

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

City of Lompoc
100 Civic Center Plaza
Lompoc, CA 93436
Attention: City Clerk

APNs 093-051-012, 013 & 014; 097-270-044

SPACE ABOVE FOR RECORDER'S USE ONLY
Exempt from filing/recording fees per Govt. Code 27383

AGRICULTURAL LEASE AGREEMENT
CITY OF LOMPOC AND RANCHO LAGUNA FARMS, INC.

This Agricultural Lease Agreement (“**Lease**” or “**Agreement**”) is made as of _____, 2021, by and between the CITY OF LOMPOC, a municipal corporation (“**Landlord**”) and RANCHO LAGUNA FARMS, INC., a California corporation (“**Tenant**”). Landlord and Tenant are sometimes hereinafter referred to jointly as the “**Parties**” and individually as the “**Party**.” Landlord and Tenant do hereby make and enter into this Lease upon the following terms, covenants and conditions, each of which is agreed to:

1. Leased Premises.

Landlord owns unimproved real estate in the County of Santa Barbara, State of California consisting of the following:

Parcel A – A single legal parcel legally described on Exhibit A (APN 093-051-014), and located in the City of Lompoc.

Parcel B – Two legal parcels legally described on Exhibit B (APNs 093-051-012 & 013), and located in the City of Lompoc.

Parcel C – A single legal parcel legally described on Exhibit C (APN 097-270-044), and located in the unincorporated area of the County of Santa Barbara.

Landlord leases to Tenant and Tenant leases from Landlord those portions of the respective Parcels as follows:

Parcel A Premises: The 65 foot wide strip of land along the entire southern border of Parcel A as depicted on Exhibit D. (Dimensions are approximately 65 feet by 620 feet.)

Parcel B Premises: The 130 foot wide strip of land along the entire eastern border of Parcel A and Parcel B as depicted on Exhibit D. (Dimensions are approximately 130 feet by 1,235 feet.)

Parcel C Premises: The western portion of Parcel C with the eastern border running from southwestern most point of Parcel C and running directly northward as depicted on Exhibit D. (Dimensions are approximately 400 feet by 880 feet.)

The Parcel A Premises, Parcel B Premises, and Parcel C Premises comprise approximately eight (8) acres of land and are hereinafter collectively referred to as the “**Premises**”.

2. Term.

2.1 Term. The term (“**Term**”) of this Lease shall be for five (5) years, beginning on May 1, 2021 (“**Effective Date**”), and ending and terminating on April 30, 2026.

2.2 Holding Over. Any holding over after the expiration of the Term, with or without the consent of Landlord, express or implied, shall be construed to be a tenancy from month to month, cancellable upon thirty (30) days written notice and Tenant shall pay to Landlord Seven Hundred and Fifty Dollars (\$750.00) per month, in advance, until Tenant vacates the Premises. Nothing in this Section shall imply any right of Tenant to hold over or relieve Tenant for such holding over or any damages to Landlord as a result of such holding over.

3. Rental.

3.1 Payments. Tenant shall pay as rent for the use and occupation of the Premises the lump sum of \$4,000.00 per year, due in advance, on or by the anniversary of the Effective Date in each year of the Lease term, with the first payment due upon execution of this Agreement (“**Rent**”).

3.2 Annual Adjustment of Base Rent. The annual Rent will be increased on each anniversary of the Effective Date (commencing on the first (1st) anniversary of the Effective Date) by an amount equal to the change in the CPI between the month preceding the Effective Date (or anniversary thereof) for the year immediately preceding the year in which the Rent increase occurs and the month preceding the anniversary of the Effective Date for the year in which the Rent increase occurs (“**CPI Adjustment**”). By way of example only, if the Effective Date is June 1, 2021, then the CPI Adjustment for the first anniversary of the Effective Date (which would be June 1, 2022) would be calculated by determining the change in the CPI between May 2021 and May 2022. For purposes of this Lease, “**CPI**” means the Consumer Price Index – All Items for All Urban Customers, Los Angeles-Long Beach-Anaheim area published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index if such index is discontinued). The Rent shall not decrease below the amount of Rent payable in the preceding lease year nor increase by more than three percent (3%) each year. If the parties inadvertently fail to apply a CPI Adjustment on an anniversary of the Effective Date, then that failure will not be deemed a waiver by Landlord of that particular CPI Adjustment of Rent, but rather, that CPI Adjustment will be added to any subsequent CPI Adjustment(s) with appropriate back charges as necessary to capture the inadvertent shortage. However, no late charges or interest shall accrue on the shortage.

3.3 Late Charge. Tenant acknowledges that the late payment by Tenant of any Rent or additional sums will cause Landlord to incur costs and expenses, the exact amount of which is extremely difficult and impractical to fix. Such costs and expenses will include

administration, collection costs, processing, and accounting expenses. Therefore, if any Rent or additional sums are not received by Landlord within fifteen (15) calendar days after it is due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of such delinquent amount. Landlord and Tenant agree that such late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered by Tenant's failure to make timely payment.

3.4 Payment Instruction. All payments of any kind shall be payable in lawful money of the United States of America to the City of Lompoc at the following address:

Electronically (preferred) to:
ap@ci.lompoc.ca.us

City of Lompoc
Attn: Accounts Payable
100 Civic Center Plaza
Lompoc CA 93436

4. Utilities. Tenant shall pay before delinquency all charges for water, gas, heat, electricity, power, sewer, telephone service, trash removal and all other services and utilities used in, upon, or about the Premises during the term of this Lease.

5. Condition of Premises; Disclaimer of Warranties.

5.1 Condition. Tenant has had an opportunity to inspect the Lease Premises, is fully aware of the condition of the Lease Premises, and agrees to take possession of the Premises in AS-IS condition as of the Effective Date of this Lease.

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

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

5.4 Water Supply. It is understood and agreed that no water well exists on the Premises and any water used on the Premises for the purposes enumerated in this Lease shall be derived from APN 093-051-010.

5.5 Proximity to Airport. Tenant acknowledges that the Premises is in very close proximity to the Lompoc Municipal Airport, and that the Premises are potentially subject to the noise and other potential hazards that may be caused by low-flying aircraft when taking off and landing.

6. Compliance with Irrigated Lands Order. Tenant acknowledges that the Premises is presently subject to the terms, conditions, and requirements of the Irrigated Lands Order and/or other iterations and updates thereof adopted by the Regional Water Quality Control Board for the Central Coast Region (“**Irrigated Lands Order**”). Tenant acknowledges and avers that it has read and is familiar with the terms, conditions, and requirements of the Irrigated Lands Order in effect on the Effective Date, and that amendments to, or renewal or replacement of, the Irrigated Lands Order can occur at any time. Tenant further agrees to comply with the terms, conditions, and requirements of the Irrigated Lands Order and any amendments to, or renewal or replacement thereof, which may occur during the Term, including but not limited to the following: any requirement that Tenant develop and implement a water quality management plan for the Premises; any requirement that Tenant use Best Management Practices on the Premises; any requirement that Tenant keep, maintain and/or report water quality or other data relating to the Premises to a regulatory agency or governmental body or to anyone else; any requirement that Tenant provide water quality monitoring or other data to Landlord in order for Landlord to comply with reporting or any other requirements imposed on Landlord; any requirement that Tenant pay all fees and costs incurred in providing sampling and/or monitoring or other services to the Premises; and any requirement that Tenant pay any fines and/or penalties or other costs or monetary sanctions assessed against the Premises and/or on account of the Tenant’s use of the Premises. Tenant shall provide Landlord with a copy of any monitoring or sampling report or other document that Tenant is required to produce or submit under the Irrigated Lands Order or pursuant to the direction or requirement of any regulatory agency.

7. Use of Premises.

7.1 Permitted Uses. Tenant shall use the Premises for lawfully approved agricultural use only, including associated purposes, and for no other purpose or purposes unless the consent of Landlord is first obtained in writing. Tenant may grow crops on, and remove crops from, the Premises.

7.2 Prohibited Uses.

a. **Generally.** Tenant shall not do or permit anything to be done on or about the Premises which will in any way obstruct or interfere with the rights of other parties, injure or annoy them, or use or permit the Premises to be used for any improper, immoral, unlawful or objectionable purpose. Tenant shall not cause, maintain or permit any nuisance in or about the Premises, or commit or suffer to be committed any waste in or upon the Premises. Tenant shall not do or permit anything to be done on or about the Premises, nor bring or keep anything thereon, which will in any way increase the existing rate of, or affect any insurance upon, the Premises, or part thereof, or the contents of the Premises, or cause cancellation of any insurance policy covering the Premises, or part thereof, or its contents.

b. **Hazardous Materials; Pesticides.** Tenant shall not store any pesticides, herbicides, or other toxic or hazardous material on the Premises. For purposes of this Lease, “hazardous material” is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term “hazardous material” includes, without limitation, any material or substance which is: (A) petroleum or oil or gas or any direct or derivative product or

byproduct thereof; (B) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (C) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (D) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (E) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (F) “used oil” as defined under Section 25250.1 of the California Health and Safety Code; (G) asbestos; (H) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations; (I) defined as waste or a hazardous substance pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (J) designated as a “toxic pollutant” pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (K) defined as a “hazardous waste” pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); (L) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601); (M) defined as “Hazardous Material” pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq.; or (N) defined as such or regulated by any “Superfund” or “Superlien” law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time here-after, in effect.

c. **Cannabis.** Tenant shall not grow or permit the growth of cannabis on the Premises.

d. **Removal of Vegetation.** Tenant shall not uproot, damage, or remove any trees or bushes (not including crops), or any form of riparian vegetation, on the Premises without first obtaining written approval from the City, obtaining all required permits, and complying with all biological monitoring, mitigation, re-planting, and maintenance requirements, all of which shall be at Tenant’s sole expense.

8. Proposition 65 Warning. Tenant is advised that the Premises may contain chemicals known to the State of California to cause cancer, birth defects, and other reproductive harm. These chemicals may be contained in emission and fumes from building materials, products and materials used, or have been used, to maintain the Premises, and emissions and fumes from a variety of sources and activities, including the activities of previous Tenants.

9. Farming Operations.

9.1 Relationship. The relationship between the Parties is that of Landlord and Tenant and not partners or joint venturers. All farming operations on the Premises shall be at Tenant’s expense. Further, Tenant shall not have the right to bind Landlord, or the Premises, to any union contract, collective bargaining agreement, or similar agreement, and any such agreement

signed by Tenant shall not be binding upon Landlord, the Premises, or any successor tenants of the Premises.

9.2 Agricultural Practices. Tenant agrees that it will undertake agricultural practices which are standard to the agricultural community in Lompoc, California, including, but not limited to, the following:

a. **Rodent Control.** Tenant agrees to use Tenant's best efforts to eradicate squirrels, gophers and other rodents on the Premises in a manner consistent with the terms of this Lease.

b. **Weed & Rubbish Abatement.** Tenant agrees to keep the Premises reasonably free and clear of all noxious, invasive, and/or undesirable weeds by using methods approved under federal, state, and/or local laws consistent with the terms of this Lease. Tenant further agrees to keep the Premises free and clear of accumulations of rubbish, waste and the like. Tenant agrees that any trash, rubbish, debris or yard waste, whether biodegradable or not, that exists on the Premises at the inception of this Lease, shall not be buried or disposed of in any way on the subject Premises, and that any such waste shall be removed from the Premises and properly disposed of.

c. **Soil Removal.** Tenant further agrees that no soil material shall be removed from the Premises.

d. **Dust Control.** Tenant further agrees that Tenant shall employ dust control measures, and use reasonable care and caution in the use of roads and the undertaking of all agriculturally related work on the Premises, so as to prevent dust from causing air pollution or damaging crops or property of other landowners, to the extent feasible.

e. **Use of Pesticides and Herbicides.** 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 effects beyond the Lease Term without the prior written content of Landlord.

10. Construction of Improvements. Tenant shall not erect buildings and other improvements, whether permanent or temporary, on the Premises without prior written permission from Landlord, which may be withheld or conditioned in Landlord's sole discretion, and Tenant shall be required to obtain all required permits for construction of any improvements. Any alterations to the Premises, except movable furniture and trade fixtures, shall automatically be a part of the Premises and, at the expiration or earlier termination of this Lease, shall belong to Landlord. As a condition to such approval, Landlord may require that any such alterations be removed at termination of the Lease. Any removal of alterations or furniture and trade fixtures shall be completed in a good and workmanlike manner at Tenant's sole cost and expense. Any damage occasioned by removal shall be repaired at Tenant's expense so that the Premises will be surrendered in a good, clean and sanitary condition. Any and all trade fixtures, equipment, or appurtenances installed by Tenant shall conform with the requirements of all municipal, state,

federal, and governmental authorities including requirements pertaining to the health, welfare, or safety of employees or the public.

11. No Claims Against Premises. Tenant shall not suffer, or permit to be enforced against the Premises, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from any claim for any work of construction, repair, restoration, replacement or improvement of, or to, the Premises or any other claim or demand however the same may arise, but Tenant shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce the same against the Premises. Tenant agrees to indemnify and hold Landlord and the Premises free and harmless of all liability for any and all such claims and demands, together with Landlord's reasonable attorneys' fees and all costs and expenses in connection with any such claims or liens.

12. Abandonment and Surrender.

12.1 Abandonment. Tenant shall not vacate or abandon the Premises at any time during the Term; and if Tenant shall abandon, vacate or surrender the Premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, at the option of Landlord.

12.2 Surrender of Lease. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing authorized subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all of such subleases or subtenancies.

13. Default and Remedies.

13.1 Default by Tenant. The occurrence of any one or more of the following events shall constitute a default and breach of this Agreement by Tenant:

a. Tenant fails to pay Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice by Landlord to Tenant.

b. A failure by Tenant to observe or perform any other covenants, conditions or provisions of this Agreement to be observed or performed by Tenant, where such failure shall continue for a period of thirty (30) days after written notice by Landlord to Tenant; provided, however, that if the nature of the default involves such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such thirty (30) day period and thereafter diligently prosecutes said cure to completion.

c. Tenant makes any general assignment or general arrangement for the benefit of creditors, or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located in or about the Premises or of Tenant's interest in this Lease, where possession is

not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located in or about the Premises or of Tenant's interest in this Agreement, where such seizure is not discharged in thirty (30) days.

d. Any repetitive failure by Tenant to perform its obligations, though intermittently cured, may, at the sole election of Landlord, be deemed an incurable default.

13.2 Remedies. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, without notice or demand, and without limiting Landlord in the exercise of a right or remedy Landlord may have by reason of such default or breach:

a. Terminate Tenant's right to possession of the Premises by any lawful means, and terminate this Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees and costs, any real estate commission actually paid, or the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid Rent for the balance of the Term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided. Unpaid installments of Rent or other sums shall bear interest from due date thereof at the rate of ten percent (10%) per annum or at the maximum legal rate then in effect in California, whichever is higher. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of (1) taking possession of the Premises and recovering from Tenant the amount specified in this subparagraph, or (2) proceeding under the provisions of the following subparagraphs.

b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder.

c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California. Furthermore, Tenant agrees that no election by Landlord as to any rights or remedies available hereunder or pursuant to any law or judicial decisions of the State of California shall be binding upon Landlord until the time of trial of any such action or proceeding.

d. Take custody of all personal property owned by Tenant on the Premises and dispose of the personal property and to apply the proceeds from any sale of that property to Tenant's obligations under this Lease.

14. Compliance with Law. Tenant shall comply with all federal, state, county, City, and other governmental laws, rules and regulations now in force, or which may hereafter be in force, pertaining to Tenant's use and occupation of the Premises, including all applicable environmental laws, rules, and regulations.

15. Real and Personal Property Taxes.

15.1 Mandatory Disclosure Regarding Possessory Interest Taxes. Notice is hereby given to Tenant pursuant to California Revenue and Taxation Code Section 107.6 and Health and Safety Code Section 33673 that the interest of Tenant created in the Premises pursuant to this Lease may be subject to real property taxation and accordingly Tenant may be subject to the payment of property taxes levied on said possessory interest unless Tenant otherwise qualifies for an exemption. It is Tenant's obligation to secure any such exemption.

15.2 Payment of Taxes. To the extent that any *ad valorem* tax is imposed, or sought to be imposed, on the Premises (either in the form of a possessory interest tax or otherwise), Tenant shall pay, at the election of Landlord, either directly to the taxing authority or to Landlord, annual real estate taxes and assessments levied upon the Premises (including any possessory interest taxes), as well as taxes of every kind and nature levied and assessed in lieu of, in substitution for, or in addition to, existing real property taxes. Such amount shall be paid on the date that is twenty (20) days prior to the delinquent date or, if Landlord receives the tax bill, ten (10) days after receipt of a copy of the tax bill from Landlord, whichever is later. Upon termination of this Lease, Tenant shall immediately pay to Landlord any final amount of Tenant's share of such taxes and assessments as determined by Landlord.

15.3 Personal Property Taxes. During the Term, to the extent that any personal property tax is assessed against, and levied upon, fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises, Tenant shall pay prior to delinquency all such taxes, and when possible Tenant shall cause said fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the Premises.

16. Assignment; Subletting; Transfer by Operation of Law. Tenant shall not encumber, assign, sublet, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the improvements that may now or hereafter be constructed or installed on the Premises without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld.

17. No Waiver. The waiver by Landlord of any term, covenant or condition shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition in this Lease. Acceptance of late payment of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease.

18. Reservation of Right of Entry. Landlord shall have the right to enter upon the Premises at all reasonable times and without notice for the purpose of inspection and to assure compliance with the terms, covenants, and conditions of this Lease.

19. Liability Insurance.

19.1 Liability and Property Insurance. Tenant shall, at Tenant's sole cost and expense, but for the mutual benefit of Landlord and Tenant, maintain comprehensive general liability insurance insuring against claims for bodily injury, death or property damage occurring upon or about the Premises written on a per occurrence basis in an amount not less than a combined

single limit of TWO MILLION DOLLARS (\$2,000,000) for bodily injury, death, and property damage.

19.2 General Provisions. All of the policies of insurance required to be procured by Tenant under this Lease shall be primary insurance and shall name Landlord, its elected or appointed officers, employees, and agents as additional insureds. The insurers shall waive all rights of contribution they may have against Landlord, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to Landlord. Prior to the beginning of the Term and at least thirty (30) days prior to the expiration of any insurance policy, Tenant shall provide Landlord with copies of all applicable policies evidencing the required insurance coverages written by insurance companies acceptable to Landlord, licensed to do business in the State of California and rated A:VII or better by Best's Insurance Guide. In the event the City Manager of Landlord, or his/her designee ("**Risk Manager**") determines that (i) Tenant's activities in the Leased Premises creates an increased or decreased risk of loss to Landlord, (ii) greater insurance coverage is required due to the passage of time, or (iii) changes in the industry require different coverages be obtained, Tenant agrees that the minimum limits of any insurance policy required to be obtained by Tenant may be changed accordingly upon receipt of written notice from the Risk Manager; provided that Tenant shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of Landlord within ten (10) days of receipt of notice from the Risk Manager.

19.3 Failure to Maintain Insurance; Proof of Compliance. If Tenant fails or refuses to procure or maintain insurance required by this Agreement, or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in full force and paid for, Landlord shall have the right but not the obligation, at Landlord's election and on five (5) days' notice, to procure and maintain such insurance. The premiums paid by Landlord shall be treated as added Rent due from Tenant with interest at the rate of ten percent (10%) per annum or the maximum allowable legal rate in effect in the State of California on the date when the premium is paid, whichever is higher, to be paid on the first day of the month following the date on which the premium was paid. Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the day of the notice. Notwithstanding that Landlord may secure policies under this Section, the failure of Tenant to obtain and maintain insurance under this Lease shall also constitute a material default by Tenant.

20. Indemnification; Hold Harmless.

20.1 Indemnity. Tenant shall defend, indemnify, and hold Landlord harmless from, and reimburse Landlord for, any loss, cost, expense, liability, or damages of every kind or nature, including but not limited to injury to or death of any person or destruction of the Premises in connection with or related to, the use by Tenant or any third party (including officers, directors, employees and invitees) of the Premises or any facilities located thereon in connection with the activities being conducted by Tenant. In addition, Tenant shall defend, indemnify, and hold Landlord harmless from any breach or default in the performance of any obligation to be performed by Tenant under this Agreement; any violation of governmental law or regulation, including but not limited to the Irrigated Lands Order, the Porter-Cologne Water Quality Control Act, the

California Fish and Game Code, the Clean Water Act, or the regulations of the U.S. Fish and Wildlife Service; any liability, claim, or penalty resulting from the presence of any hazardous substance (as defined in Section 7.2(b)) on the Premises; or any intentional misconduct or negligence of Tenant, or any officer, agent, employee, guest, or invitee of Tenant, regardless of whether such intentional misconduct or negligence was active or passive.

In the event of the occurrence of any event which is an indemnifiable event pursuant to this Section, Tenant shall notify Landlord promptly and, if such event involves the claim of any third person, Tenant shall assume all expenses with respect to the defense, settlement, adjustment, or compromise of any claim; provided that Landlord may, if it so desires, employ counsel at its own expense to assist in the handling of such claim. Tenant shall obtain the prior written approval of Landlord before entering into any settlement, adjustment or compromise of such claim. Tenant shall reimburse Landlord or any third party (including officers, directors, and employees of Landlord) for any legal expenses and costs incurred in connection with or in enforcing the indemnity herein provided. All indemnification obligations hereunder shall survive the expiration or termination of this Agreement. Notwithstanding the generality of the foregoing, Tenant's obligation to indemnify Landlord shall not extend to liability solely caused by the gross negligence or willful misconduct of Landlord, its officers, employees or agents on the Premises, or events or activities conducted by Landlord.

20.2 Hold Harmless. Tenant, as a material part of the consideration of this Lease, hereby waives all claims against the Landlord for damages to Tenant's crops and equipment, in, upon, or about the Property.

21. Attorneys' Fees. If either Party to this Agreement shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Agreement, the losing Party shall pay to the prevailing Party a reasonable sum for attorneys' fees incurred in bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. For the purposes of this section, attorneys' fees shall include, but not be limited to, the following: post-judgment motions; contempt proceedings; garnishment, levy, debtor and third-party examinations; discovery, the preparation and service of notice of default and consultations related therewith, whether or not a legal action is subsequently commenced in connection with such default; and bankruptcy litigation.

22. Venue. The parties hereto agree that the State of California is the proper jurisdiction for litigation of any matters relating to this Lease, and service mailed to either party as set forth herein shall be adequate service for such litigation. The parties further agree that Santa Barbara County, California, is the proper venue for any litigation.

23. Condemnation. In the event a condemnation or a transfer in lieu thereof results in a taking of any portion of the Premises, Landlord may, or in the event a condemnation or a transfer in lieu thereof results in a taking of twenty-five percent (25%) or more of the Premises, either party may, upon written notice to the other party given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Agreement. Tenant shall not be entitled to share in any

portion of the award and Tenant expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord), any amounts necessary to reimburse Tenant for the cost of relocation and removing fixtures. If this Agreement is not terminated as provided above, Landlord shall use a portion of the condemnation award to restore the Premises.

24. Miscellaneous Provisions.

24.1 Binding on Successors. The covenants and conditions of this Agreement shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all of the Parties hereto.

24.2 Time of Essence. Time is of the essence of this Lease with respect to the performance by Tenant of all of the conditions and covenants to be observed and performed by Tenant.

24.3 Parties Defined; Use of Pronoun. If more than one person, company, corporation, trust or other entity is named as Landlord or Tenant in this Lease and executes the same as such, then the words "Landlord" or "Tenant," wherever used in this Lease, are intended to refer to all such persons, companies, corporations, trusts or other entities and the liability of such persons, companies, corporations, trusts or other entities for compliance with the performance of all of the terms, covenants and provisions of this Lease shall be joint and several.

24.4 Captions. The captions to the paragraphs of this Lease are for the convenience of the Parties only and shall not be construed as limiting or otherwise interpreting any of the provisions contained in such paragraphs.

24.5 Notices. All notices provided in this lease or provided by law may be served personally, or by mail, and, if served by mail, service of such notice shall be deemed complete twenty-four hours after being deposited in a United States Post Office, registered, postage prepaid, return receipt requested, or available express mail carrier, such as Federal Express, Emory, Airborne Express, and the like, with postage or charges fully prepaid, addressed to the other Party at the following addresses:

To Landlord at:

City of Lompoc
Attention: City Manager
100 Civic Center Plaza
Lompoc, CA 93436

To Tenant at:

Rancho Laguna Farms, Inc.
P.O. Box 6617
Santa Maria, CA 93456

Either Party may change their address by serving written notice of such change on the other Party in the manner provided above.

24.6 No Modification. This Agreement may not be modified or amended except by the written consent of all the Parties hereto.

24.7 Integration. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties hereto relative to the subject matter hereof. No covenants, agreements, representations or warranties of any kind whatsoever have been relied upon by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations have been and are merged and integrated into this Agreement and are fully superseded hereby.

24.8 Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts together constitute but one and the same instrument and agreement.

24.9 Severance. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal or unenforceable, said provision shall be deemed to be severed and deleted and neither such provision, its severance or deletion, shall affect the validity of the remaining provisions of this Agreement.

24.10 Force Majeure. Performance of covenants and conditions imposed upon Landlord hereunder shall be excused while, and to the extent that, Landlord is hindered in or prevented from complying therewith, in whole or in part, by war, riots, strikes, lockouts, action of the elements, accidents, inability to obtain materials in the open market or to obtain transportation therefor, laws, rules, regulations, or permitting requirements of any federal, state, municipal, or other government agency, or any other cause beyond the control of Landlord, whether similar or dissimilar to those herein specifically enumerated without regard to whether such cause exists at the date hereof or hereafter.

24.11 Recordation of Lease. In accordance with Government Code Section 37393, this Lease shall be recorded in the Official Records of Santa Barbara County. Upon termination of the Lease, Tenant shall execute and acknowledge any documents reasonably requested by Landlord in order to terminate the Lease of record. This obligation shall survive termination of this Lease for any reason.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date first written above.

LANDLORD:

CITY OF LOMPOC, a municipal corporation

By: _____
James Throop, City Manager

Attest:

By: _____
Stacey Haddon, City Clerk

Approved as to form:

By: _____
Jeff Malawy, City Attorney

TENANT:

RANCHO LAGUNA FARMS, INC., a
California corporation

By: _____
Larry Ferini
Its President

By: _____

Its _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

EXHIBIT A

Legal Description of Parcel A

That certain real property in the City of Lompoc, County of Santa Barbara, State of California legally described as follows:

That portion of the Subdivision of Ranchos Lompoc and Mission Vieja in the City of Lompoc, County of Santa Barbara, State of California, according to the map thereof recorded in Book 1, page 45 of Maps and Surveys, described as follows:

Parcel "C" as shown on Parcel Map Lom 196-P in the City of Lompoc, County of Santa Barbara, State of California, filed in book 14, page 11 of Parcel Maps in the office of the County Recorder of said County;

Excepting therefrom all oil, gas, and petroleum, and other hydrocarbon substances and any minerals lying below a depth of 500 feet below the surface of said land without, however, the right to enter upon the surface of said land or any portion thereof lying above a plane parallel to and 500 feet vertically below the surface of said land;

Excepting and reserving therefrom the agricultural water well located in the Southerly 60 feet of said land, together with the right to use, repair and maintain said water well for agricultural irrigation purposes solely on Parcels A, B, C and D as described in Parcel Map LOM 195-F. Said exception is in favor of the predecessors in interest to Grantors herein, J. Byron Culbertson and Sharon Culbertson, husband and wife, and George R. Vance and Betty E. Vance, husband and wife ("Culbertson and Vance") in that certain Joint Tenancy Grant Deed recorded as instrument no. 78-1136 on Jan. 10, 1978 in the office of the county recorder of Santa Barbara County. Further details of said agricultural water well reservation and exceptions are set forth in Exhibit A to the Legal Description.

EXHIBIT B

Legal Description of Parcel B

That certain real property in the City of Lompoc, County of Santa Barbara, State of California legally described as follows:

That portion of the subdivision of Ranchos Lompoc and Mission Vieja in the City of Lompoc, County of Santa Barbara, State of California, according to the map thereof recorded in Book 1, Page 45 of Maps and Surveys, described as follows:

Parcels "A" and "B" as shown on Parcel Map LOM 196-P in the City of Lompoc, County of Santa Barbara, State of California, filed in Book 14, Page 11 of Parcel Maps in the Office of the County Recorder of said County.

EXHIBIT C

Legal Description of Parcel C

That certain real property in the County of Santa Barbara, State of California, constituting only APN 097-270-044, within the property legally described as follows:

That land in said County conveyed to the State of California by the deeds recorded in said County as the Official Records in the Books at those pages as indicated by the following list:

Book 2328 of Official Records at page 1356,
Book 2384 of Official Records at page 1193,
Book 2389 of Official Records at page 842,
Book 2434 of Official Records at page 1304,
Book 2445 of Official Records at page 144,
Book 2459 of Official Records at page 676,
Book 2465 of Official Records at page 516,
Book 2470 of Official Records at page 33,
Book 2470 of Official Records at page 1431, and
Book 2508 of Official Records at page 327.

EXCEPTING THEREFROM THAT LAND conveyed by those deeds recorded in Book 2464 at page 1410, Book 2508 at page 713, and Document Number 80-28090 of said County's Official Records.

ALSO EXCEPTING THEREFROM THAT LAND conveyed by deed recorded in Book 2470 at page 33 of said County's Official Records lying southerly of the following described line:

Beginning at a point on the easterly prolongation of the centerline of College Avenue, as said prolongation is described in the deed recorded May 19, 1966 in Book 2152 at page 109 of said County's Official Records, said point bears S.88°04'35"E., 1691.08 feet from the intersection of the centerlines of 7th Street and said College Avenue marked by a found 3/4 inch pipe (LS 2349) as shown on the map filed in Book 65 of Record of Survey at page 40 in the office of the County Recorder said County; thence N.25°33'40"W., 1306.97 feet to a point on the easterly prolongation of Course 6 described in said deed recorded in Book 2470 at page 33, said point bears S.88°02'00"E., 127.61 feet from the westerly terminus of said Course 6.

ALSO EXCEPTING THEREFROM Parcel 1B and that portion of Parcel 1A and Parcel 1C conveyed to the State by the deed recorded in Book 2508 of said County's Official Records at page 327 and that portion of the deed recorded in Book 2384 of said County's Official Records at page 1193, lying northerly of the following described line:

Beginning at a point on Course 3 of said Parcel 1A, said point bears N.5°59'06"W., 100.00 feet from the southerly terminus thereof; thence N.79°45'27"E., 456.99 feet to the southerly terminus of Course 4 described in the deed recorded in Book 2464 of said County's Official Records at page 1410.

ALSO EXCEPTING THEREFROM PARCEL 3009 described in the deed recorded in Book 2384 of said County's Official Records at page 1193.

Bearings and distances used herein are based on the California Coordinate System 1927, Zone 5.

EXHIBIT D

Depiction of Parcel A Premises, Parcel B Premises & Parcel C Premises

