



Public Land Survey

of San Luis Obispo County | June 2014



Public Land Survey of San Luis Obispo County conducted by Central Coast Grown

Central Coast Grown is a 501(c)3 non-profit organization whose mission is to create strong connections among farmers, the public and the land to nourish our community, support local agriculture, and make local food products accessible for all.

Central Coast Grown envisions a community where local food and farming enterprises are sustained, our food culture thrives, and the coexistence of food production and education fosters a resilient local food system.

Contact Information:

info@centralcoastgrown.org
805 769 8344
PO Box 3736
San Luis Obispo, CA 93403

June 2014

Project Manager: Jenna Smith, Executive Director, Central Coast Grown
Narrative: Jillian Cosgrove, Public Land Survey Intern, Central Coast Grown
GIS Analysis: Tyler Rogers, Applied GIS Intern, Central Coast Grown
Editing: Tessa Salzman, Program Assistant, Central Coast Grown

Thank you to the following for their support of this project:

Amy Sinsheimer, AICP

Jim Patterson, San Luis Obispo County Supervisor, Retired

Hunter Francis, Director, Center for Sustainability, Cal Poly College of Agriculture,
Food & Environmental Sciences

Ryan Trapp, County of San Luis Obispo Agricultural Commission

Andy Olson, graphic designer

This project was made possible by funding from the California Department of Food and Agriculture Specialty Crop Block Grant #11045: City Farm Phase II.

Maps used in this document are property of Central Coast Ag Network. Please do not use without proper citation. Photographs used in this document are property of Central Coast Ag Network, Serhiño Espinosa, Steven Marx and/or Carole Hisasue and cannot be reproduced without permission.

Executive Summary

The Public Land Survey of San Luis Obispo County was conducted to take inventory of and qualify the public land suitable for agricultural purposes. While farmers make up a small proportion of the population, access to publicly owned, agriculturally viable farmland provides vital opportunities and exciting new resources for everyone in our community.

As natural ecosystems continue to experience degradation and the average age of farmers continues to increase, unused arable open space offers farmland to a new generation of producers who will support existing farmers in stewarding the health and productivity of our public resources.

The survey results identify land located in our county where there is room for growth and expansion within the local food and farming sector. Public-private partnerships can foster agricultural projects on public land that offer affordable land to farmers and increase recreational activities available to the curious citizen.

Of the 72 parcels identified in the survey, 57 parcels comprising 433 acres are county-owned and 15 parcels comprising 267 acres are city-owned. The average parcel size is 10 acres, with some as small as one acre and a few as large as 99.



Two-thirds of the parcels are either farmland of statewide importance, prime farmland if irrigated, or prime farmland if irrigated and drained. These parcels are in a variety of locations throughout the County and would support a diverse range of crop production. The Public Land Survey includes the methods used for collecting and analyzing data, maps that display the geographic distribution of city and county-owned land, ideas for different uses on public land, and recommended steps for the future.

The Public Land Survey arms farmers, public officials and the San Luis Obispo community at large with information to bolster the local food and farming sector. Through these efforts, Central Coast Grown anticipates increased local food production, expanded educational opportunities for the public, and a stronger connection between what we eat and the farmers who produce it.

Central Coast Grown (CCG) is cultivating one piece of publicly owned farmland located at 1221 Calle Joaquin in San Luis Obispo called City Farm–San Luis Obispo. Using City Farm as a model, CCG envisions developing additional public land into thriving and food producing environments, or with the results of the Public Land Survey, empowering farmers and public and private organizations to do the same.



Table of Contents

Chapter 1: Background and Motivation	1
1.1 Planning for the Future of Agriculture	3
Chapter 2: Conducting the Public Land Survey	5
2.1 Methods	5
2.2 City-Owned Land Maps	6
Atascadero	6
Morro Bay	6
Paso Robles	7
San Luis Obispo	7
2.3 County-Owned Land Maps	
San Luis Obispo	8
Nipomo	9
Templeton	9
Chapter 3: Implementation	10
3.1 Models for Project Implementation on Public Land	10
3.2 Discussion on Pathways	11
Citations	13
Resources	14
Appendix A: City & County Parcel Information	
Appendix B: Gardens in San Luis Obispo County Schools	
Appendix C: Template Request for Proposals to lease land	
Appendix D: Flyer for Template Request for Proposals	
Appendix E: Template Ground Lease Application	
Appendix F: Template Ground Lease between public and private agencies	
Appendix G: Template Sublease between private agency and farming tenant	

Chapter 1: Background and Motivation



San Luis Obispo County is a special place. While walking around town, people look you in the eyes and smile. Family-owned businesses are frequented by locals. You can meet farmers at weekly farmers' markets and at U-pick stands where food is sold directly from farmer to consumer. Looking around you see vibrant, healthy, happy communities, and people come from all over to vacation here and soak up the sun and good vibes.

While some joke that there is magic in the air or something in the water, there may be truth to the idea that the climate and natural resources of this area allow for a thriving community and bountiful economy. This area has a climate that allows for the production of a diversity of agricultural products year-round, which means residents always have the option of buying fresh, local produce. Also, diverse crop production results in a diversified agricultural economy, which buffers the economy from extreme stress. For example, those living on the central coast during the Great Depression were sustained by local agriculture, which shows how a resilient local food system can protect an area from economic forces outside of its control.



Every time a child visits a U-pick stand and learns how food is grown, or a restaurant owner shakes hands with the local rancher that supplies beef, or a family stocks up on produce at the weekly farmers' market, connections are made that increase the strength of our community fabric. Like strands in a spider web, each handshake, smile, and purchasing decision is a bond that increases the resiliency of our community and economy.

Of course, local agriculture and the rural community that arises from it has its foundation in a larger ecological web. The relationships between the sun, soil microorganisms, weather events, water cycle, native vegetation, and wildlife—from mites, ants, and bees to field mice, barn swallows, red-tailed hawks, and bobcats—provide the ecological services that are the core of an agricultural economy.

Furthermore, there are strands in our web of relationships that tie us to the larger world, including global weather and climate patterns, nationwide economic fluxes, and cultural influences from globalization, urbanization, and new technology. Though these forces may not have local origins, they have the potential to create waves and damage the web that sustains our local ecology, economy, and community.

It is the challenge and responsibility of public agencies to see the complex web of relationships that sustain our local communities and make decisions that reinforce their strength and stability. Since it is the mission of Central Coast Grown to foster a resilient local food system, we have developed a Public Land Survey for San Luis Obispo County as a tool that can be used to identify public lands that can be developed for agriculture. The benefits of using public lands for agriculture and the models farmers, organizations and public entities may use for such development will be discussed in subsequent sections.





1.1 PLANNING FOR THE FUTURE OF AGRICULTURE

The history of agriculture in San Luis Obispo County has been characterized by change. Hide and tallow ranching dominated in the times of the ranchos through the 1850s, when most of their cattle died in a severe drought. During World War I, farmers began planting navy beans, which were subsidized by the government. After the war, crop land shifted to dairy, seed, and truck farming, and then to dry land grain and vegetable farming. The wine industry grew in the late 1970s, and grape growers began setting up bed and breakfasts for tourists. Greenhouse production of specialty crops and strawberry farms became common most recently (A Little More History, 2014).

Perhaps the most impactful change, however, is the shift towards intensive agriculture in the last 35 years. While modern intensive agriculture can allow for greater yields and profits, it requires more technology, capital investment, chemicals, and fossil fuels, which can become a strain on natural resources (2011 Annual Report, 2011). As the production scale for agriculture has grown, so has the market; now farmers must compete with producers on a global scale. Under pressure to keep their businesses afloat, farmers increasingly produce crops for the global market rather than for the local community. The resulting decline in agricultural diversity weakens the ecological stability of the farm, inviting pest problems and soil degradation, which are typically remedied by use of chemicals.

Of the many factors that will influence our county's agricultural future, access to natural resources—including fresh water and arable soils—is the most basic. It is estimated that demands for water in the Paso Robles groundwater basin will exceed the annual safe yield by 10,000 acre-feet per year by 2025, and while the demands on the Santa Maria Groundwater Basin are not as intense, the sustained availability of safe drinking and irrigation water depends on following a careful management plan (Goldberg, 2014). The health of soil and watersheds is also a precious resource that requires conservation action. A small but increasing number of farmers in the county are taking advantage of the USDA's Natural Resource Conservation Service Equality Incentives Program (EQUIP), which provides financial and technical assistance to improve soil, water, plant, animal, air, and other resources on agricultural land (Goldberg, 2014). Furthermore, the county has shown a commitment to preserving farmland by consistently upholding the Williamson's Act, which allows landowners to voluntarily restrict their land use to agriculture for a 10 to 20 year term in exchange for reduced taxes.

While conservation programs and management plans are helpful tools for preserving farmland resources, the farmer is ultimately the steward of agricultural lands. Therefore, the future of agriculture is tied to the future of farmers. Nationwide, the average age of farmers is increasing, and there are limited opportunities for younger farmers to enter the sector. Farming

is increasingly perceived as an arduous and economically risky career, and fewer young people are willing to take on the family farm. The cost of land, fuel, chemicals, and farming capital that make it possible to compete in today's global market are especially prohibitive for those who do not inherit farms from their family (Goldberg, 2014). This makes it a shaky bridge between this generation of farmers and the next.

At the same time, mid-sized farms with diverse crops that provide for the food needs of the local community are becoming less common, while the number of small farms and large monocrop farms are increasing. This trend exists for San Luis Obispo County and the United States as a whole, and is a concern for the resiliency of local food systems (Goldberg, 2014). Crop diversity contributes to both economic and ecological stability; a diverse agricultural market can better withstand market fluctuations just as a diverse ecological landscape can better withstand disease outbreaks and extreme weather events.

Agriculture has brought prosperity and maintained a rural culture in San Luis Obispo County. According to the 2011 Crop Report, agriculture contributes 1.87 billion dollars to the local economy and provides 20,645 jobs in the county. Strawberries, wine grapes, and cattle production account for half of the county's crop value, while a diversity of other fruits, nuts, vegetables, field crops, and nursery products make up the other half. This agricultural diversity provides economic stability and food security. The county also has a legacy of direct marketing from farmer to local consumer through farmers' markets, roadside stands, U-pick operations, farm stores, and co-ops that distribute products to local restaurants and schools. The benefits of direct marketing are both economic and cultural; circulating agricultural dollars in the local economy strengthens it, and connecting the community to the source of their food has health and educational benefits.

Though San Luis Obispo County agriculture has tremendous strengths, it will require planning and proactive action to ensure that future generations will be able to farm the land in the ever-evolving future. Preserving natural resources, retaining crop diversity, supporting farmers that are young in their careers, and fostering connections between farmers, local businesses, and other members of the community are essential for the future.



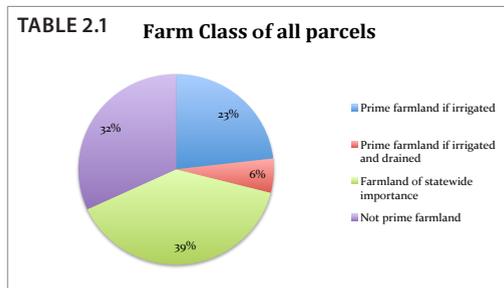
Chapter 2: Conducting the Public Land Survey

2.1 METHODS

The Public Land Survey was conducted by Central Coast Grown from 2012 to 2013 to identify arable public lands that may be developed for agricultural uses. The survey was accomplished by building a model in Geographic Information Systems (GIS) that scanned for land parcels that met a desired criteria of land use type, soil type, irrigation capability, slope, shade cover, shape, and proximity to roads.

The land surveyed included both city and county-owned lands. The parcels identified on city-owned lands are located in Paso Robles, Atascadero, Morro Bay, and San Luis Obispo, while the parcels identified on county-owned lands are in Templeton, San Luis Obispo, and Nipomo. Fifty-seven parcels comprising 433 total acres are on county-owned lands, and 15 parcels comprising 267 acres are on city-owned lands. The average parcel size is 10 acres, with the smallest a one-acre parcel and the largest 99 acres.

Of all the parcels, two-thirds were either farmland of statewide importance, prime farmland if irrigated, or prime farmland if irrigated and drained. Most of the land was zoned as agricultural (43%) or recreational (40%), while the minority was zoned as city, public facility, or residential land.



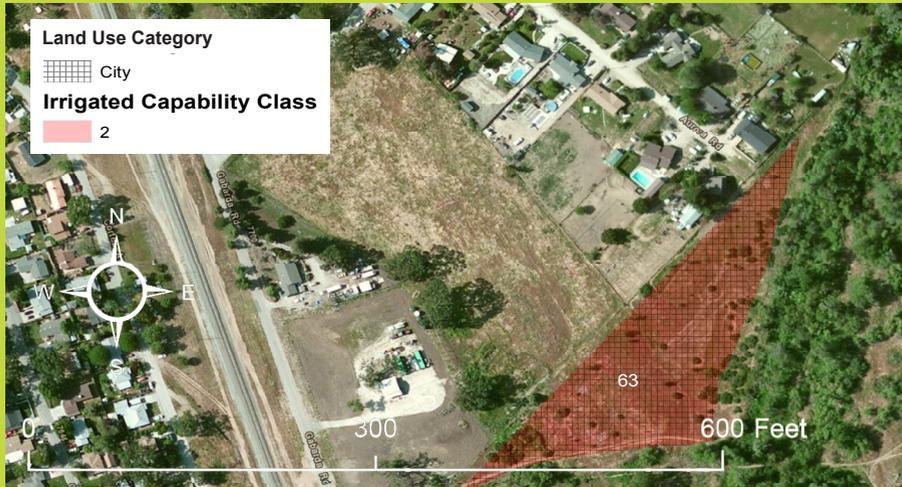
Map 2.1 CITY OWNED LAND A portion of the parcels identified in the survey were located in four incorporated cities: 1) Paso Robles 2) Atascadero 3) Morro Bay 4) San Luis Obispo



Map 2.2 COUNTY OWNED LAND A portion of the parcels identified in the survey were located in three unincorporated communities: 1) San Luis Obispo 2) Nipomo 3) Templeton

2.2 CITY-OWNED LAND

MAP 2.3 ATASCADERO



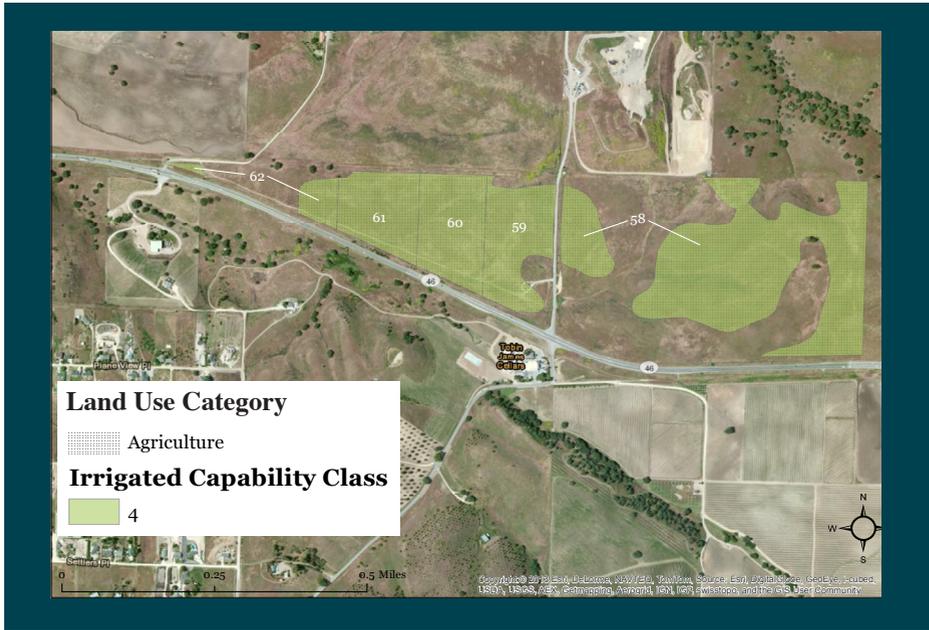
MAP 2.4 MORRO BAY



The irrigated capability class describes the dominant soil component in each parcel, with lower code numbers indicating a better ability to grow crops. Of all parcels, 11% were Class 1—soils with only slight limitations on use; 23% were Class 2—soils with moderate limitations that might require specialized crops and/or conservation practices; 18% were Class 3—soils with severe limitations that further reduce the varieties of crops and/or may require special conservation practices; and 48% were Class 4—soils with very severe limitations that can grow only restricted varieties of crops and/or require careful management.



MAP 2.5 PASO ROBLES

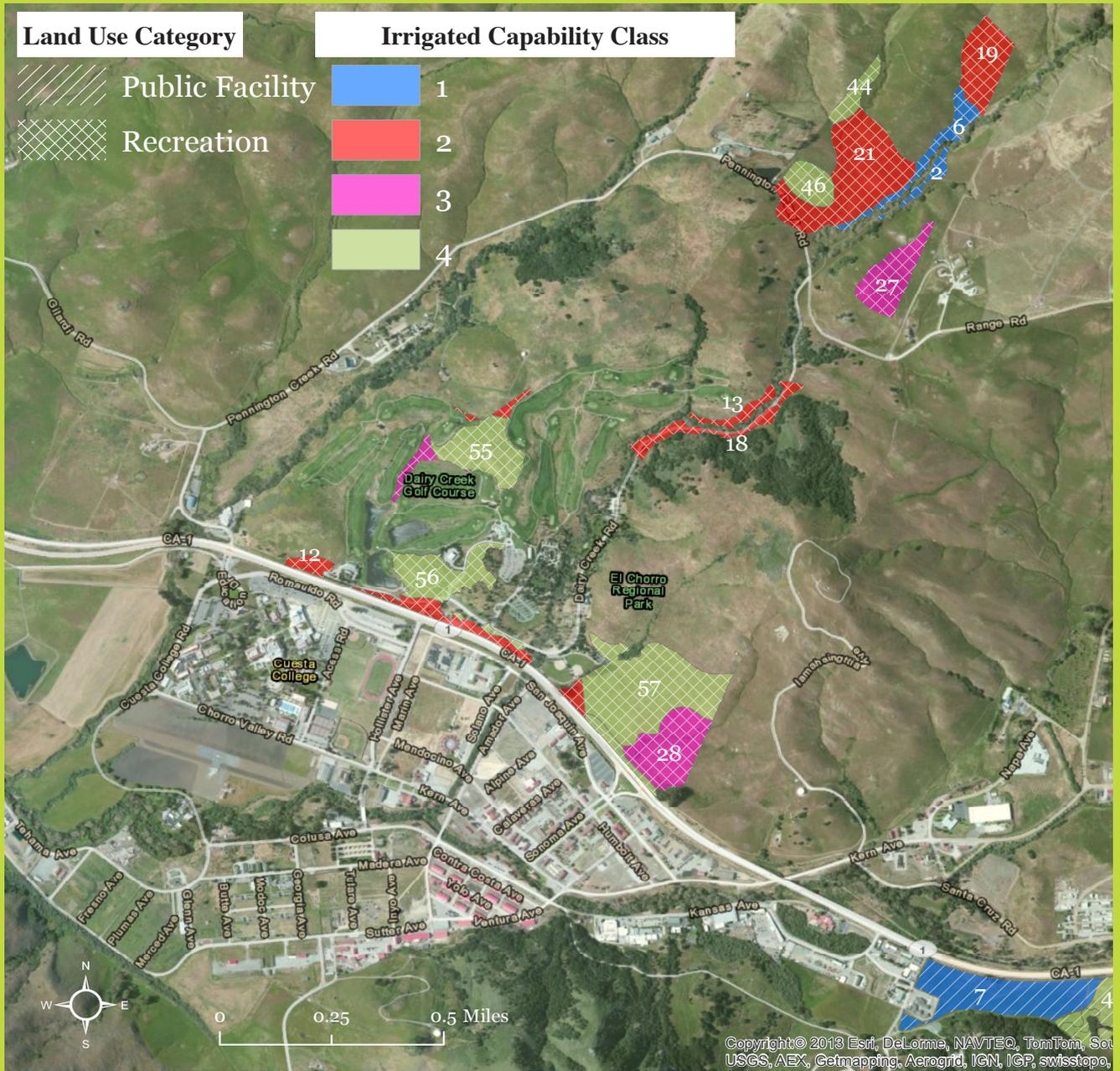


MAP 2.6 SAN LUIS OBISPO

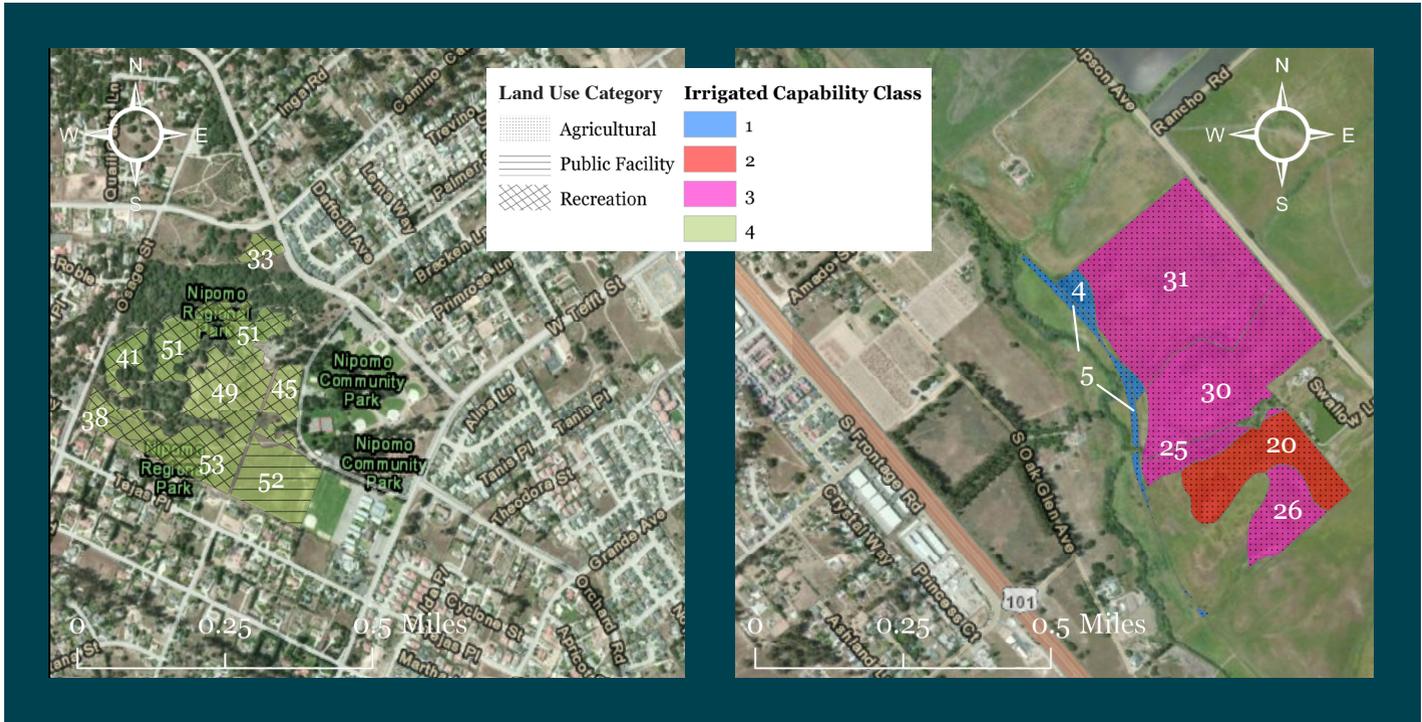


2.3 COUNTY-OWNED LAND

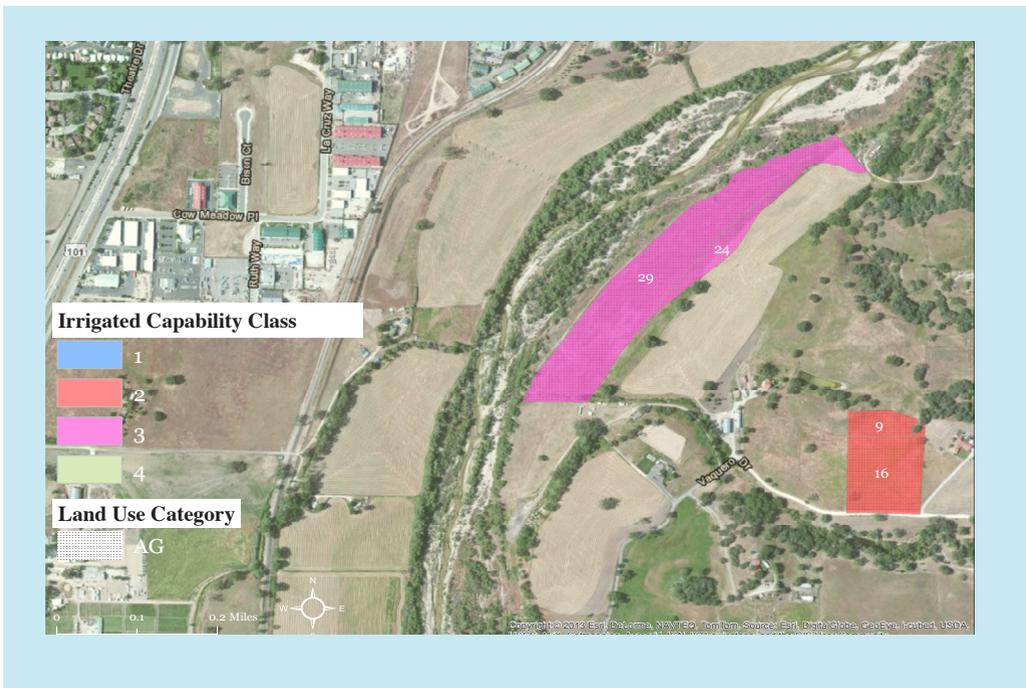
MAP 2.7 SAN LUIS OBISPO



MAP 2.8 NIPOMO



MAP 2.9 TEMPLETON



Chapter 3: Implementation

3.1 MODELS FOR PROJECT IMPLEMENTATION ON PUBLIC LAND

Central Coast Grown believes that developing public lands for agriculture can help ensure that agriculture has a viable future in the county. A public entity can manage the land with an intention of preserving farmland and building the agricultural community for the future, which is not always feasible for the independent farmer. Farms in Washington, Wisconsin, Vermont, California, and Canada offer examples for how public farmlands may be managed to provide a wide variety of resources and benefits to a community. This includes opportunity for young farmers, community growth and education, land re-

habilitation, and increased access to fresh produce for local schools, hospitals and food banks.

The Agriculture and Land-Based Training Association (ALBA) is an organization that provides many of these benefits to their community in Salinas, California through hands-on farmer education and incubation programs, which teach about organic crop production, conservation, habitat-restoration, marketing and whole farm planning for young and aspiring farmers. ALBA then provides business opportunities to their student farmers through established business relationships and existing distribution pathways.

TABLE 3.1: MODEL FARMS TABLE

Organization	Main Goals	Size	Programs	Accomplishments of Programs
Intervale Center Burlington, VT	Land management, stewardship, responding to community needs	350 Acres	Training and incubation programs for new farmers Food Hub (subscription-based online market for farm goods) Summervale "foodie" event Land rehabilitation Gleaning program Healthy City farm program	Provides on-site training for the next generation of farmers Connects college students and the rest of the community to locally grown food Connects local businesses and restaurants to farm, brings in revenue Promotes clean air and water Volunteers do farm work in exchange for fresh produce Brings at-risk youth to work on the farm
Farm Start Guelph, Ontario	Farm incubation Support generations of young farmers	100 Acres	Training and incubation programs for new farmers Seed Capital program Open house events, farm tours, school presentations Supplies Salvation Army	Provides on-site training for the next generation of farmers Grants new farmers to buy seed Raise awareness and build connections in community Provide food for disadvantaged in the community
Agriculture and Land-Based Training Association (ALBA) Salinas, CA	Provide economic opportunities for limited resource farmers	150 farmable acres 300 total acres	Farmer Education program Organic Farm incubator Harvest days, site visits, and tours Environmental Education program USDA Organic program	Students manage 1.5 acre plot and learn business and farming skills Students launch their own business on a half acre plot for up to 5 years Connect to local community Brings 500 students a year from a disadvantaged school district The organic certified umbrella organization allows new farmers to establish organic farming business
Beacon Food Forest Seattle, WA	Provide adequate food supply for inner-city communities	7 acres	P-patch program Food forest Gleaning garden	Leases 10 by 10 community garden plots Agricultural field grown to mimic forest structure Allows volunteers to help out and take food home
Viva Farms Skagit, WA	Provide on-site training and education	33 acres	Part of Grow Food organization Farm incubation Bilingual courses Public tours and produce stand Sells to local schools, hospitals, and food banks	International non-profit organization Provide farmer training for mainly young Latino farmers Small farm entrepreneurship, business planning and capitalization Involve community, raise awareness and money

Like ALBA, City Farm–San Luis Obispo is evolving into a resource for the public and new farmers in San Luis Obispo. With the intention of providing a space in the heart of San Luis Obispo for experiential and educational farming endeavors, City Farm also offers the opportunity for the community and schools to engage in workshops, hands on work days, and curriculum based educational programs. City Farm is located on publicly owned, prime agricultural soil and will ensure local food production on this quality piece of public land.

Table 3.1 describes five model farms which also use agricultural land to provide resources and benefits to their community.



3.2 DISCUSSION ON PATHWAYS

This section provides important information and guidance to any person or organization that wishes to spearhead a project on one of the parcels identified in the Public Land Survey. The numbered list is a set of recommendations to consider in working with public resources such as open space or agricultural land. The discussion centers on the differences between City and County government and the need to gain an understanding of the social and political will unique to each community.

1. Consider the difference in governance for land that is under the jurisdiction of City government versus County government.

Cities are incorporated areas of land within the County that are operated by a local municipal government body. The municipal government can create its own land use laws, establish services (such as fire, water and police) and taxes, and develop other policies that apply to development within their jurisdiction. The single governing body is the City Council, whose decisions are guided by a city's policies, citizen input and City staff.

The remaining land within a county's border that is not governed by a municipality is considered unincorporated. The Board of Supervisors for the county guides the provision of services, priorities, policies and laws that affect these areas. However, individual unincorporated communities may develop their own informal localized bodies such as community service districts (CSDs), which make available public services, such as water, sewer, fire protection, or parks, to their immediate community. For this reason, it may be necessary to gain the support of multiple governing bodies with differing priorities, whereas incorporated areas, governed by a City Council, may provide a more simplified approach to developing public land for agricultural uses.

2. Assess the social environment in the jurisdiction where the public land is located. Some communities value the preservation of agricultural land in place of commercial

development. It is important to understand if a particular community has an interest in supporting this type of project before moving forward.

3. Assess the availability of community resources. While ideologically a community may stand behind agricultural development, necessary resources like water are often times limited in San Luis Obispo County. Residents may support local agriculture, but it is not likely they will support allocation of resources to a public space before their own home. Gaining an understanding of resources required by a specific project is important before approaching a governing body.

Additionally it is necessary to recognize the challenges associated with adjacent agricultural and residential development. While the County's Right to Farm ordinance protects agriculture, the type of activities that surround a public land parcel should be considered in an agricultural proposal.

4. Understand the political environment in a particular community. Once the governing body in a community is identified, their priorities should be considered. This effort may be informed by a survey of a jurisdiction's governing documents such as general plans, design plans, climate action plans, and other policies. The presence of legislation that specifically addresses agriculture and open space (usually found in an agriculture and open space element of a general plan) may indicate political will surrounding these issues specifically. These sentiments can be verified or compared to the response you receive from talking with members of the agricultural community, as well.

5. Find a point person, such as a planner or council member, who is invested in expanding agricultural cultivation within the community where land has been identified. Likely candidates are the authors and planners who stand behind supportive policies and documents discussed in step 4, above. They may also be able to accurately convey exist-

ing political and social will within their community.

6. Important sectors of the community who will need to be in support of the project are policy makers, advocates and farmers. Depending on where the public land is located, the policy-making bodies may include county government, board of supervisors, community service districts, city government, city councils, the regional Air Pollution Control District, and the regional Water Quality Control Board. Community individuals, organizations and advocates may include supportive organizations from the non-profit sector, regional land conservancies, and self-organizing public advocacy groups. Farmers should also be consulted and in support of a proposed project, as they will be the ones cultivating the land.

7. Lastly, funding must be considered. Suggested groups to reach out to for support include CAL Fire, community foundations and regional philanthropic organizations. Building mutually beneficial relationships through local public-private partnerships and coalition building is worth pursuing.

In the process of envisioning and building City Farm—San Luis Obispo, Central Coast Grown's first urban farm, the organization has gathered a wealth of knowledge and resources about operating an agricultural project on publicly owned land. Central Coast Grown hopes that, with the Public Land Survey results, the City Farm model growing at the Calle Joaquin Ag Reserve can be replicated or adapted to fit another location elsewhere in the county. With the necessary resources (from outside sources) and support (from Central Coast Grown and other local organizations) further public-private partnerships on publicly owned land will increase local food production, expand educational resources, and provide economic development opportunities.

Citations

CITATIONS

2011 Annual Report. (2011, January 1). Retrieved May 28, 2011, from <http://www.slocounty.ca.gov/Assets/AG/croprep/2011CropReport.pdf>

A Little More History. (2014, January 1). Retrieved May 28, 2014, from <http://www.slocity.org/history.asp>

Goldberg, A., & Feenstra, G. (2014). Assessing the San Luis Obispo County Food System. San Luis Obispo: Agricultural Sustainability Institute, UC Davis.

APPENDIX A: CITY & COUNTY PARCEL INFORMATION

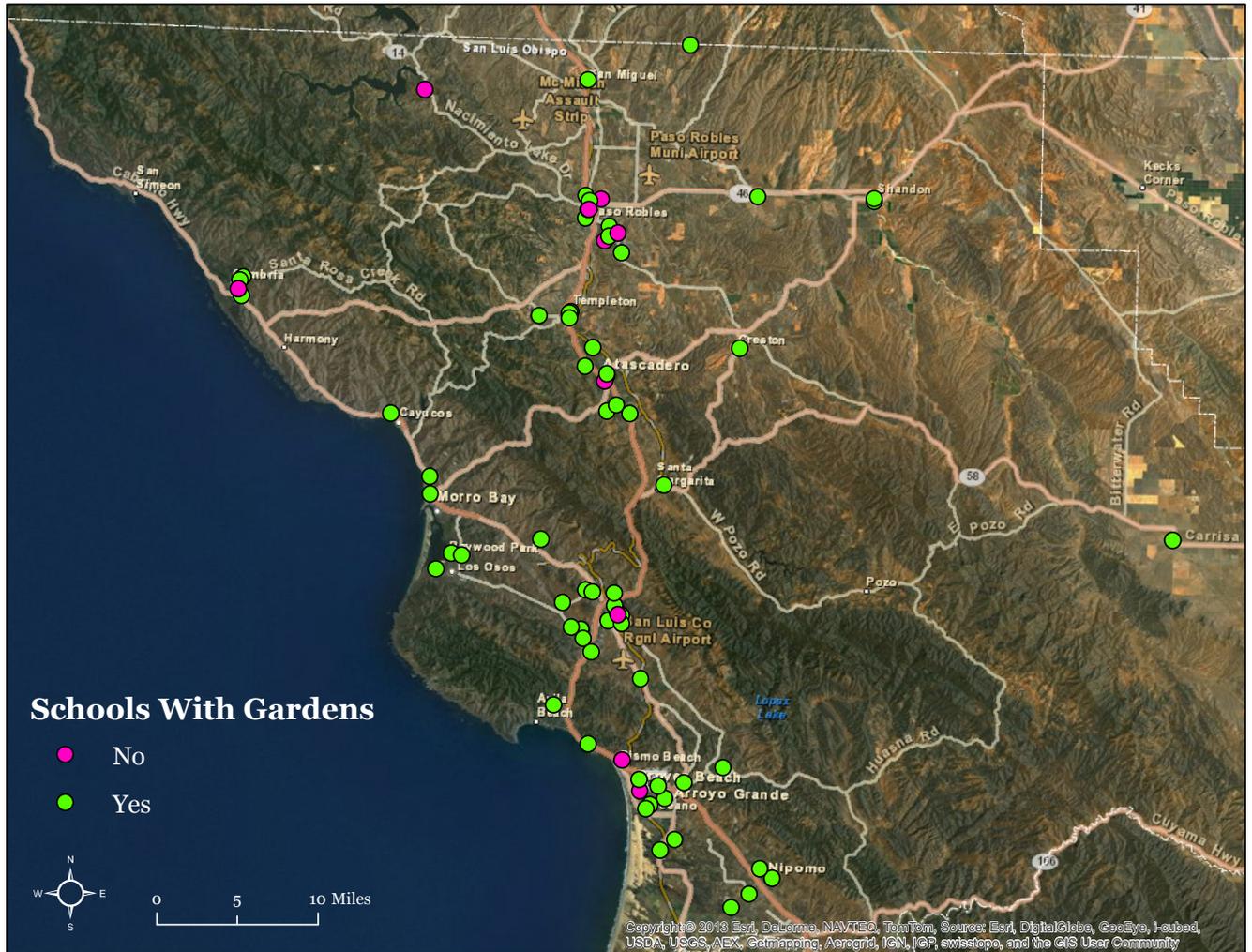
This table provides information about the 72 parcels identified in the Public Land Survey. The Parcel Number refers to the number seen on the Public Land Survey Maps and the Assessor’s Parcel Number (APN) is the number the City or County has assigned to each parcel of land. The APN Number can be used to determine exact location and land use of a specific parcel.

Parcel Number	Acres final	Assessee/ Land Owner	Zip	APN Number	Street	Non-Irrigated Capability Class	Irrigated Capability Class	Farmland Class	Storie Index	Land Zoning	Description
1	1.12	County of San Luis Obispo	93408	073-331-033	OKLAHOMA	3	1	Prime farmland if irrigated	86.00	PF	Rural San Luis Obispo
2	2.00	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	1	Prime farmland if irrigated	86.00	RFC	Rural San Luis Obispo
3	2.03	County of San Luis Obispo	93408	090-151-008		3	1	Prime farmland if irrigated and drained	90.00	AG	Rural South County-Inland
4	2.15	County of San Luis Obispo	93408	090-171-032	THOMPSON	3	1	Prime farmland if irrigated and drained	90.00	AG	Rural South County-Inland
5	3.00	County of San Luis Obispo	93408	090-171-009		3	1	Prime farmland if irrigated and drained	90.00	AG	Rural South County-Inland
6	5.95	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	1	Prime farmland if irrigated	86.00	REC	Rural San Luis Obispo
7	20.77	County of San Luis Obispo	93408	073-331-033	OKLAHOMA	3	1	Prime farmland if irrigated	86.00	PF	Rural San Luis Obispo
8	1.35	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	51.00	REC	Rural San Luis Obispo
9	1.92	County of San Luis Obispo	93408	033-231-034	VAQUERO	4	2	Farmland of statewide importance	61.00	AG	Rural El Pomar-Estrella
10	2.14	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	77.00	RLC	Rural San Luis Obispo
11	2.17	County of San Luis Obispo	93408	090-151-008		3	2	Prime farmland if irrigated	60.00	AG	Rural South County-Inland
12	2.17	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	54.00	REC	Rural San Luis Obispo
13	2.60	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	60.00	REC	Rural San Luis Obispo
14	3.32	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	54.00	REC	Rural San Luis Obispo
15	6.12	County of San Luis Obispo	93408	072-061-020		4	2	Prime farmland if irrigated	87.00	AG	Rural Shandon-Carrizo
16	6.16	County of San Luis Obispo	93408	033-231-034	VAQUERO	4	2	Farmland of statewide importance	61.00	AG	Rural El Pomar-Estrella
17	6.38	County of San Luis Obispo	93408	047-081-038		3	2	Prime farmland if irrigated	90.00	REC	Rural Huasna Lopez
18	7.19	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	60.00	RFC	Rural San Luis Obispo
19	10.74	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	51.00	RLC	Rural San Luis Obispo
20	13.19	County of San Luis Obispo	93408	090-171-031	THOMPSON	3	2	Prime farmland if irrigated	51.00	AG	Rural South County-Inland
21	26.07	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	2	Prime farmland if irrigated	51.00	RLC	Rural San Luis Obispo
22	29.32	County of San Luis Obispo	93408	072-061-021		4	2	Prime farmland if irrigated	87.00	AG	Rural Shandon Carrizo
23	2.25	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	3	Farmland of statewide importance	68.00	REC	Rural San Luis Obispo
24	8.73	County of San Luis Obispo	93408	033-231-034	VAQUERO	4	3	Farmland of statewide importance	70.00	AG	Rural El Pomar-Estrella
25	3.77	County of San Luis Obispo	93408	090-171-031	THOMPSON	3	3	Farmland of statewide importance	50.00	AG	Rural South County-Inland
26	7.13	County of San Luis Obispo	93408	090-171-031	THOMPSON	3	3	Farmland of statewide importance	48.00	AG	Rural South County-Inland
27	9.97	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	3	Farmland of statewide importance	68.00	REC	Rural San Luis Obispo

28	13.98	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	3	3	Farmland of statewide importance	68.00	REC	Rural San Luis Obispo
29	17.40	County of San Luis Obispo	93408	033-231-034	VAQUERO	4	3	Farmland of statewide importance	70.00	AG	Rural El Pomar-Estrella
30	22.24	County of San Luis Obispo	93408	090-171-030	THOMPSON	3	3	Farmland of statewide importance	50.00	AG	Rural South County-Inland
31	36.38	County of San Luis Obispo	93408	090-171-032	THOMPSON	3	3	Farmland of statewide importance	50.00	AG	Rural South County Inland
32	1.15	County of San Luis Obispo	93408	091-301-063		6	4	Farmland of statewide importance	49.00	AG	Rural South County-Inland
33	1.40	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL
34	1.50	County of San Luis Obispo	93408	090-291-006		6	4	Not prime farmland	41.00	AG	Rural South County-Inland
35	1.58	County of San Luis Obispo	93408	073-331-033	OKLAHOMA	4	4	Not prime farmland	17.00	PF	Rural San Luis Obispo
36	1.61	County of San Luis Obispo	93408	073-331-033	OKLAHOMA	4	4	Not prime farmland	17.00	PF	Rural San Luis Obispo
37	1.65	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Not prime farmland	41.00	REC	Nipomo URL
38	2.04	County of San Luis Obispo	93408	092-121-086	WF TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL
39	2.34	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	4	4	Not prime farmland	20.00	RLC	Rural San Luis Obispo
40	2.66	County of San Luis Obispo	93408	070-341-029		4	4	Not prime farmland	43.00	REC	Rural Las Pilitas
41	2.70	County of San Luis Obispo	93408	092-121-086	WL TFFFT	6	4	Farmland of statewide importance	49.00	RLC	Nipomo URL
42	2.99	County of San Luis Obispo	93408	091-301-063		6	4	Not prime farmland	41.00	AG	Rural South County Inland
43	3.11	County of San Luis Obispo	93408	092-031-025	OSO FLACO LAKE	6	4	Farmland of statewide importance	49.00	AG	Rural South County-Inland
44	3.61	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	4	4	Not prime farmland	32.00	REC	Rural San Luis Obispo
45	3.62	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL
46	5.38	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	4	4	Not prime farmland	20.00	REC	Rural San Luis Obispo
47	5.54	County of San Luis Obispo	93408	073-331-033	OKLAHOMA	4	4	Not prime farmland	17.00	PF	Rural San Luis Obispo
48	6.48	County of San Luis Obispo	93408	092-031-025	OSO FLACO LAKE	6	4	Farmland of statewide importance	49.00	AG	Rural South County-Inland
49	6.68	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL
50	7.91	County of San Luis Obispo	93408	092-031-024	OSO FLACO LAKE	6	4	Farmland of statewide importance	49.00	AG	Rural South County-Inland
51	8.49	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL
52	8.66	County of San Luis Obispo	93408	092-121-086	WF TFFFT	6	4	Farmland of statewide importance	49.00	PF	Nipomo URL
53	10.65	County of San Luis Obispo	93408	092-121-086	WE TFFFT	6	4	Farmland of statewide importance	49.00	REC	Nipomo URL

54	10.80	County of San Luis Obispo	93408	070 391 009		4	4	Not prime farmland	43.00	RL	Rural Las Pilitas
55	12.34	County of San Luis Obispo	93408	073-221-020	SANTA ROSA	4	4	Not prime farmland	65.00	REC	Rural San Luis Obispo
56	12.66	County of San Luis Obispo	93408	073 221 020	SANTA ROSA	4	4	Not prime farmland	65.00	REC	Rural San Luis Obispo
57	31.11	County of San Luis Obispo	93408	073 221 020	SANTA ROSA	4	4	Not prime farmland	65.00	REC	Rural San Luis Obispo
58	47.78	City of Paso Robles	93446	015-041-037	HWY 46	4	4	Not prime farmland	43	AG	Rural El Pomar-Estrella
59	12.80	City of Paso Robles	93446	015-041-052	NO BRANCH DRY CREEK	4	4	Not prime farmland	54	AG	Rural El Pomar-Estrella
60	12.59	City of Paso Robles	93446	015-041-053	NO BRANCH DRY CREEK	4	4	Not prime farmland	54	AG	Rural El Pomar-Estrella
61	10.74	City of Paso Robles	93446	015-041-054	NFFDS ROAD NAME	4	4	Not prime farmland	54	AG	Rural El Pomar-Estrella
62	3.18	City of Paso Robles	93446	015-041-055	NO BRANCH DRY CREEK	4	4	Not prime farmland	54	AG	Rural El Pomar-Estrella
63	3.13	City of Atascadero	93422	028-421-001	GABARDA	4	2	Farmland of statewide importance	97	City	Atascadero
64	4.55	City of Morro Bay	93442	073-131-010		3	1	Prime farmland if irrigated	95	AG	Rural Estero
65	8.08	City of Morro Bay	93442	065-386-016	HIGHWAY 1	3	3	Farmland of statewide importance	43	City	Morro Bay
66	1.29	City of Morro Bay	93442	065-082-020	TOHO	3	3	Farmland of statewide importance	48	City	Morro Bay
67	1.04	City of Morro Bay	93442	065-386-016	HIGHWAY 1	3	3	Farmland of statewide importance	43	City	Morro Bay
68	12.14	City of San Luis Obispo	93401	053-152-005	CALLE JOAQUIN	3	2	Prime farmland if irrigated	60	AG	San Luis Obispo URL
69	98.82	City of San Luis Obispo	93401	076-114-012	ONTARIO	4	4	Not prime farmland	32	AG	Rural San Luis Obispo
70	27.06	City of San Luis Obispo	93401	076-061-075	HIGUERA	3	3	Prime farmland if irrigated and drained	50	AG	Rural San Luis Obispo
71	17.78	City of San Luis Obispo	93401	076-121-018		4	4	Not prime farmland	32	AG	Rural San Luis Obispo
72	10.56	City of San Luis Obispo	93401	076-121-019	HIGHWAY 101	4	4	Not prime farmland	32	AG	Rural San Luis Obispo

APPENDIX B: GARDENS IN SAN LUIS OBISPO COUNTY SCHOOLS



Map reference (Goldberg, 2014).

**CITY FARM–SAN LUIS OBISPO – GROUND LEASE
REQUEST FOR PROPOSALS**

*Please read and complete all portions of this application. Submit this application to the Central Coast Grown by **March 15th, 2013**.*

Central Coast Grown (CCG) would like to announce **nineteen (19) acres** of the City Farm–San Luis Obispo available for ground lease beginning in August 2013. This **irrigated Class One and Class Two farmland** is located within the city of San Luis Obispo, California (See Appendix A). This farm is intended for row crops with the possibility for perennial plantings and animal husbandry. The property has been cover cropped without chemical additives for the last four years. The amount of acreage and length of the lease are negotiable. We are seeking qualified individuals motivated to enrich their local community through farming to lease all or a portion of these nineteen (19) acres of land for their farming enterprise.

Smaller ½ – 2 acre plots are available for business incubation and educational experimentation through the City Farm–San Luis Obispo Experimental Plots proposal process which can be viewed on our website (www.centralcoastgrown.org).

This property is part of the Calle Joaquin Agricultural Reserve Open Space owned by the City of San Luis Obispo. The Reserve is intended for both agricultural production and education therefore the public will occasionally be on portions of the Reserve adjacent to this farmland. CCG has secured the master lease agreement for this site for the next twenty (20) years and manages all relations with the city. Consequently, the lease agreement for this farmland will exist solely between the farmer and CCG.

Benefits to leasing farmland within the City Farm–San Luis Obispo include:

- Prime farmland cover-cropped for last four years
- Agricultural well and pump with 300 GPM, 80 PSI capacity
- Easy access from 101
- Flexible lease length
- Public recognition through CCG's outreach and programming efforts
- Involvement in a visible community project

SUBMITTING PROPOSALS

Proposals must be submitted by email or mail. Verbal proposals will not be considered. Submitted proposals become the property of CCG and will not be returned. Additional information regarding the submission, review, and selection of winning proposals can be found below in “Terms of Proposal Process”. Proposals and questions can be submitted to CCG at the following address:

P.O. Box 3736, San Luis Obispo, CA, 93403

Attn: Jenna Smith

Email: info@centralcoastgrown.org

PROPOSAL EVALUATION FACTORS

Listed in order of priority:

- Products produced. Fruit and vegetable production will be given priority over other products. Animal husbandry will be accepted as part of a holistic farming approach, but proposals solely for animal production will not be considered.
- Farming practices. While we will not require organic certification, the site must be managed in such a way so as to not preclude future tenants from seeking certification.
- Financial solvency. Demonstrated ability to pay rent in a timely manner.
- Public engagement. Comfort with or interest in the public's engagement with educational programming organized by CCG.

Prime Land for Lease In SLO



Central Coast Grown has 19 acres available to lease for production agriculture in the beautiful city of San Luis Obispo

Benefits of this site include:

- Prime farmland cover-cropped for the last four years
- Irrigated Class One and Class Two farmland
- An on-site agricultural well and pump
- Easy access from the 101 freeway
- Flexible lease length
- Public recognition through Central Coast Grown outreach and programming efforts
- Land available for use as of Fall 2013

If you are interested in leasing this land for production agriculture please complete the proposal process by **March 15, 2013**. For a link to the proposal, please visit our website at **centralcoastgrown.org** or call **(805) 769-8344** for a hard copy.

Additionally: ½ – 2 acre Educational Experimental Plots will be available through a separate proposal process for those interested in April, 2013. Check our website for more information on this process.

CCG (805) 769-8344
Centralcoastgrown.org

CITY FARM–SAN LUIS OBISPO- GROUND LEASE APPLICATION (page 1 of 2)

Please complete and submit this portion of the application, along with the supplemental paperwork to CCG by March 15, 2013.

If any section is unanswered please note reason for exception.

Please provide full identification of the person(s) responsible for the proposal submitted:

Contact Information

Name(s) _____

Address(es) _____

Telephone number(s) _____ Fax number(s) _____

E-mail address(es) _____

Provide a list of licenses or certifications pertaining to this proposal.

Personal References

1. Name _____

Address _____

Phone number _____

2. Name _____

Address _____

Phone number _____

Professional References

1. Name _____

Address _____

Phone number _____

2. Name _____

Address _____

Phone number _____

Leasing Options: 3-19 acres

I'm interested in leasing:

___ Option A: All 19 acres

___ Option B: Flexible acreage. I'm interested in leasing _____# of acres (minimum 3 acres – maximum 19 acres).

Lease Term: 1-5 years with option to renew

I am interested in an initial lease length of ___ years (minimum lease length is one (1) year).

Lease Price:

I am interested in offering \$ _____/acre per year.

Please answer the following. Each answer is not to exceed two (2) paragraphs.

1. Please describe your ability to carry out the proposed farming endeavor in regard to maintaining both agricultural production and financial solvency.
2. Please describe your agricultural practices including chemical use, irrigation practices, tilling, crop rotation, integrated pest management, etc.
3. If any, please describe any improvements, semi-permanent structures, or perennial plantings you envision for the property.
4. It is not necessary to incorporate any educational components into your private farming enterprise, but if this is of interest to you please detail your interest in or willingness to support CCG's educational goals of the City Farm–San Luis Obispo.
5. Please describe the avenues through which you anticipate distributing and selling your products.
6. Please share any other information that you think is important for us to consider. **Optional**

TERMS OF PROPOSAL PROCESS

SUBMITTING PROPOSALS

Submission Deadline

The deadline for submission of proposals is **March 15, 2013**.

Late proposals, modifications, and withdraws

Proposals may be withdrawn by written notice, signed by the bidder or an authorized representative. In the event that it becomes necessary to clarify or revise this RFP, changes will be done by addendum. Addenda will be posted on the front page of CCG's website (www.centralcoastgrown.org), and distributed by mail or email upon request. If you wish to be added to the notification list please submit your contact information by email or mail. Any addendum to this RFP shall become part of this RFP.

PROPOSAL DETAILS

Acreage Options

The minimum amount available through this proposal process is three (3) acres and the maximum amount is nineteen (19) acres.

Lease Price

Bid offers must reflect local market values.

Lease Length

The minimum lease term is one (1) year. The maximum lease length is five (5) years. All lease agreements may have the option to renew. CCG has secured the property for twenty (20) years.

Basis for Selection

Factors may include, but are not necessarily limited to: the crops to be grown, the amount and type of chemical use, cultivation methods, length of lease term, bid value and compatibility with CCG's plans for education. CCG's decision to lease any portion of the property shall not be subject to legal challenge or appeal in any form.

Cost Liability

CCG assumes no responsibility and bears no liability for costs incurred by bidders in the preparation and submission of bid proposals in response to this RFP. Furthermore, CCG does not warrant or guarantee any current or future revenues that may be generated from leasing the premises.

Joint Venture

If a joint venture is submitting a bid, the agreement between the parties relating to said joint venture should be submitted with the joint venture's proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal.

Proposal acceptance

CCG reserves the right to reject any or all proposals. Final acceptance of any proposal will be conditional upon satisfactory negotiation and execution of a lease.

Acceptance of a proposal will not create any rights on the proposer's part including, and without limitation, rights of enforcement, equity, or reimbursement.

**AGRICULTURAL GROUND LEASE BETWEEN
THE CITY OF SAN LUIS OBISPO AND
CENTRAL COAST AG NETWORK**

This Agricultural Ground Lease ("Lease") is entered into this ___ day of _____, 2012, by and between the City of San Luis Obispo (the "City") and Central Coast Ag Network, a California public benefit non-profit corporation ("CCAN").

RECITALS

A. The City owns certain agricultural land within City limits, commonly identified as the Calle Joaquin Agricultural Reserve, 0 Calle Joaquin, San Luis Obispo.

B. The City desires to: place portions of the land in active agricultural use in furtherance of the Land Use Element of its General Plan; retain the land as open agricultural space and maintain the agricultural nature of the land; provide educational opportunities; support the health and wellness benefits of local agriculture; and have the land act as a gateway to the City in recognition of the City's agricultural heritage.

C. The City developed an Agricultural Master Plan for the land dated January 2011 ("Premises Master Plan"). The Premises Master Plan expected that certain portions of the land would be leased to a nonprofit entity primarily for organic production agriculture for local consumption, who would also oversee and manage on-site agricultural production and agricultural education programs and activities.

D. CCAN is a nonprofit corporation whose purpose is to champion a sustainable local and regional food system to ensure a nourishing, diverse and abundant supply of food that is resilient, safe and secure, and management of on-site agricultural production and agricultural education and activities.

E. Management of the land by CCAN in accordance with CCAN's purpose aligns with the City's expectations and desires to highlight the City's agricultural heritage.

AGREEMENT

1. **PREMISES.** City hereby leases to CCAN, and CCAN leases from City, for the term and rent, upon the terms and conditions below, and subject to the reserved rights and easements of record or set forth below, approximately ___ acres of agricultural land, consisting of portions of Parcel Map SLO _____, and portions of _____ as shown shaded on the plot plan marked Exhibit "A" attached and incorporated by this reference (the "Premises"). The Premises do not include the areas reserved for future bike lanes and wetlands. City reserves the right to remove acreage from the lease upon 90 calendar days written notice; provided, any growing crops may be harvested prior to termination. CCAN shall access the Premises only from Calle Joaquin Road.

2. PURPOSE. The purpose of this agreement is put the majority of the Premises into active organic agricultural use, while permitting development of a small portion of the Premises, not to exceed ___ acres, for facilities for the aggregation, light processing and distribution of agricultural products grown locally or on the Premises as part of a local food system as well as facilities to provide educational and agricultural support. CCAN shall use the Premises only for organic agricultural crop cultivation and construction and use of the related Improvements on a small portion of the Premises (“Permitted Uses”). CCAN shall not use the Premises or any portion thereof for any other purposes, unless the use is approved in advance in writing by the City and the rent increased to an amount satisfactory to City. To fulfill the purpose of this Agreement, CCAN agrees that it shall:

a. At all times during the term of this Agreement, employ an individual full time who has professional expertise in land management and who will manage CCAN’s operations at the Premises as well as implementation of this Agreement.

b. By ___ date ___:

i. Begin farming production on the Premises.

c. By ___ date ___:

i. Submit a plan for Natural Resources Manager final approval of public programming and the demonstration gardens consistent with the Premises Master Plan, and secure the funding necessary to implement the planned public programming and demonstration gardens.

ii. Establish and maintain food crops on a portion of arable land and maintain all arable land in good soil health.

d. By ___ date ___:

i. Implement the public programming, which shall be maintained for the remainder of the term of the Agreement.

ii. Establish demonstration gardens, which shall be under sustainable management for the remainder of the term of the Agreement.

iii. Produce food crops on arable land.

iv. Submit long term agricultural plan consistent with the Premises Master Plan for Natural Resources Manager final approval.

v. Submit farmer programming consistent with the Premises Master Plan for Natural Resources Manager final approval and secure the funding to implement farmer programming.

vi. Submit Conceptual Development Plans as provided for in paragraph – for facilities as set forth in the Premises Master plan.

e. By ___date___:

i. Long term agricultural plan is implemented, which shall be maintained for the remainder of the term of the Agreement.

ii. Farmer programming is implemented, which shall be maintained for the remainder of the term of the Agreement.

iii. Develop milestones for the remainder of the term of the Agreement for City Council Approval.

CCAN's failure to fulfill the obligations as set forth in this paragraph by the stated deadline shall be a material breach of this Agreement, and the City shall have the right to terminate this Agreement pursuant to the terms set forth in paragraph 18.

3. TERM. The term of this Lease shall be for twenty (20) year period commencing on ___and ending on _____, unless sooner terminated pursuant to the terms of this Lease.

4. RENT. In recognition of the benefits CCAN provides to the community, CCAN shall pay to City as annual rent for the Premises \$_____ per year, payable on July 1 of each year.

5. CONSTRUCTION OF IMPROVEMENTS BY CCAN. CCAN may construct improvements on the Premises that further purposes of this Agreement. CCAN shall obtain any and all governmental approvals legally required to improve or alter the Premises. The Improvements together with any other alterations, additions or other improvements made to the Premises during the term of this lease, or any extension of the lease, are referred to as the "Improvements". The parties acknowledge that the Improvements may be modified by the City of San Luis Obispo acting in its governmental capacity, but are subject to final approval by City acting as in its propriety capacity as City in accordance with Section 5(e). In the event that CCAN undertakes construction of the Improvements, the following terms and conditions shall apply:

a. CCAN Cost. CCAN shall bear and pay the cost of all construction, reconstruction, demolition, alteration or improvements, including but not limited to ,permit, design and other fees.

b. Indemnity Against Claims CCAN shall keep the Premises and Improvements free and clear of all mechanics' liens and other liens. CCAN shall defend, indemnify and save harmless City and the Premises from and against any and all liability, loss, damage, claims, costs, attorneys' fees and other expenses of any type arising out of work performed, or materials or equipment used, on the Premises or in easements and rightsofway for or by CCAN, including but not limited to, claims for liens of contractors, subcontractors, material men, laborers, architects, engineers or other design professionals. City shall have the right, but not the duty, to

pay or otherwise discharge, stay, or prevent the execution of any judgment or lien, or both. CCAN shall reimburse City for all sums paid by City under this paragraph, together with all of City's reasonable attorneys' fees and costs, plus interest on all sums expended at the rate of ten percent (10%) per annum from the date paid by City to the date paid by CCAN.

c. Conceptual Development Plans. Prior to applying for a building permit, CCAN shall deliver to City a set of conceptual development plans of all off-site and on-site improvements, including exterior architectural appearance of the buildings, including design, color and materials, prepared by an architect or engineer, as applicable. The conceptual development plan and all parts thereof are subject to City's approval. City shall notify CCAN in writing of its approval or disapproval of the conceptual development plan. Conceptual Development Plans are due to the city by December 31, 2017.

d. Preliminary Plans and Specifications. Prior to beginning construction, CCAN shall deliver to City a set of preliminary development plans, including construction plans and specifications of all off-site and on-site improvements, including exterior architectural appearance of buildings, including design, color and materials, prepared by an architect or engineer, as applicable, licensed to practice as such in California. In addition to all items required by City acting in its regulatory capacity, the plans and specifications shall include, but are not limited to: preliminary grading and drainage plans; soil tests; utilities, sewer and service connections; designs and locations of buildings, curbs, gutters, sidewalks, parking areas, exterior lighting, outdoor signs, storage areas, landscaping, and ingress and egress to and from public streets, in sufficient detail to enable potential contractors and subcontractors to make reasonably accurate bid estimates and to enable City to make an informed judgment about the design and quality of construction. All on-site improvements shall be constructed within the exterior property lines of the Premises. The plans and specifications and any modifications thereto, including exterior architectural appearance of buildings, including design, color and materials, are subject to City's approval.

e. Final Plans. CCAN shall prepare final working plans and specifications conforming to preliminary plans approved by City, submit them to the appropriate governmental agencies for approval, and deliver to City one complete set as approved by the governmental agencies, together with a copy of the lender's written commitment to provide the funds necessary to complete the construction of the Improvements in accordance with the approved plans and specifications. Changes from the preliminary plans shall be considered to be within the scope of the preliminary plans if they are made to comply with requirements of a governmental agency or official in connection with the application for permit or approval and do not noticeably affect the exterior appearance or layout of the Premises. Any substantial or material changes or any changes affecting the size, design, layout or exterior appearance of the Improvements require the prior written approval of City.

f. Bonds. CCAN shall furnish City with a performance bond and labor and materials bond, irrevocable letter of credit or other security acceptable to City, each in an amount not less than one hundred percent (100%) of the estimated cost of the Improvements, in a form and with a company acceptable to City, prior to constructing improvements or repairs on the Premises. The bonds or other security shall remain in effect until forty-five (45) days after

recording of the Notice of Completion, or until the entire cost of the work shall have been paid in full, whichever last occurs. If bonds are used, each bond shall be issued by a corporate surety licensed to do business in California and shall remain in effect until the cost of the Improvements shall be paid in full. The bond shall state the following:

i. That it is conditioned to secure the completion of the proposed construction, in accordance with the plans and specifications approved by City, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and materialmen;

ii. That the construction work shall be completed by CCAN, its general contractor, or on either's default, the surety;

iii. That upon default in such completion and payment, such part of the amount of the bond as shall be required to complete the work shall be paid to City as liquidated and agreed damages for the nonperformance of CCAN's agreements, it being agreed that the exact amount of City's damages is difficult and impractical to ascertain; and

iv. That the surety will defend and indemnify City against all loss, cost, damage, expense, and liability arising out of or connected with the work of improvement.

v. At City's option, that uncompleted construction be removed and the Premises restored to a condition satisfactory to City.

g. Notice of Non-Responsibility. At least ten (10) days prior to initiation of any improvement, or delivery of any materials to the Premises, CCAN shall notify City of same. City shall have the right to post, and/or publish, and record a Notice of Nonresponsibility.

h. Permits. CCAN shall procure and comply with all then applicable codes, ordinances, regulations and requirements for permits and approvals, including but not restricted to a grading permit, building permits, zoning, environmental and planning requirements, subdivision and parcel maps, and approvals from various governmental agencies and bodies having jurisdiction.

i. Builder's Risk Insurance. CCAN shall deliver to City certificate of insurance evidencing coverage for "builder's risk" and "course of construction" insurance on the Improvements then in place or under way, including coverage against collapse, vandalism and malicious mischief.

j. Soil Conditions. City makes no covenants or warranties respecting the condition of the soil or subsoil or any other condition of the leased land. CCAN may enter onto the land before the commencement date of the lease term to make surveys and soil and structural engineering tests that CCAN considers necessary. All such surveys and tests made by or on behalf of CCAN shall be at CCAN's sole expense, without liability or expense to City. Copies shall be furnished to City upon request. In the event existing soil conditions on the Premises are not suitable for CCAN's development, or necessitate environmental cleanup for pre-existing conditions, City shall use its best efforts to provide CCAN with an alternate site for CCAN's

development.

k. Diligence. CCAN shall with reasonable diligence prosecute to completion all construction of Improvements, additions or alterations. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to City as required by this Lease, and shall comply with all applicable governmental permits, laws, ordinances and regulations.

l. Parcel or Subdivision Map. If a parcel map or subdivision map of the Premises is required by the City of San Luis Obispo in connection with this Lease or the Improvements or use of the Premises, CCAN shall prepare and process the same for the City's approval, at CCAN's expense, including all fees, security bonds, deposits, engineering, surveying and improvement costs. If a map is required to be approved and filed, the time required for commencing construction of the Improvements shall be extended for the time required to process and record the map.

6. WATER

a. Water Additional. The annual rent does not include the cost of any water. City well water is available at no cost to CCAN, provided it used consistent with the terms and conditions of this Agreement. CCAN may purchase potable water, recycled water and/or access to the sewer system at rates available to the general public.

b. Installation of New Well. If an existing well needs to be repaired or improved or a new well is needed prior to CCAN's entry onto the Premises, City shall pay for such costs, not to exceed the \$_____ City has set aside (received in mitigation of the Target project) to drill a new agricultural well with electric pump on the Premises and to extend electric transmission lines to the well to operate the pump. If a new well is needed, City shall use its best efforts to have the well installed as soon as possible after the execution of this Lease. If the bids for the project exceed \$_____, either City or CCAN may terminate this lease unless CCAN pays the costs in excess of \$_____ to City prior to award of the construction contract. CCAN shall be liable for any damage caused by CCAN, its employees, officers, directors, contractors, subtenants or others acting for or on its behalf, to the well system

c. Non-Exclusive Use of Well Water. CCAN shall have a non-exclusive right to use reasonable quantities of City well water for irrigation uses on the Premises, except as otherwise specifically provided in this Lease. City shall not be liable for any interruptions or failures in well water delivery, nor for the quality of water. CCAN shall be responsible for securing a backup water supply at CCAN's sole cost and expense, if desired. CCAN shall not sell any water obtained from any source on the Premises nor use or permit the use of water from the Premises on any other lands, including but not limited to, adjoining properties.

d. Non-Exclusive Use of Water Facilities. CCAN shall have the non-exclusive use of any water wells, pumps, water storage ponds, water storage tanks and irrigation lines which may be located on the Premises at the time of execution of this Lease.

e. Payment for Pumping charges. CCAN shall pay for all utility or other charges associated with operating the pumps on any well as long as CCAN or its subtenants are the sole user of the City well. City reserves the right to use well water for its own purposes, and to allow others to use the well water. In the event City or any other person with City's consent uses City well water, the costs shall be prorated among the users based on usage.

f. Maintenance of Pumps. CCAN shall also maintain the City well pumps in a first class condition, ordinary wear and tear excepted. CCAN shall contract with a firm approved by City to maintain the City well. If CCAN fails to do so, City may contract with a firm to provide maintenance of the well pumps and engines, and such maintenance costs shall be Additional Rent, due and payable immediately to City on demand. All rights and remedies available to City for non-payment of rent shall apply to the maintenance costs for the well pumps and engines. In the event City or any other person with City's consent uses City well water, the maintenance costs for the well pumps and engines shall be prorated among the users based on usage.

g. Prevention of Escape of Irrigation Water. Except for normal drainage of irrigation tail waters through existing drainage channels, CCAN shall irrigate the Premises in such a manner as to prevent water from escaping the Premises onto lands owned by others, or other Premises owned by City or upon public streets or highways. In the event of any escape of irrigation water in amounts which cause damage downstream, CCAN shall pay all damages occasioned thereby, and take all necessary steps to prevent any such escape of irrigation water in the future at CCAN's sole cost and expense.

If the use of any impervious or semi-impervious surface coverings (such as plastic) increases storm water runoff to the extent that any portion of the Premises or any other property(ies) is or are eroded, CCAN shall repair the eroded areas, and prevent any subsequent erosion or else cease the use that is creating the erosion. Should CCAN fail to do so within fifteen (15) days of notice from City, City shall have the right to terminate this Lease upon thirty (30) days' written notice to CCAN. In the event of any such termination, CCAN shall still be obligated to repair any eroded areas. Nothing herein shall be deemed to make CCAN responsible for an act of God wherein storm waters are of such volume or velocity that the damage would have been caused regardless of the impervious or semi-impervious surface coverings

7. PROHIBITED USES. CCAN shall not use or permit use of the Premises, or any portions thereof, for any of the following purposes:

- a. No retail sale of crops or livestock, unless approved by the City;
- b. Grazing or pasturing of livestock, with the exception of poultry.
- c. Use any portion of the Premises contrary to or in violation of the directives, rules or regulations of the City, or any governmental entity or agency having jurisdiction, as such

directives, rules or regulations now exist or may exist in the future; provided, however, that if any directive, rule or regulation adopted in the future unreasonably impairs CCAN's ability to grow crops on the Premises, then CCAN shall have the right to terminate this Lease on sixty (60) days' written notice to City delivered no later than thirty (30) days after the effective date of the directive, rule or regulation.

d. Store on the Premises any Premises or articles, or conduct any activities or operations which are not directly related or incident to the Permitted Uses. Any storage incident to the Permitted Uses requires prior written consent of City's City Manager.

e. Erect any structure except fences and gates on the Premises without complying with City's permitting and review processes and obtaining City approval.

(f) Conduct any use or activity which would affect safe air navigation, or would be hazardous to safe operation of aircraft, including but not limited to: use or location on the Premises of any material which would cause sunlight to be reflected toward an aircraft on initial climb or final descent; any use or activity which would direct steady or flashing lights at aircraft, on initial climb or final descent; any use or activity which would generate smoke or attract large concentrations of birds.

g. Store any hazardous or toxic materials on the Premises, except as approved by City in writing and in accordance with the terms and conditions of all required permits.

h. Permit any residential use or overnight camping or occupancy.

i. CCAN shall not commit, or suffer or permit waste, noise, odors, dust or any other nuisance on the Premises or any activity constituting an unreasonable interference with members of the public or persons living or working in the vicinity of the Premises.

j. Conduct any use other than the Permitted Uses.

8. UTILITIES. City shall have no responsibility to provide any further utility extensions of any kind to the Premises beyond those that exist currently, and any such extension, including but not limited to, lateral extensions to existing utilities and/or connections to existing utilities infrastructure by CCAN, shall be at CCAN's sole cost and expense after obtaining City permits.

9. TAXES, LICENSES. CCAN shall pay before delinquency any and all taxes, assessments, fees or charges, including possessory interest taxes, and real property taxes which may be imposed, levied or assessed upon any leasehold or possessory interests of CCAN, and personal property, improvements or fixtures owned, controlled or installed by CCAN and used or located on the Premises or used in CCAN's business. CCAN shall also secure and maintain in force during the term of this Lease all licenses and permits, which are required by law for the conduct of CCAN's business or operations.

10. ASSUMPTION OF RISKS. CCAN has inspected the Premises and accepts the condition of the Premises and fully assumes all risks incidental to the use of the Premises. City

shall not be liable to CCAN's agents, employees, visitors, guests or invitees from any cause or condition whatsoever. City makes no warranty of the suitability of the Premises for the purpose contemplated by CCAN or that the leased Premises are zoned for the uses permitted.

11. INDEMNITY. CCAN shall defend (with counsel acceptable to City), protect, indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents and representatives, and the Premises (collectively "City") at all times from and against any and all liabilities, proceedings, liens, actions, penalties, losses, expenses, claims or demands of any nature, including costs and expenses for legal services which City may incur, sustain or be subjected to (collectively "Liabilities") arising out of or in any way connected with: the acts or omissions of, CCAN and/or any subtenant, or either of their officers, agents, employees, guests, customers, visitors or invitees (collectively "CCAN"); or CCAN's operations on, or use or occupancy of, the Premises. The foregoing indemnification excludes only Liabilities caused by the sole active negligence of City or its willful misconduct.

CCAN shall also indemnify and hold City harmless from and against any Liabilities including third party claims, environmental requirements and environmental damages, costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in value of the Premises or the improvements thereon or property or improvements in the vicinity of the Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials which occurs in, on or about the Premises as the result of CCAN's activities. CCAN shall notify City immediately of any Release of any toxic or hazardous material on the Premises. CCAN shall not be responsible for any hazardous or toxic material on the Premises which predates CCAN's occupancy of the Premises.

12. INSURANCE. CCAN shall, at CCAN's sole cost and expense, secure and maintain in full force and effect at all times during the term of this Lease, and any extension, insurance meeting City's standard insurance requirements, plus farm equipment liability and automobile liability insurance for all mobile equipment and vehicles used on or about the Premises,

City shall be named as an additional insured in each policy required herein without offset to any insurance policies of the City. CCAN shall provide City with copies of all insurance certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days' written notice to City. The types of coverage and liability limits of all insurance may be changed or increased at the option of City, in the exercise of its reasonable discretion in evaluating its liability exposure, upon giving CCAN at least thirty (30) days' prior written notice of the increased limits. CCAN shall also provide City with an endorsement for the contractual liability insurance.

13. ALTERATIONS/OWNERSHIP OF IMPROVEMENTS/REMOVAL. Except as expressly permitted herein, CCAN shall make no alterations, additions or improvements on the Premises without City's prior written consent. All alterations, additions or improvements made by CCAN, during the Lease, shall be CCAN's property during the term. Upon expiration or

termination of the Lease, all improvements shall, unless City elects otherwise in writing within 90 days after lease termination or expiration, become the property of City, and shall remain upon and shall be surrendered with the Premises without disturbance, molestation, or injury. If City elects by written notice to CCAN that all or a designated portion of the alterations, additions, or improvements made by CCAN shall be removed, then CCAN shall at CCAN's expense remove (within 30 days after such notice) such alterations, additions or improvements, or such portion thereof designated by City, restore the Premises to at least its former condition and repair any damage resulting from such removal. These provisions shall survive the expiration or termination of the lease.

14. LIGHTING, SECURITY/FENCING. City has no obligation to provide security guards, lighting or fencing.

15. MAINTENANCE.

a. CCAN's Duty to Maintain. CCAN shall, at CCAN's sole cost and expense, keep and maintain the Premises, and all alterations, additions and improvements on the Premises in good, safe, sanitary and clean order, condition and repair at all times in accordance with all applicable laws, rules, ordinances, orders and regulations of any governmental agency or body having jurisdiction. CCAN waives all rights to make repairs at the expense of City. CCAN shall keep the Premises, at CCAN's expense, clean and free from litter, garbage, refuse and debris at all times. CCAN shall take reasonable measures to protect the Premises from infestation of birds, insects, rodents and other pests. CCAN shall maintain all landscaping at all times. CCAN shall comply with all reasonable orders and instructions of City's General Manager or designee in the use of the Premises, which the City Manager deems to be in the best interest of the City, the public or for their safety and welfare.

If CCAN fails to maintain or make repairs as required herein, City shall have the right, but not the obligation, of making necessary corrections after a reasonable written notice from City of its intent to do so. All costs incurred by City in making said corrections, including but not limited to the cost of labor, materials, equipment and administration, shall be additional rent, and CCAN shall pay the same within fifteen (15) days of receipt of a statement of City's costs. City may, at its option, choose other remedies available herein as allowed by law.

Nothing in this section defining the duty of maintenance shall be construed as limiting any right given elsewhere in this Lease to alter, modify, demolish, remove, or replace any improvement, or as limiting provisions relating to condemnation or to damage or destruction during the final years of the lease term. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this section shall entitle CCAN to any offset, abatement, or reduction in rent nor to any termination or extension of the leased term.

b. Damage to and Destruction of Improvements. Except as provided below, CCAN shall promptly and diligently repair, restore, and replace as required to maintain in accordance with the immediately preceding paragraph, or to remedy all damage to or destruction of all or any part of the Improvements on the Premises. The completed work of maintenance, compliance, repair, restoration or replacement shall be equal in value, quality, and use to the condition of the Improvements before the event giving rise to the work, valued as if the

Improvements had been maintained in accordance with the Lease. City shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Premises. City's election to perform any obligation of CCAN under this provision after CCAN's failure or refusal to do so shall not constitute a waiver or any right or remedy for CCAN's default. CCAN shall promptly reimburse, defend and indemnify City against all liability, loss, cost and expense arising from it.

c. Duty on Termination In the event the Lease is terminated pursuant to the provisions of subparagraph (c), above, CCAN shall comply with all of the following conditions prior to termination and all rent for the period following compliance by CCAN with all of the following conditions shall be abated:

(1) CCAN delivers possession of the Premises to City and quitclaims all right, title and interest in the Premises by a recordable quitclaim deed executed by CCAN and delivered to City.

(2) CCAN removes (or deposits the cost of removing as estimated by City) all fixtures and improvements as specified by City to be removed and returns the Premises to City in a clean, graded condition.

(3) CCAN effectively relinquishes and transfers to City all insurance proceeds resulting from the casualty to the extent of the value of the building comprising the improvements immediately prior to their damage or destruction, appraised at its replacement value.

16. ACCEPTANCE/SURRENDER. On the expiration or sooner termination of this Lease, CCAN shall promptly surrender the Premises to City in the same condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of the ALTERATIONS/IMPROVEMENTS/REMOVAL paragraph.

17. CONDEMNATION. In the event of any taking or damage of all or any part of the Premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") during the term of this Lease, this Lease shall terminate as of the date of such appropriation, the rental shall be prorated to the date of termination, City shall be entitled to the entire award made with respect to such appropriation of the land and City improvements, including but not limited to the City wells, and CCAN hereby assigns to City all of CCAN's interest, if any, in such award as to the land and City improvements. Nothing herein shall be deemed to constitute a waiver or transfer of any award due CCAN associated with the loss of any of its crops or improvements installed by CCAN.

18. TERMINATION BY CITY. City, in addition to any right of termination as a matter of law or any other right herein given to City, may at its option cancel and terminate this Lease and agreement upon any default, by written notice given to CCAN and a ten (10) day

opportunity to cure, upon or after the occurrence of any of the following events:

a. Filing by or against CCAN of a voluntary or involuntary petition in bankruptcy or for reorganization, or taking of CCAN's assets pursuant to a proceedings under the Federal Reorganization Act, or the adjudication of CCAN as a bankrupt, or the appointment of a receiver of CCAN's assets, or divestiture of CCAN's assets or estate herein by operation of law or otherwise, or assignment by CCAN of its assets for the benefit of creditors.

b. The breach by CCAN or failure of CCAN to keep, observe or perform any of the covenants, terms, conditions or provisions herein contained on the part of CCAN to be observed, kept or performed.

c. Dissolution or liquidation of CCAN of all or substantially all of its assets.

d. The transfer, in whole or in part, of CCAN's interest in this Lease or in the premises, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means.

19. CITY'S RIGHT TO EARLY TERMINATION. Notwithstanding any other provision contained in this Lease, at any time prior to the construction of the Improvements, City shall have the right to terminate this Lease, as to all or any portion of the Premises, without liability to CCAN or anyone claiming through CCAN, if City gives CCAN at least one (1) year's written notice. This termination right may be exercised only in the event City's Council, in the exercise of its sole discretion, either: (i) authorizes the sale of the Premises or any portion thereof and directs City staff to market the same for sale, or (ii) authorizes the lease of the Premises or any portion thereof for any use or purpose other than organically grown crops and directs City staff to market the same for lease, or (iii) grants an easement over the Premises that is incompatible with the permitted uses, or (iv) determines that termination of all or a portion of the Lease is required by any governmental agency or entity as a mitigation measure of condition of development on any City property, or (v) determines it is in the City's best interests to terminate. The term of this Lease shall then expire and come to an end on such date, as fully and completely as if that date were the day definitely fixed for expiration of the term.

After construction of the Improvements, City shall have the right to terminate only upon City's payment to CCAN, of CCAN's out of pocket costs of the Improvements, less depreciation (flat line depreciation over 20 year extended term), and less any outstanding indebtedness remaining from the construction of the Improvements, which indebtedness City shall pay off to the appropriate lender(s). City shall have no obligation to pay for any value of the Improvements above their depreciated cost of construction.

20. NOTICES. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to City at _____, and to CCAN at _____. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Delivery of any notice shall be deemed complete upon being deposited as aforesaid at any United States Post Office or branch or substation.

21. ASSIGNMENT AND SUBLETTING. Except as specifically provided in this paragraph, CCAN shall not assign, mortgage, encumber, transfer, sublet or grant control of this Lease or any interest, right or privilege therein. Any such assignment, mortgage, encumbrance, transfer, sublet or grant of control shall be void and, at the option of City, shall terminate this Lease. CCAN may sublet any portion of the Premises for organic agricultural cultivation with the prior written consent of the City, which consent shall not be unreasonably withheld. CCAN shall provide City with copies of all subleases, which shall specifically incorporate the terms of this lease and be subject to it. Each sublease is required to be approved by City's Manager in writing.

22. RIGHT OF ENTRY. City, the County of San Luis Obispo, any government entity having jurisdiction and any utility company shall have the right to enter the Premises at any reasonable time for inspections, to make repairs, or to show the Premises to prospective buyers or at any time in case of emergency.

23. ATTORNEYS' FEES. In the event either party commences any legal action or proceeding against the other party arising out of or related to this Lease, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by City's City Attorney).

24. COMPLIANCE WITH LAWS. CCAN shall comply with all applicable and valid laws, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning air quality and/or water quality, the environment or endangered species; fire and/or occupational safety; or accessibility; hazardous or toxic materials, which may apply to the conduct of CCAN's business.

25. GENERAL

a. Each term and each provision of this lease agreement performable by CCAN shall be construed to be both a covenant and a condition. Time is of the essence of each term, covenant, condition and provision of this lease agreement.

b. One or more waivers by City of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. City's consent to or approval of any act by CCAN requiring City's consent or approval of any act by CCAN requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent to or approval of any subsequent similar act by CCAN. No act or thing done by City or City's employees or agents shall be deemed an acceptance of a surrender of the premises, and no agreement to accept such surrender shall be valid unless in writing signed by City.

c. This lease and CCAN's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights—of—way, and encumbrances affecting the Premises now of record or hereafter granted, caused or suffered by City. City specifically reserves the right to grant easements across the Premises.

d. Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement.

e. If any provision of this Lease shall be held by a court of competent jurisdiction to be invalid, the remainder of this Lease shall continue in full force and effect and shall in no way be affected or invalidated thereby. This Lease contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this agreement. No provision of this Lease shall be deemed to have been waived by City unless such waiver is in writing signed by City's City Manager.

26. INTERPRETATION AND VENUE. This Lease is to be interpreted in accordance with the laws of the State of California. Any legal action relating to this Lease shall be brought in the court of appropriate jurisdiction in the county of San Luis Obispo, State of California.

27. CITY'S REMEDIES. City shall have the following remedies if CCAN breaches the Lease, which remedies are not exclusive; they are cumulative in addition to any remedies specified herein or to any remedies now or later allowed by law:

a. City can continue this Lease in full force and effect, and the Lease will continue in effect as long as City does not terminate CCAN's right to possession, and City shall have the right to collect rent when due. During the period CCAN is in default, City can enter the Premises and relet them, or any part of them, to third parties for CCAN's account. CCAN shall be liable immediately to City for all costs City incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. CCAN shall pay to City the rent due under this Lease on the dates the rent is due, less the rent City receives from any reletting. No act by City allowed by this paragraph shall terminate this Lease unless City notifies CCAN that City elects to terminate this Lease. After CCAN's default and for as long as City does not terminate CCAN's right to possession of the Premises, if CCAN obtains City's consent CCAN shall have the right to assign or sublet its interest in this Lease, but CCAN shall not be released from liability. City's consent to a proposed assignment or subletting shall not be unreasonably withheld.

b. City can terminate CCAN's right to possession of the Premises at any time. No act by City other than giving notice to CCAN shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on City's initiative to protect City's interest under this Lease shall not constitute a termination of CCAN's right to possession.

c. In addition to any other remedy City may have under this agreement or by operation of law, City shall have the right, in the event of CCAN's nonpayment of rent, or in the event of any other default by CCAN in the performance or observance of any of the terms or condition of this Lease, or if CCAN shall abandon or vacate the Premises, to terminate this

Lease upon written notice to CCAN and reenter the Premises and eject all persons and remove all Premises from the Premises or any part of the Premises. Any Premises removed from the Premises upon re-entry by City under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of CCAN, and City shall have no liability therefor.

d. If CCAN is in default of this Lease City shall have the right to have a receiver appointed to collect rent and conduct CCAN's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by City to terminate this Lease.

e. City, at any time after CCAN commits a default, can cure the default at CCAN's cost. If City at any time, by reason of CCAN's default, pays any sum or does any act that requires the payment of any sum, the sum paid by City shall be due immediately from CCAN to City at the time the sum is paid, and if paid at a later date shall bear interest at the rate set forth in subparagraph g, below, from the date the sum is paid by City until City is reimbursed by CCAN. The sum, together with interest on it, shall be additional rent.

28. SURRENDER AND SITE ASSESSMENT. CCAN agrees on the last day of term hereof or sooner termination to surrender to City forthwith the Premises in the same or better condition as when received, damage by acts of God or by the elements excepted.

Within thirty (30) days of expiration or sooner termination of this Lease, CCAN shall, at CCAN's sole cost and expense, cause to be conducted a site assessment of the Premises to determine that the Premises are free of any hazardous or toxic materials or contamination therefrom. The nature and extent of the site assessment and the selection of the person performing the site assessment and certification shall be approved by City, whose approval shall not be unreasonably withheld. The Premises shall be certified to be free of any hazardous material or contamination therefrom by a person certified by the appropriate governmental agency to conduct such site assessments. Any contamination or environmental damage on the Premises or originating on the Premises and migrating off the Premises shall be remediated by CCAN to meet or exceed the strictest governmental standards, requirements and to City's satisfaction. If, at the expiration or sooner termination of this Lease, different standards or requirements exist for properties with different uses, then CCAN shall remediate any contamination or environmental damage to the strictest standards and requirements for aviation and/or commercial use. CCAN shall be responsible for all remedial investigation and remediation, including submission and approval of the remediation closure plan. CCAN shall not be responsible for remediation of hazardous material or contamination occurring on adjacent property not leased to CCAN and migrating onto the Premises, unless CCAN is responsible for the hazardous material or contamination on the adjacent property.

29. DISCLAIMER OF PARTNERSHIP. The relationship between the parties is one of landlord and tenant only. This Lease does not constitute a partnership or joint venture or agency agreement between the parties.

CITY OF SAN LUIS OBISPO

Mayor

ATTEST:

City Clerk

Approved:

City Manager

Approved to as form:

City Attorney

CENTRAL COAST AG NETWORK, a California public benefit non-profit corporation

President

Secretary

APPENDIX G: TEMPLATE SUBLEASE BETWEEN PRIVATE AGENCY AND FARMING TENANT

AGRICULTURAL GROUND SUBLEASE BETWEEN CENTRAL COAST AG NETWORK
AND _____ lessee name _____

This Sublease Agreement is entered into on this ___ day of _____, 2013, by and between Central Coast Ag Network, Inc. dba Central Coast Grown as Lessor ("CCAN"), and "tenant name", as lessee ("Lessee"), for the Lease of certain land as described in Attachment "A" (the "Premises") located in and owned by the City of San Luis Obispo, California ("the City"), for the purpose of establishing and developing an agricultural enterprise.

Prologue and Statement of Purpose

Whereas both parties share a mutual interest in the long-term health and productivity of the Premises;
and

Whereas CCAN agrees to provide the Premises to the Lessee to produce fresh food; and

Whereas CCAN and Lessee agree the Premises are to be maintained according to high standards of stewardship; and

Whereas CCAN and Lessee agree that the Premises, which CCAN manages for the City of San Luis Obispo, must be utilized in accordance with the Master Plan for the Calle Joaquin Agricultural Reserve, and pursuant to the contract between CCAN and the City ("the City Contract"),

Therefore, the parties hereby agree as follows:

1. Description of Leased Premises

The Premises consist of approximately ___ acres of agriculturally zoned land, consisting of portions of Assessor Parcel Numbers _____, _____, _____ and _____ as shown in Exhibit A. The description in Attachment A delineates the borders of the Premises, including access roads, and will show the land reserved for bike path, creek buffer, and CCAN's ___ acre parcel intended for educational and other purposes.

2. Lease Term

a) The term of this Lease shall be for a period commencing August 1, 2013 and ending July 31, 2018.

3. Lease Fee

a) An earnest payment of first month's lease fee is due upon signing of the lease.

b) Lessee shall pay to CCAN on or before the first day of each month of the Lease term a monthly Lease fee equal to 1/12th of the annual lease fee described in Attachment B. For example, the monthly lease fee for the first year will be \$ _____ per month (___ acres x \$ _____ /acre divided by

12 months). The monthly lease fee will be waived in months four, five and six of the first year of this agreement. This fee is consideration for the agricultural use of the Premises.

- c) During the first year of the lease, the Lessee will be permitted to have use of ___ acres of agricultural land reserved for CCAN's future plans free of charge. All such land shall be deemed part of the Premises, and subject to all of the terms and provisions of this lease. If part or all of such ___ acre parcel will be made available to Lessee after the first year of the Lease, CCAN will inform Lessee of such availability in writing. The notice will provide the period of time during which the additional acreage will be made available, and any conditions to which the additional acreage will be subject. If no written notice is provided to Lessee by CCAN, then it is deemed that no additional acreage is available. Lessee is prohibited from placing any structures or fencing, whether temporary or not on such acreage, and may not store any equipment or other property of any kind or nature on such additional acreage. Whether to allow Lessee to use such acreage after the first year will be determined in CCAN's sole and absolute discretion.
- d) All Lease fees shall be due according to the schedule described in paragraph (b). Lease fees not received by the third day of each month shall accrue interest at the rate of 18% per annum.
- e) The Lease fee may be renegotiated for any Lease extension.

4. Permitted Uses and Use Restrictions

- a) Lessee may conduct all normal activities associated with agricultural purposes allowed in the City of San Luis Obispo, including but not limited to: planting, cultivating and harvesting of crops, including perennial crops; application of soil amendments; pest and weed management, erection and management of temporary structures such as greenhouses, hoop houses, temporary fencing, and irrigation systems, routine maintenance and storage of tools and equipment; post-harvest washing, cooling, sorting, and packing; management of brush, field edges and roads.
- b) All crops produced by Lessee on the Leased Premises shall be the property of the Lessee.
- c) Lessee agrees to abide by stewardship guidelines and practices as specified in Attachment C. CCAN will not require organic certification, but Lessee must manage the site in such a way so as to not preclude future tenants from seeking certification. CCAN and Lessee may agree in a separate agreement to collaboratively pursue Organic Certification for the Premises.
- d) The Lessee shall not, without CCAN's prior written consent, engage in any of the following activities on the Premises: storage of hazardous or toxic materials, cutting trees; erection of permanent fencing or structures; storing vehicles or farm equipment not essential to the farm operation; retail operations, public events, major repairs, additions, alterations, replacements and improvements. Any approved improvements must have CCAN's written approval of plans as to design, location and materials of approved activities and structures.
- e) Lessee agrees to abide by all local, state and federal laws and regulations.

- f) Lessee agrees to apply for and obtain all applicable permits at Lessee's expense, including but not limited to a City Business License.
- g) CCAN reserves the right to enter the Premises with 24 hours prior notification to the Lessee.
- h) Except as otherwise specifically provided in this Lease, CCAN covenants that Lessee, upon paying the rent and performing the covenants herein undertaken on Lessee's part may quietly and peaceably have, enjoy and hold the Premises for the lease term.
- i) Whereas CCAN is authorized to enter into this agreement by virtue of the City Contract a long-term contract with the owner of the property, and the City's Contract, attached hereto as Attachment D, is incorporated by reference as if fully set forth herein, and Lessee agrees to comply with all terms and conditions of the City's contract, and any amendments thereto. To the extent there is a conflict between the terms and conditions of the sub-lease agreement and any amendments thereto and terms of conditions of the City Contract and any amendments thereto, the City contract and/or amendments thereto shall prevail.
- j) Lessee shall have the non-exclusive right to reasonable quantities of well water for use on the Premises. Lessee shall not sell any water obtained from any source on the Premises nor use or permit the use of water from the Premises on any other lands, including but not limited to, adjoining properties.

5. Branding and Marketing

- a) In addition to Lessee's own branding efforts, Lessee agrees to use the tag line or logo graphic provided by CCAN in all print materials that reference the Premises, related agricultural enterprise, or products incorporating items grown on the Premises. This may include but is not limited to: posters, brochures, banners, menus, packaging, web-based media, and all other marketing materials (such as bags, stickers, and clothing).
- b) In Lessee's oral and written media communications descriptions of the Premises or related agricultural enterprise shall include reference to CCAN's tag line or project name. Oral or written media communications may include but are not limited to: radio, television, interviews, and press releases.

6. Maintenance, Repairs and Improvements

- a) CCAN will, as per its agreement with the City, install an agricultural well and pump on the Premises. CCAN will, pending payment of funds committed by a private third party, install irrigation mainline and flow control irrigation equipment, ("irrigation infrastructure"). Lessee will be responsible for purchase, installation and maintenance of all other irrigation facilities, subject to approval by CCAN.
- b) Lessee will be responsible for any utility expenses associated with operating the well and pump.
- c) CCAN shall maintain the well pump in workable condition for the lifetime of this agreement. No efforts of repair or maintenance shall be done except by a firm approved by CCAN. CCAN will

maintain CCAN-installed irrigation infrastructure for the first year of this agreement. Thereafter, Lessee shall maintain the irrigation infrastructure in a first class condition, ordinary wear-and-tear excepted. Lessee shall contract with a firm approved by CCAN to maintain the irrigation infrastructure. If Lessee fails to do so, CCAN may contract with a firm to provide maintenance of the irrigation mainline and associated irrigation infrastructure and such maintenance costs shall be additional rent, due and payable immediately to CCAN on demand. All rights and remedies available to CCAN for non-payment of rent shall apply to the maintenance costs for the well pumps and engines. In the event CCAN, the City, or any other person with consent uses irrigation infrastructure, its maintenance costs shall be prorated among the users based on usage.

- d) Lessee shall limit and control the flow of excess irrigation water, runoff or tail water so that it does not cause erosion or cause overflow upon or damage to or contamination of the neighboring lands and waters. Lessee shall preserve and maintain existing drainage ditches and drainage patterns on and from the leased Premises in good condition. Lessee shall not alter said drainage patterns without CCAN's prior written consent. Lessee shall not perform any grading, leveling, earthwork, drainage and erosion control work without first obtaining all necessary governmental permits. Lessee shall so Conduct Lessee's farming operations so as to prevent any discharge of water or silt from the Premises, and shall not over water and cause runoff from or on the Premises.
- e) Lessee is responsible for normal maintenance of the Premises including, without limitation, performing all minor repairs. The Lessee will keep the Premises clean and orderly and free of any hazardous waste.
- f) The Lessee shall be responsible for maintenance of all improvements constructed or installed after the date of this Lease.
- g) Lessee's use of roadways allowed hereunder shall be such as to not interfere with the operations of any adjacent or other Premise lessees or occupants who are utilizing other premises or parcels owned by CCAN or the City. Implements and vehicles of Lessee and Lessee's employees shall not be parked in any roadway. Lessee shall provide a designated parking area for Lessee's employees and maintain the same in a neat, clean and safe condition.
- h) Lessee has fully and thoroughly inspected the Premises and has conducted any and all inspections relevant to a determination by Lessee of the Premises' condition and suitability for Lessee's intended use.
- i) Lessee agrees, on the last day of the Term or upon the sooner termination of this Lease, to surrender all arable land on the Premises twice disked, cleaned of all plastic and otherwise in good order and condition.

7. Insurance and Taxes

- a) Lessee is responsible for all insurance on the Premises, including but not limited to maintaining general liability insurance, all auto liability coverage, and any other insurance required for Lessee to meet the indemnification requirements of this agreement, with minimum coverage

of \$____ per occurrence/\$_____ general aggregate for bodily injury and property damage coverage or coverage that meets the requirements of the City, whichever is higher. Coverage must name CCAN and the City as additional insured during the period of the Lease. Lessee is also responsible for maintaining Worker's Compensation Insurance for all and any employees of Lessee. If Lessee hires independent contractors they must also list CCAN and the City as additional insured.

- b) Lessee shall provide CCAN with evidence of the above insurance coverage at the commencement of the Lease term and annually thereafter on the renewal date of such policies.
- c) Lessee shall pay, before delinquency, all business taxes, and personal property taxes or assessments levied on Lessee's personal property situated on or about the Premises during the term of this Farm Lease. On demand, Lessee shall provide to CCAN satisfactory evidence of payment of personal property taxes or assessments levied on the Premises.
- d) CCAN shall pay real property taxes, if any are levied. CCAN hereby notifies Lessee that although CCAN is exempt from payment of real property taxes, Lessee's use and occupancy of the Premises pursuant to this Farm Lease may subject Lessee to possessory interest taxes. Lessee shall be solely responsible for payment of any such taxes levied as a result of Lessee's use and occupancy of the Premises.

8. Transfer, Sale, Assignment and Sublease

- a) Lessee may not sublease or assign the Lease, without written consent by CCAN.
- b) The terms of this Lease shall remain with the land, consistent with the City Contract.

9. Termination and Default

- a) Either party may terminate this Lease only upon default by the other as specified in (b) or (c) below. Upon termination at the end of the Lease term or for any other reason, Lessee must vacate the Premises and remove all personal possession. Premises must be left in the same condition as at the commencement of this Lease, or better, normal wear and tear notwithstanding. If either party shall default in the performance of any of its obligations, covenants or agreements under this Lease and such default shall not be cured within sixty (60) days after written notice to the defaulting party, then the non-defaulting party may declare the Lease terminated.
- b) Events of default by Lessee shall include, without limitation, the failure to: (i) pay the Lease fee when due, (ii) comply with repair and maintenance standards under Section 6, (iii) conduct an agricultural enterprise on the Premises as agreed, and (iv) maintain the insurance coverage required under Section 7.
- c) Events of default by CCAN shall include, without limitation, (i) failure to make the Premises fully available to Lessee for the establishment and development of an agricultural enterprise, and (ii) failure to maintain the well pump in workable condition.

- d) CCAN is not liable for any interruptions or failures in water delivery to the well nor for the quality of water. In the event that well water delivery remains interrupted for more than sixty (60) days after Lessee has given written notice to CCAN of said interruption, Lessee shall have the right to terminate this lease by additional written notice.

10. Dispute Resolution

- a) Both parties agree to the best of their abilities to resolve any disputes regarding the interpretation and performance of this Lease through mutual good faith effort. All disputes that cannot be resolved through such efforts shall be determined and settled by arbitration. The expenses of the arbitration shall be borne equally by the parties to the arbitration, except that each party shall pay for the cost of its own experts, evidence, and legal counsel. ____ (Lessee) ____ (CCAN)

11. Indemnification

- a) CCAN and the City, their agents or employees, shall not be liable and the Lessee shall indemnify, save, hold harmless, and defend CCAN and the City, for any loss, injury, death, or damage to persons or property, which at any time may be suffered or sustained by the Lessee or by any person, whosoever may at any time be using or occupying or visiting the Premises or be in, on, or about the Premises, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, negligence, or intentional misconduct of the Lessee or any occupant, subtenant, visitor, or user of any portion of the Premises and the Lessee shall indemnify CCAN against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage including CCAN's reasonable attorney's fees.

The Lessee shall also indemnify and hold CCAN and the City harmless from and against any Liabilities including third party claims, environmental requirements and environmental damages, costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in value of the Premises or the improvements thereon or property or improvements in the vicinity of the Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials which occurs in, on or about the Premises as the result of Lessee's activities. Lessee shall notify CCAN immediately of any Release of any toxic or hazardous material on the Premises. Lessee shall not be responsible for any hazardous or toxic material on the Premises which predates Lessee's occupancy of the Premises.

12. Severability

- a) If any part of this Lease is invalid or unenforceable, the balance of this Lease shall remain effective, absent such provision.

13. Amendments

- a) No change in this Lease shall be effective unless it is in writing and signed by both parties.

14. Joint and Several Liability

- a) All persons comprising the Lessee shall be jointly and severally liable for the Lessee's obligations hereunder.

IN WITNESS THEREOF, the parties have executed this Lease to be effective as of the date first set forth above.

CCAN:
Central Coast Ag Network

President

Secretary

LESSEE:
Lessee name

Sole Proprietor

Attachment A
Description of Leased Premises



Attachment B

Payment Rate

<u>Year</u>	<u>\$/Acre</u>	<u># of Acres</u>	<u>Monthly Rent</u>
Yr 1			
Yr 2			
Yr 3			
Yr 4			
Yr 5			

Attachment C
Land Stewardship Guidelines

- 1) Maintenance of the Premises. The Premises will be maintained for the planting, growing and cultivation of agricultural products, including repair of any existing erosion damage.
- 2) Irrigation Techniques and Erosion Control. The flow of excess irrigation water, runoff or tail water shall be controlled and limited so that it does not cause erosion, overflow, damage, or contamination of the neighboring lands and waters. Farming conditions should be conducted so as to prevent any overwatering or discharge of water or silt from the Premises.
- 3) Soil. Soil shall be cared for by: (a) the regular and proper application of amendments; (b) the use of environmentally sound agricultural practices to prevent the buildup of salts and other residues that would in any way impair future agricultural production; and (c) maintaining the arable portion of the land either in food crops or cover crops.
- 4) Erosion and Weed Control. The Premises shall be protected from floodwater, avulsion and erosion; (b) provided with good drainage; and (c) maintained in good condition free of all weeds, crop disease and other noxious growth. All of the farm ditches, culverts, laterals and drains on the Premises shall be returned to CCAN at the termination of this Lease in no worse condition than such items existed as of the Effective Date.
- 5) Fertilizers and Chemicals. No fertilizer, herbicide, pesticide, poison, chemical or similar substance, except those approved under the United States Department of Agriculture National Organic Program (USDA NOP), shall be applied, injected, deposited, or disposed to the Premises or crops growing thereon. The use or application of any such substance shall be in conformity with the manufacturer's instructions and all governmental regulations respecting the manner and timing of the application. No agricultural chemical or similar substance with a residual effect as to prevent the certification of the soil under the USDA NOP shall be used. Complete and accurate records respecting the time, place, quantity, kind and method of application of all such shall be maintained and true and correct copies thereof shall furnished upon request.

