

Project: Transitions Farm at
Foster Road, SM
APN: 111-230-004
Folio: 003579
Agent: CS

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter "Agreement") is made by and between the

COUNTY OF SANTA BARBARA,
a political subdivision of the State of California,
hereinafter referred to as "COUNTY,"

and

TRANSITIONS MENTAL HEALTH ASSOCIATION,
A California non-profit corporation,
hereinafter referred to as "LESSEE,"

with reference to the following:

WHEREAS, COUNTY is the fee owner of that certain real property located on Foster Road, in the City of Santa Maria, more particularly described as Santa Barbara County Assessor's Parcel number 111-230-004, (hereinafter "Property"). The Property is shown as the diagonally slashed area on Exhibit "A", attached hereto and incorporated herein by this reference; and

WHEREAS, the Property lies within the perimeters of a known sensitive habitat of the California Tiger Salamander that is protected by the Endangered Species Act and the United States Fish and Wildlife Services; and

WHEREAS, COUNTY and LESSEE are obligated to protect the sensitive habitat and the California Tiger Salamander in the performance of the activities on the Property; and

WHEREAS, LESSEE has been leasing the Property since August of 2001, under lease agreements previously approved by the Santa Barbara County Board of Supervisors which ran concurrently with annual service contracts generated by and serving the County's Department of Alcohol, Drug, and Mental Health Services (ADMHS); and

WHEREAS, LESSEE'S use of approximately 2 acres of the unimproved portion of the Property (hereinafter "Premises") shown as the outlined area on Exhibit B, attached hereto and incorporated herein by this reference, shall be for the purpose of operating a flower and vegetable farm to provide a structured, supervised environment to enable seriously mentally ill adults in the community to develop and exercise skills promoting independence, meaningful daily activity, and self-esteem; and

WHEREAS, due to the State's reduction in funding to ADMHS programs, the Service Contract between LESSEE and COUNTY were terminated; and

WHEREAS, LESSEE wishes to continue to provide the above stated services and COUNTY wishes to grant LESSEE the continued use of said Premises, pursuant to California Government Code Section 25537 governing the authorization to dispense with the bidding process for leases of real property owned by the county or leased by the county, and subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the provisions, covenants, and conditions, contained herein, the parties agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for the COUNTY by the Director of the General Services Department, or their designee.

2. **LEASED PREMISES/USE:** COUNTY hereby leases to LESSEE and LESSEE hereby takes from COUNTY, the Premises, as shown and described on Exhibit "B", attached hereto and incorporated herein by this reference. LESSEE shall conform to and abide by all rules and regulations as said rules and regulations are set forth in Exhibit "C", attached hereto and incorporated herein by this reference.

The Premises shall be used for vegetable and flower cultivation, pre- and post-harvest handling, flower arranging, retail sales, and community based landscape maintenance purposes only, which will provide a structured, supervised environment to enable seriously mentally ill adults in the community to develop and exercise skills promoting independence, meaningful daily activity, and self-esteem.

LESSEE shall not expand its use of the Premises beyond the scope of this Agreement, nor use the Premises for any other purposes without the expressed written consent of COUNTY'S General Services Department/Office of Real Estate Services. Any use of the Premises beyond the scope of this Agreement or for any other purposes without the expressed written consent of COUNTY shall be considered a breach of this Agreement and COUNTY may terminate this Agreement at COUNTY'S option.

LESSEE accepts the Premises in its current condition. LESSEE shall install no tenant improvements within or upon Premises.

3. **TERM/ASSIGNMENTS:** The term of this Agreement shall be for a term of approximately FIVE (5) years commencing upon approval of this Agreement by COUNTY and terminating August 1, 2014, subject to other provisions for termination and extension as herein contained.

LESSEE shall not assign this Agreement or any interest therein, and LESSEE shall not sublet the Premises or any portion thereof. Any attempt to assign and/or sublet shall be void and without legal effect. Should LESSEE attempt to assign or sublet a portion of the Premises, COUNTY may terminate this Agreement at COUNTY'S option without liability therefore.

4. **RENT:** In accordance with Government Code §26227 and the Santa Barbara County Board of Supervisors' determination that the farming operation is a benefit to the community, the Premises are being provided to LESSEE by COUNTY at no cost to LESSEE.

Should, for any reason, the Santa Barbara County Board of Supervisors determine that the services provided by LESSEE are no longer a benefit to the community or should the aforementioned Government Code Section be repealed or replaced such that LESSEE no longer qualifies for the rights granted hereunder, LESSEE shall pay fair market rent for the Premises or terminate the lease upon SIXTY (60) days written notice to COUNTY.

The amount of such fair market rent shall be determined by an independent appraiser, who has been agreed upon by both parties hereto; and shall be determined by the rental value of the land only. Said rent shall be due for the remainder of the term of this Agreement and shall

the land only. Said rent shall be due for the remainder of the term of this Agreement and shall rise 3% per year on the first day of the thirteenth month during which rent payments are due, and annually thereafter. Rent payments shall be made payable to *County of Santa Barbara* and delivered personally or by mail to the address referenced in Section 15, NOTICES, of this Agreement.

It is the intention of this Agreement that the Premises shall be provided to LESSEE at no cost to the COUNTY.

5. WATER/UTILITIES/SERVICES TO PREMISES: The Premises are separately metered for water services from the City of Santa Maria. LESSEE is named the responsible party on the account and shall pay when due all charges for water services to the Premises. LESSEE shall be responsible to maintain all equipment necessary to bring water services to the Premises.

LESSEE shall pay for all charges associated with the chemical sanitation facility, including monthly rental fee and maintenance. LESSEE shall be responsible for removing said chemical sanitation facility at the termination of this Agreement.

LESSEE, upon obtaining the required permits and approvals, shall have the right to install and maintain any necessary equipment to bring utility services to the Premises at its sole cost and expense. All accounts for such utilities shall name LESSEE as the responsible party and LESSEE shall pay when due all charges for utilities used on the Premises.

6. EQUIPMENT LIST: LESSEE shall be responsible for any and all related equipment incidental to LESSEE'S operations or activities. COUNTY shall not be responsible to provide equipment to LESSEE.

7. TITLE: During the term of this Lease, title to the Property shall remain vested in COUNTY. LESSEE shall have no right to waste, destroy, or demolish the Property or any improvements thereon.

8. ENDANGERED SPECIES: The Property is within the perimeter of a known identified habitat for the California Tiger Salamander that is protected by the Endangered Species Act. LESSEE will take every precautionary measure in the performance of the activities on the Premises, to ensure the protection of this endangered species, other listed species and their habitat. LESSEE will contact the U.S. Fish and Wildlife Service regarding any action it takes that could alter habitat of the California Tiger Salamander or any listed species. Any violation reported to COUNTY by the U.S. Fish and Wildlife Service or other federal, state or local governmental agency will be cause for termination of this Lease. This lease shall not be construed as an approval of a take of a listed species under the Endangered Species Act. LESSEE shall indemnify COUNTY against any and all actions resulting from any violation.

9. ENVIRONMENTAL IMPAIRMENT: LESSEE at LESSEE'S expense, shall comply with all applicable laws, regulations, rules, including without limitation those relating to construction, grading, signage, health, safety, noise, underground tanks, toxic or hazardous materials, environmental protection, waste disposal, clean-up and water and air quality, and shall furnish COUNTY with satisfactory evidence of such compliance upon the request of COUNTY.

10. **COMPLIANCE WITH THE LAW:** LESSEE its officers, agents, or employees shall comply with all local, county, State, and Federal laws, rules, ordinances, and regulations affecting the Property and Premises, now or hereafter in effect.

11. **TOXICS:** LESSEE shall not manufacture or generate hazardous waste on the Premises. LESSEE shall be fully responsible for any hazardous wastes, substances, or materials as defined under federal, state, or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Premises during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulations, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify COUNTY and the appropriate governmental emergency response agency (ies) immediately in the event of any release or threatened release of any such wastes, substances or materials.

12. **ENTRY BY COUNTY:** COUNTY may enter upon the Premises at all reasonable times to examine the condition thereof, provide maintenance, post notices or advertising, make such repairs as COUNTY may deem necessary to make, and to inspect for compliance with the rules and regulations applicable.

13. **NONDISCRIMINATION:** LESSEE shall comply with COUNTY laws, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara County Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Agreement and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Agreement and the interest hereby created without liability therefor.

14. **QUIET ENJOYMENT:** COUNTY covenants that LESSEE, on performing the provisions of this Agreement, shall have peaceable and quiet enjoyment of the Premises. COUNTY further covenants that it will not deliberately interfere or permit others acting subsequently through or under COUNTY, including other tenants of COUNTY, to interfere with LESSEE'S peaceful possession or use of the Premises.

15. **NOTICES:** Except where otherwise specifically provided, all notices under this Agreement and in connection herewith and all statements shall be addressed and delivered as follows:

LESSEE:	Frank Ricceri, Division Director Adult Services - Santa Maria Transitions Mental Health Association Post Office Box 15408 San Luis Obispo, California 93406-5408 Phone: (805) 928-0139 FAX: (805) 928-1410
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COUNTY: Ronn Carlentine, SR/WA, Manager
 Office of Real Estate Services
 County of Santa Barbara/General Services Department
 1105 Santa Barbara Street, 2nd Floor
 Santa Barbara, CA 93101-6065
 Phone: (805) 568-3078
 FAX: (805) 568-3249

or at such other address as the respective party may designate in writing. Any notice may be given by use of the United States mail, postage prepaid Certified mail, or by personal delivery. The date of mailing, or in the event of personal delivery the date of delivery, shall constitute the date of service.

16. **INDEMNIFICATION:** LESSEE shall defend, indemnify, and save harmless COUNTY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Lease or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of LESSEE or its agents, employees, or other independent contractors directly responsible to LESSEE; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of the COUNTY.

LESSEE shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Lease.

17. **INSURANCE:** Without limiting LESSEE'S indemnification of the COUNTY, LESSEE shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Lease. Failure to comply with the insurance requirements shall place LESSEE in default. Upon request by the COUNTY, LESSEE shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

A. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all LESSEE'S staff while performing any work incidental to the performance of this Lease. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event LESSEE is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if LESSEE has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Lease and LESSEE submits a written statement to the COUNTY stating that fact.

B. **General and Automobile Liability Insurance:** The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of LESSEE and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by LESSEE in the indemnity and hold harmless provisions

[above] of the Indemnification Section of this Lease between COUNTY and LESSEE. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of LESSEE pursuant to LESSEE'S activities hereunder. LESSEE shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Lease. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY'S Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Lease that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended Lease. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Lease. LESSEE agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

C. Personal Property Insurance: LESSEE shall maintain full replacement cost property insurance for its personal property, including but not limited to equipment, supplies and tenant improvements,

18. **DEFAULT**: Should LESSEE at any time be in default hereunder with respect to performance of any of its promises, covenants, or agreements herein contained; and should such default continue for five- (5) days after written notice thereof from COUNTY to LESSEE specifying the particulars of such default; or if LESSEE'S right of possession is terminated by COUNTY because of LESSEE'S breach of this Agreement, this Agreement shall terminate at the option of COUNTY. On such termination, COUNTY may recover from LESSEE all those sums as

allowed to COUNTY pursuant to California Civil Code Section 1951.2, which section shall control as to all default rights and remedies under this Agreement.

19. **REMEDIES**: In the event of a default or breach by either party, the non-defaulting party may exercise any right or remedy at law or in equity which such non-defaulting party may have by reason of such default or breach including but not limited to the following:

- A. Either party may waive the default or breach in accordance with Section 20, WAIVER, herein below.
- B. Either party may maintain this Agreement in full force and effect and recover whatever monetary loss(es) may have resulted from such default or breach.
- C. Where LESSEE is the non-defaulting party, LESSEE may terminate this Agreement and surrender possession.
- D. Where COUNTY is the non-defaulting party, COUNTY may terminate or not terminate this Lease.

20. **WAIVER**: It is understood and agreed that any waiver, expressed or implied, of any breach of any term of this Agreement shall not be a waiver of any subsequent breach of a like or any other provision of this Agreement.

21. **TERMINATION**: This Agreement shall terminate and all rights of LESSEE shall cease and LESSEE shall quietly and peacefully deliver to COUNTY, possession and interest in the Premises and upon such delivery, shall be relieved of all future liability:

- A. Upon expiration of the term; or
- B. Upon violation of Section 2, LEASED PREMISES/USE, inclusive of Exhibit "C", Rules and Regulations; or
- C. Upon 60-days after COUNTY receives written notification from LESSEE expressing their desire to terminate the lease pursuant to Section 4, RENT; or
- D. Upon LESSEE'S failure to pay current and future utilities and/or service charges per Section 5, WATER/UTILITIES/SERVICES TO PREMISES; or
- E. As provided in Section 8, ENDANGERED SPECIES; or
- F. Upon failure of either party to satisfy, observe, or perform any of the covenants, conditions, or reservations set forth in this Agreement and the expiration of the cure period as provided in Section 18, DEFAULT; or
- G. As provided in Section 24, DESTRUCTION OF THE PREMISES.

22. **SURRENDER OF PREMISES/DISPOSITION OF PERSONAL PROPERTY**: LESSEE shall not abandon, vacate, or surrender the Premises at any time during the term of this Agreement and if LESSEE does abandon, vacate, or surrender said Premises, any personal property belonging to LESSEE and left on the Premises more than thirty (30) days after such abandonment, vacation or surrender shall be deemed abandoned, at the option of the COUNTY. This provision shall also apply to personal property left after the termination or other expiration of this Agreement. LESSEE shall restore the Premises to its original condition prior to expiration and/or termination of said Agreement.

23. **FIXTURES**: The parties agree that all improvements to, or fixtures on, the Premises, made or added by either party, except trade fixtures added by LESSEE that may be removed as

hereinafter provided, shall be and become the property of COUNTY upon their being affixed or added to the Premises. At the expiration and/or termination of the term hereof, LESSEE may remove such trade fixtures as it shall have affixed or added to the Premises (if any) which may be removed without damage to the Premises.

24. **DESTRUCTION OF THE PREMISES:** If the Premises are totally destroyed by fire or any other cause, this Agreement, at the option of either party, shall terminate.

If a loss renders any portion of the Premises unusable, LESSEE may choose to remain or may terminate this Agreement by written notice to COUNTY. Should LESSEE choose to remain, COUNTY, at its sole option may repair the Premises or terminate this Agreement.

25. **AGENCY DISCLOSURE:** LESSEE acknowledges that the General Services Department, Facilities Services Division of COUNTY, is the agent for the COUNTY exclusively, and is neither the agent for the LESSEE nor a dual agent in this transaction.

LESSEE acknowledges that the LESSEE is the agent for itself exclusively, and is neither the agent for the COUNTY nor a dual agent in this transaction.

26. **CAPTIONS:** The titles on headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

27. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

28. **SUCCESSORS IN INTEREST:** This Agreement shall bind and endure to the benefit of the parties hereto, their respective personal representatives, heirs, successors in interest, and assigns (if any).

29. **WASTE AND NUISANCE:** LESSEE shall not commit, nor suffer to be committed, any waste upon the Premises, nor permit any nuisance to exist thereon.

30. **CONSTRUCTION:** The parties agree that each party and its respective counsel have reviewed and approved this Agreement to the extent that each party in its sole discretion has desired, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. The terms and provisions of this Agreement embody the parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against any party hereto.

31. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties hereto and no obligation other than those set forth herein will be recognized.

32. **CERTIFICATION OF SIGNATORY:** The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind LESSEE and COUNTY to its terms and conditions or to carry out duties contemplated herein.

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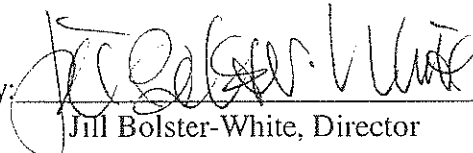
Project: Transition Farms at
Foster Road, SM
APN: 111-230-004
Folio: 003579
Agent: CS

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Lease Agreement to be effective on the date executed by COUNTY.

“COUNTY”
COUNTY OF SANTA BARBARA

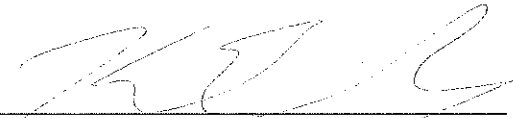
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TRANSITION MENTAL HEALTH ASSN.

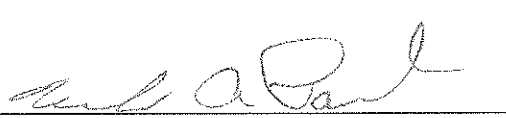
SEE NEXT PAGE FOR SIGNATURES

By: 
Jill Bolster-White, Director
TAX ID #: 95-3509040

APPROVED AS TO FORM:
DENNIS MASHALL
COUNTY COUNSEL

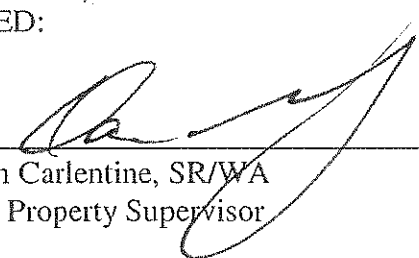
APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

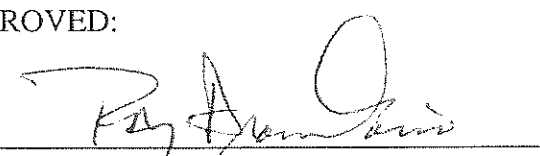
By: 
Deputy

By: 
Deputy

APPROVED:

APPROVED:

for: 
Ronn Carlentine, SR/WA
Real Property Supervisor

By: 
Ray Aromatorio, ARM, AIC
Risk Program Administrator

Project: Transitions Farms at
Foster Road, SM
APN: 111-230-004
Folio: 003579
Agent: CS

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Lease Agreement to be effective on the date executed by COUNTY.

“COUNTY”
COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Chair, Board of Supervisors

By: _____
Deputy Clerk

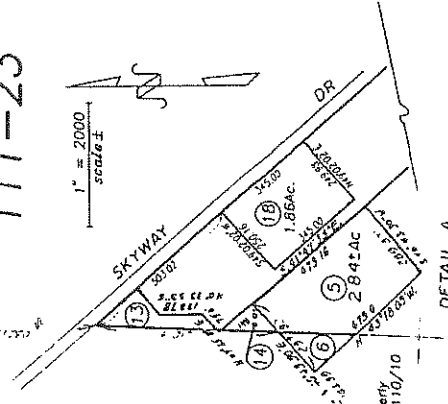
Date: _____

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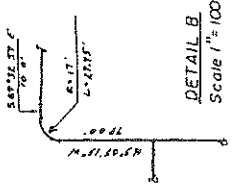
POR. T9&10N, R34W, SBB&M & POR. RANCHO PUNTA DE LA LAGUNA

111-23

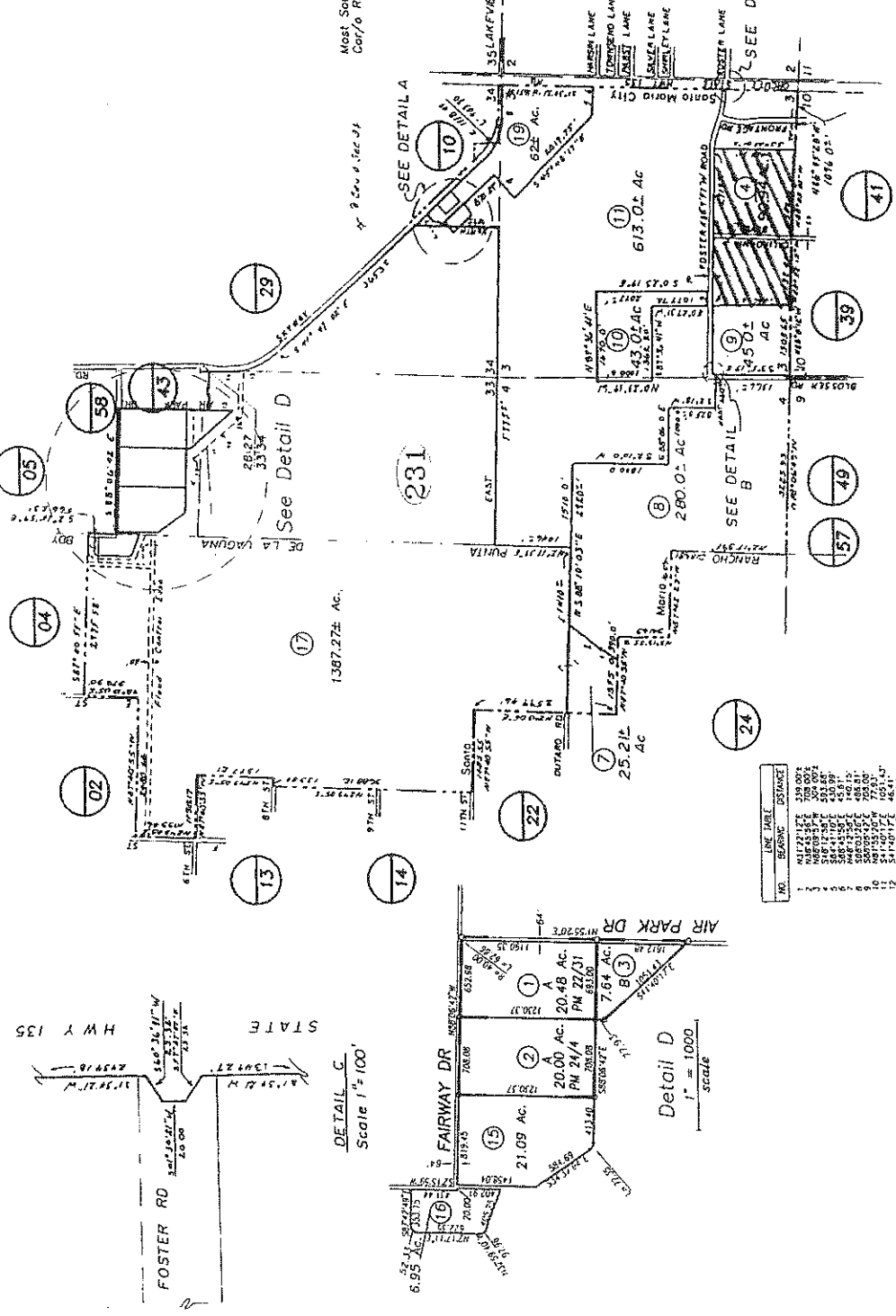
1" = 2000' scale I



DETAIL A
Scale 1" = 400'



DETAIL B
Scale 1" = 100'



DETAIL C
Scale 1" = 100'

Detail D
Scale 1" = 1000'

NOTICE
Assessor's Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

City of Santa Maria
Assessor's Map Bk, 111 -Pg, 23
County of Santa Barbara, Calif.

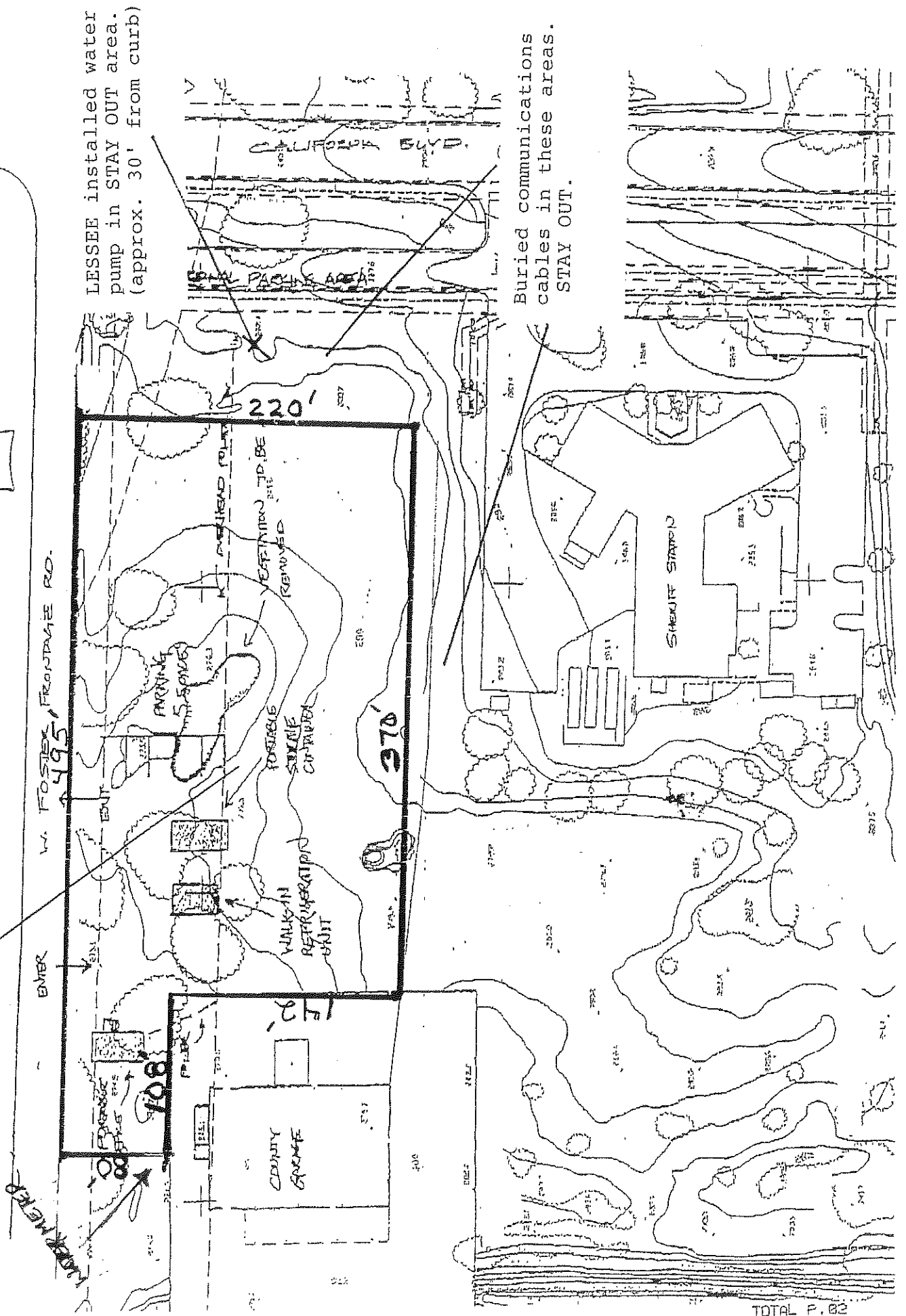
10/02 REUNDED PACE WITH NEW BLOCK 231
230-99 PACE 231-15,16,17
12 into 18 and 19

NO.	LINE	BEARING	DISTANCE
1	6112N172E	339.00	
2	N89E55W	300.00	
3	S16E12W	453.00	
4	S34E45W	45.61	
5	S34E45W	45.61	
6	N89E55W	408.00	
7	S16E12W	705.00	
8	S34E45W	453.00	
9	S16E12W	453.00	
10	S34E45W	45.61	
11	S34E45W	45.61	
12	S16E12W	676.84	
13	S34E45W	45.61	
14	S16E12W	453.00	
15	S34E45W	45.61	

EXHIBIT B - Premises



LEASED PREMISES



LESSEE installed water pump in STAY OUT area. (approx. 30' from curb)

Buried communications cables in these areas. STAY OUT.

EXHIBIT C

RULES and REGULATIONS

1. LESSEE shall notify COUNTY prior to LESSEE'S use of pesticides on the Premises. Said notification to COUNTY shall include information regarding the type of pesticide, amount, application procedure, and date and time when pesticide will be used. COUNTY reserves the right to disapprove use of pesticides at its option.
2. LESSEE shall keep normal hours of operation. Said hours shall be sunrise to sunset, Monday through Friday; hours of operation will vary on Saturdays.
3. LESSEE shall not remove, or cause damage to any existing or future vegetation, structures, buildings, etc. on the Premises.
4. LESSEE shall control the dust created during farming operations on the Premises.
5. LESSEE shall not allow any person or equipment into those areas designated on Exhibit A as "STAY OUT" areas, as well as the areas not designated as the "Premises."
6. LESSEE shall have the right to use the LESSEE installed water pipelines and valves located in the "STAY OUT" area shown on Exhibit A. COUNTY reserves the right to have the water pipelines and valves removed by LESSEE if COUNTY determines that it interferes with COUNTY's operations, or upon expiration and/or termination of said Agreement.