICULTURAL LEASE**

**Lobitos Ridge Farming Grounds Management Plan
(under separate cover)**

EXHIBIT B
Summary of Lobitos Ridge Farming Ground Management Plan
Recommended and Required Practices

FARMING TECHNIQUES

Recommended

1. California Certified Organic Farming (CCOF)
2. Organic growing techniques

Required

1. Best Management Practices (BMPs) methods as defined by the University of California Cooperative Extension Service and the USDA Natural Resources Conservation Service.
2. Integrated Pest Management (IPM) techniques, as defined by the crop specific University of California Cooperative Extension Service if conventional farming techniques are employed along with BMPs.
3. District notification and District Pest Control Advisor approval prior to application of any chemical on the site.

SOIL MANAGEMENT

Recommended

1. Winter cover crops as needed.
2. Vegetative buffer on the south end of the two farming blocks whose width and height is maintained per the Natural Resources Conservation Service (NRCS) standards.

Required

1. District notification and approval before any grading can be performed anywhere on the site.
2. No channeling of water.
3. Soil not worked when wet or in late fall.
4. Amend soil per nutrient soil analysis.

SANITATION

Required

1. Compliance with state and federal laws governing the health and sanitary practices for farm labor.
2. Weeds will be controlled based on farming methods agreed upon by the District and Lessee (organic or conventional).
3. All trimmings and culls that result from product processing will either be plowed-down in the fields, composted, or hauled off-site.
4. Manure will not accumulate in confined areas. Areas need to be cleaned, manure stored in a covered manure bin and hauled off-site when the bin reaches capacity.
5. Garbage and refuse shall be kept in tightly closed containers and disposed off-site.

OTHER SITE-SPECIFIC ISSUES

Recommended

Agricultural Irrigation and Water Use

1. Attention needs to be given to the rainwater runoff from Purisima Creek Road and to the lower contour area at the south end of the west farming block to assure erosion does not occur.

Roads and Parking Areas

2. Native grasses may be planted but not irrigated in the septic system and leach field zones.

Required

Agricultural Irrigation and Water Use

1. Lessee should plan their cropping program and water pumping from the creek based on the adjudication for the property of up to 10,900 gallons per day as a second priority water right when Purisima Creek flows at least 0.75 CFS, (336 gpm) as measured at the Upper Purisima Creek Road Bridge.
2. Lessee is responsible for the operation, maintenance, and repair of the pumps and buried pipelines, and for any field application hardware necessary to irrigate crops.
3. Lessee to use drip tape, micro irrigation emitters or sprinklers for irrigation. Furrow or flood applications are not permitted.
4. Lessee to assure that the water application does not cause erosion and that there is no irrigation water runoff into Purisima Creek.
5. Lessee will comply with all water regulations including those of the Regional Water Quality Control Board.

On-site Processing of Agricultural Products

1. Lessee is required to obtain written consent from the District to process agricultural products on-site.
 - a. All waste water will be properly treated, filtered and disposed of and not allowed to run into Purisima Creek.
 - b. All crop residues will be returned to the fields.
 - c. Processing area will be cleaned daily.

Non-Farming Areas On-site

1. Three barns on-site shall be maintained by Lessee.
2. No structures may be constructed, altered, or removed without prior written consent of the District.
3. Portable storage containers may be utilized only with District's prior written consent.

Environmental Compliance

1. Storage of petroleum products will comply will state and federal regulations with respect to quantities and containment.
2. Lessee to use extreme care to avoid spills of petroleum products during tractor and equipment repair.
3. Lessee to complete major overhauls and repairs to tractors and equipment offsite.
4. Any materials registered with the Environmental Protection Agency will require special storage conditions per the label of that product.

5. Any spillage of petroleum products or agro-chemicals shall immediately be reported to the District and the county, state or federal agency.

Roads and Parking Areas

1. Lessee to assure that vehicle or equipment use does not cause erosion to driveways supporting the agricultural buildings
2. Areas over the septic systems and leach fields shall not be planted. Nor shall vehicles park or transverse these areas.

Riparian Area

1. No farming activity may be undertaken in the riparian area noted in Exhibit 2.
2. Any activity, except for vegetative buffers, must be set back ten (10) feet from the northern edge of the tree line of the riparian area.

GENERAL SITE APPEARANCE

Required

1. Roads should be well maintained and erosion from runoff limited.
2. Trees outside the riparian area should be maintained and trimmed.
3. Weeds must be controlled either by mowing, grazing, flaming or the use of an approved herbicide.
4. Tractors and equipment garaged or stored.
5. No non-operating vehicles on-site.

OTHER ITEMS

Recommended

1. Site improvement program proposed by Lessee may be considered in exchange for rental credits.

MONITORING PLAN

Required

1. Semi-annual reviews of site and Lessee's operation by District staff and District Pest Control Advisor.

Exhibit C

CALCULATION OF BIANNUAL RENT

The Lease Summary specifies the Rent to be paid by Lessee.

The rent for the 7.63 acres of Lobitos Ridge Farming Grounds is \$275 per year per acre. Please refer to the calculation below for the biannual rent payment:

$$\$275 \times 7.63 = \$2,098.25/2 = \$1,049.125 \sim \$1,049$$

Please refer to the calculation below for the biannual Environmental Management/Mitigation Fee of \$25 per year per acre:

$$\$25 \times 7.63 = \$190.75/2 = \$95.375 \sim \$95$$

Exhibit D
Lessee Improvements