

CITY OF LOMPOC
AGRICULTURAL LEASE

This Lease is made and entered into on January 1, 2008, by and between the City of Lompoc, a California municipal corporation (hereinafter referred to as "City") and Bob Campbell (hereinafter referred to as "Tenant"), with reference to the following facts:

- A. City is in the process of purchasing certain unimproved real property consisting of approximately 9.83 acres, located in, or adjacent to, the City of Lompoc, County of Santa Barbara, State of California, presently identified as Assessor's Parcel Number 93-051-08 and approximately 4.5 acres adjacent thereto and identified as State Parcel 2252 (collectively, "the Property"); and
- B. Tenant has actively farmed the Property for several years prior to the execution of this Lease; and
- C. Tenant and City desire that Tenant continue farming the Property in accordance with this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Tenant agree as follows:

1. Lease of Premises. City hereby leases to Tenant, and Tenant leases from City, on the terms and conditions set forth in this Lease, the Property, as described above, and as shown on the Map attached as Exhibit "A".

2. Term and Effective Date. The term of this Lease begins on January 1, 2008, and terminates at the conclusion of the harvest of the crops planted in accordance with this Lease and subject to Tenant's obligations relating to the condition of the Property at time of termination, as contained in paragraph 7; provided, however, that the Lease term shall not extend beyond December 31, 2010.

3. Use of Property.

A. The Property is leased to Tenant for the planting, growing, and harvesting of annual crops. Tenant shall not use, or permit to be used, any part of the Property for any purpose other than the purposes for which the Property is leased. All operations incident to this use of the Property shall be carried on according to the best course of farming practiced in the vicinity; and on default of Tenant to do so, City reserves the right, after having given ten (10) days' written notice, to take necessary remedial measures at the expense of Tenant, for which Tenant agrees to reimburse City on demand.

B. Tenant will not permit any noxious weeds to go to seed on the Property, and all seed planted thereon shall be free from morning glory and other noxious weed seeds. City reserves the right to go on the Property at any time for the purpose of inspecting same and treating any morning glory or other noxious weeds which may be growing thereon. Whenever Tenant removes crops from the Property, Tenant agrees to immediately proceed to plow, disk, or otherwise cultivate the land where such crops have been removed so that no weeds may grow thereon.

C. Tenant shall, at his sole cost and expense, properly comply with any and all laws, ordinances, rules, regulations, requirements, and orders, present or future, of the federal, state, county, or municipal government which may in any way apply to the use, maintenance of, occupation of, or operations on the Property, the production of crops thereon, or the sale or other disposition of such crops.

D. Tenant shall not release, discharge, dispose of, or spill any toxic or hazardous substance, waste, or materials on the Property, except that Tenant may apply pesticides, herbicides, and fungicides as usually used in farming operations in accordance with industry standards and any and all regulations pertaining to the use thereof; provided, however, that Tenant agrees not to use pesticides, herbicides, or fungicides that will have residual effect beyond the Lease term, without the prior written consent of City.

4. Taxes. The use or occupancy of the Property by Tenant constitutes a property interest which may be subject to possessory interest taxes and Tenant shall be solely liable for the payment of such taxes. Tenant shall pay, when due, any other taxes and general and special assessments of every description which, during the term of this Lease, may be levied upon or assessed against the Property and all interest therein (possessory or otherwise). Tenant shall also pay all license or permit fees necessary or required by law for the conduct of Tenant's operation.

5. Rent. For the use and occupation of the Property, Tenant shall pay to City \$333.07 per month. Such rent shall be payable in advance on the first day of each and every calendar month. Late payments shall incur a 5% penalty which shall be assessed on any payment received later than five (5) days after the due date.

6. Entry by City. Tenant shall permit City, and City's agents and assigns, at all reasonable times, to enter the Property, for the purposes of inspection, ascertaining compliance with the terms of this Lease, exercise of City's rights under this Lease, to survey and complete studies associated with City's future use of the Property, and for all other lawful purposes. City shall use caution in entering the Property for such purposes in order to avoid causing damage to Tenant's crops.

7. Condition of Property. By execution of this Lease, Tenant accepts the Property in its present condition, and agrees, on the last day of the term or on sooner termination of this Lease, to surrender the Property to City in the same condition as when received, reasonable use, wear, and damage by fire, act of God, or the elements excepted, and to promptly remove all of Tenant's property from the Property.

8. Disclaimer of Warranty - Soil Suitability. City makes no warranty of the soil's suitability for growing the crops Tenant is authorized to grow under this Lease. Tenant represents that Tenant has made an independent inspection of the Property and is not relying upon any representation or warranty from City as to such condition.

9. Operating Costs. All costs incurred by Tenant in connection with Tenant's operations upon the Property, including but not limited to costs of preparing the Property for planting of crops, production costs, and costs of tools, labor, water, electricity, and other utilities shall be borne and paid by Tenant when due.

10. Hold Harmless. Tenant, as a material part of the consideration of this Lease, hereby waives all claims against City for damages to crops and equipment, in, upon, or about said Property, and for injuries to persons in or about said Property, from any cause arising at any time, except for negligence on the part of City, its agents and/or invitees, and Tenant shall hold City, its officials, employees, agents, and volunteers exempt and harmless from any loss, damage, liability, or injury to any person arising from the use of the Property by Tenant, or from failure of Tenant to keep the Property in good condition and repair, as herein provided, or from any negligence in the use of the Property.

11. Insurance.

A. Liability Insurance. Tenant shall maintain in good standing liability insurance at least as broad as Insurance Services Offices Commercial General Liability Coverage (occurrence form CG 0001), to protect against loss from liability imposed by law for damages on account of, but not limited to, (1) bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Property and the business of the Tenant on the Property, or in connection with the operations thereof, resulting directly or indirectly from any acts or activities of Tenant or its sublessees, or any person acting for Tenant, or under Tenant's control or direction, and also to protect against loss from liability imposed by law for (2) damages to any property of any person occurring on or about the Property, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Tenant, or any person acting for Tenant, or under Tenant's control or direction. Such property damage and bodily injury insurance shall also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such Commercial General Liability insurance shall be maintained in full force and effect during the term of this Lease in the following amount: Commercial General Liability insurance with limits not less than \$1,000,000 for each occurrence, combined single limit for bodily injury and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this location or the general aggregate limit shall be twice the required occurrence limit. Any deductible or self-insured retentions must be declared to and approved by the City. At City's option, City may require Tenant to reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers, or City may require Tenant to provide a financial guaranty satisfactory to City, guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

B. Workers' Compensation Insurance: Tenant shall maintain in good standing workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now or hereafter in force in California or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Tenant in connection with the Property and shall cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Property or the operation thereof by Tenant. Notwithstanding the foregoing, Tenant may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers' compensation in which event Tenant shall deliver to City evidence that such self-insurance has been approved by the appropriate State authorities.

C. No required policy shall be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing shall have been sent by registered mail addressed to City, to the extent practicable 30 days in advance thereof, but in any event prior to the effective date thereof. All policies shall name the City and Tenant as insureds, additional insureds, and/or loss payable parties as their interests may appear. Tenant shall deliver a certificate of evidence of insurance and amendatory endorsements to City upon execution of this Lease.

12. Lease Subject to Existing Rights of Others. This Lease is subject to all existing easements, servitudes, licenses, and rights of way for canals, ditches, levees, roads, highways, telephone, telegraph, and electric power lines, railroads, pipelines, and other purposes, whether or not of record.

13. Quiet Enjoyment. City hereby covenants and agrees that if Tenant pays the rental as herein provided and faithfully performs the terms and conditions on Tenant's part to be kept, observed, and performed, Tenant shall have the quiet enjoyment of the Property during the term hereof, without hindrance or interference from City.

14. Waste. Tenant shall not commit, or permit others to commit, any waste or nuisance upon the Property, or commit or allow any other act thereon that could disturb the quiet enjoyment of City, any other tenant of City, or other persons lawfully upon the Property or upon adjacent or nearby property.

15. Assignment or Subletting. Neither this Lease nor any interest therein shall be assigned, either voluntarily or involuntarily, by Tenant, or by operation of law or otherwise, nor shall the Property, or any part thereof, be subleased by Tenant without the prior written consent of City. Any assignment or subletting without such prior written consent of City shall be void.

16. Liens. Tenant shall nor permit or suffer any liens of any kind to be recorded or filed against the Property for any reason whatsoever, and Tenant shall diligently take all steps necessary and proper to immediately remove and discharge any liens which are filed.

17. Time of Essence. Time is of the essence of this Lease and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Lease.

18. Governing Law. This Lease will be construed, interpreted, and enforced pursuant to California law.

19. Attorneys' Fees. In any action or proceeding by either party to enforce this Lease or any provision of this Lease, the prevailing party shall be entitled to all costs incurred and to reasonable attorneys' fees, including the fees of in-house counsel.

20. Relocation Waiver. Tenant hereby waives any and all compensation that may be due under Title 25, Division I, Chapter 6, Subchapter 1, of the California Code of Regulations relating to relocation assistance. However, Tenant shall be entitled to receive the market value of the crop if the lease is terminated prior to harvest. Market value shall be based on the futures price of the crop on the first day of the month in which the crop likely would have been harvested. The measure of the likely yield of the acreage under production shall be based upon the professional judgment of the Santa Barbara County Agriculture Commissioner.

21. General. If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such terms or provisions shall not be affected thereby. The captions of this Lease are for convenience of reference only and shall not define or limit any of its terms or provisions. All of the covenants of Tenant hereunder are deemed and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate instance. The relationship created by this lease is one of Landlord/Tenant. This Lease is not intended to create a joint venture relationship or any relationship other than that of Landlord/Tenant.

IN WITNESS WHEREOF, City and Tenant have entered into this Lease on the day and year first above written.

CITY

City of Lompoc
100 Civic Center Plaza
P.O. Box 8001
Lompoc, CA. 93438
ATT: Dan McCaffrey
Director of Parks, Recreation & Urban Forestry

By: _____
Dick DeWees, Mayor

TENANT

Bob Campbell
P.O. Box 625
Lompoc, CA. 93438

By: _____
Bob Campbell

ATTEST:

By: _____
Donna Terrones
City Clerk

APPROVED AS TO FORM:

By: _____
Sharon D. Stuart
City Attorney

Figure 1

