

SAMPLE

RECORDING REQUESTED BY AND RETURN TO:

Clerk of the Board of Directors
Sonoma County Agricultural
Preservation and Open Space District
575 Administration Drive, Room 102A
Santa Rosa, CA 95403

Recorded by government agency - Exempt from recording fees per Gov. Code §§ 27383, 27388.1, 27388.2

Interest acquired by government agency - Exempt from documentary transfer tax per Rev. & Tax. Code § 11922

IRREVOCABLE OFFER OF DEDICATION OF AGRICULTURAL LEASE

(Public Resources Code §5565.5)

FOR VALUABLE CONSIDERATION, [FRANCIS FARMER] ("Owner") hereby grants and makes to the SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT, a special district formed pursuant to the Public Resources Code ("District"), an irrevocable offer of dedication of a leasehold interest in the real property (the "Property") that is located in the community of [SEBASTOPOL] and is more particularly described in Exhibit "A" attached hereto and incorporated herein as though fully set forth ("Irrevocable Offer"). This Irrevocable Offer may be accepted by the District at any time that its Board of Directors determines, in its sole discretion, that Owner has not met the Mandatory Agricultural Use requirements of that certain **Agricultural Conservation Covenant** ("Covenant") for an unexcused period, which Covenant has been recorded by Owner in favor of District on the same date as this Irrevocable Offer of Dedication is recorded with the Office of the Sonoma County Recorder. This Irrevocable Offer shall run with the land and shall be binding upon the Owner and all assigns, grantees, successors, transferees and/or heirs of the Owner. As this Irrevocable Offer is a remedy to enforce the Covenant in perpetuity, acceptance of this Irrevocable Offer by District or its assignee shall not operate to extinguish this Irrevocable Offer. Rather, this Irrevocable Offer shall survive acceptance by the District or its assignees and it shall run with the land in

SAMPLE

perpetuity so that the District or its assignees may subsequently and repeatedly accept this Irrevocable Offer in the event of any number of subsequent uncured breaches of Owner's obligations under the Covenant.

The lease hereby offered to District consists of the following terms:

AGRICULTURAL LEASE

WHEREAS, this Lease is an essential remedy securing performance of Owner's obligations under that certain Affirmative Agricultural Covenant ("Covenant") first entered into by and between [FRANCIS FARMER] and the SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT, a special district formed pursuant to the Public Resources Code; and

WHEREAS, "Lessor" is the Owner of the Property subject to the Covenant, which ownership may change from time to time; and

WHEREAS, Lessee is the Sonoma County Agricultural Preservation and Open Space District, which holds a conservation easement ("Conservation Easement") and the Covenant on the Property. The Conservation Easement was recorded on the same date as the Covenant in the official records of Sonoma County; and

WHEREAS, in the Covenant, Lessor, as owner of the Property on behalf of itself and all successors-in-interest to the Property, covenanted and agreed that, if Lessor failed, for any reason, to keep the Property in active agricultural production, and Lessor did not timely secure forbearance from Lessee or enter into an agricultural lease with a Qualified Operator pursuant to the terms of the Covenant, Lessee has the right to unilaterally invoke this Lease pursuant to the terms hereof as well as to assign this Lease or sublet all or a portion of the Property, at Lessee's sole discretion for Agricultural Uses (as defined by the Covenant); and

WHEREAS, Lessor has ceased active agricultural operations on the Property for an unexcused period, and Lessee has notified Lessor that Lessee intends to invoke this Lease pursuant to the terms of the Covenant.

NOW, THEREFORE, for and in consideration of their mutual covenants, agreements, and undertakings hereinafter set forth, Lessor and Lessee agree as follows:

SAMPLE

1. Lease. Lessor and Lessee agree that this Lease will be deemed fully effective and valid on the date that Lessor receives Lessee's written notification that the circumstances upon which Lessee is entitled to invoke this Lease have occurred and that Lessee intends to invoke this Lease ("Lessee's Notice of Intent to Lease"); provided that, during the Term (as defined below) of this Lease, Lessee shall not use the Property or any part thereof for any purpose other than the purpose(s) stated in this Lease or in violation of the Conservation Easement or any applicable law or ordinance. In Lessee's Notice of Intent to Lease, Lessee shall provide the Annual Fair Market Value of this Lease (as defined and further described in Section 3 below) and all data and information that Lessee relied upon to calculate same. Lessee shall have the right, but not the obligation, to lease the entire Property, including all structures and improvements. Lessee's Notice of Intent to Lease shall indicate which portions of the Property shall be subject to this leasehold.
2. Term. The term of this Lease shall commence on the date of Lessor's receipt of Lessee's Notice of Intent to Lease ("Effective Date"), regardless of the date of Lessee's actual entry, and shall run for a period of five (5) consecutive years ("Initial Term"). Said Lease shall renew automatically at the end of each five (5)-year term for an additional five (5) years so long as Lessee is in full compliance with all of the covenants and conditions contained in this Lease, unless (i) Lessee notifies Lessor of Lessee's intent to terminate this Lease, which notice must be given in writing not less than ninety (90) days prior to date of termination of any existing term or (ii) Lessor notifies Lessee of Lessor's intent to terminate this Lease, which notice must be given in writing not less than one-hundred eighty (180) days prior to date of termination of any existing term and provided that Lessor may only so terminate if Lessor intends to conduct, and within three (3) months of said termination actually commences conducting, Agricultural Use on the Property in compliance with the Covenant and all applicable laws and ordinances and the terms and conditions of the Conservation Easement.

The Initial Term and any succeeding five-year term complying with the terms of this section shall be referred to herein as the "Term" of this Lease.

3. Lease Payment. Subject to offsets that may be due to Lessee pursuant to Section 4 and Section 6, Lessee agrees to pay annually as rent ("Rent") the sum equal to the "Annual Fair Market Value" of this Lease as of the Effective Date. The Annual Fair Market Value of this Lease shall be determined according to an appraisal or the following method, at Lessee's option: (i) Lessee shall compile annual rental rates of three (3) agricultural leases currently in effect from the nearest comparable agricultural operations to the Property; (ii) those rental rates shall be divided by the respective number of acres subject to such other comparable agricultural leases, which will produce a per-acre

SAMPLE

rate for each lease; those three per-acre rental rates shall be averaged and rounded to the nearest whole dollar; and (iv) such average shall be multiplied by the number of acres subject to this Lease, thereby producing the Annual Fair Market Value of this Lease. This Annual Fair Market Value may not be disputed by Lessor so long as Lessee has satisfied the terms of this section.

- a. *For illustrative purposes only, if the number of acres subject to this Lease is 100, and Lessee compiles the following annual rental rates for the comparable leases on the three nearest comparable farming operations then in effect, the Annual Fair Market Value of this Lease would be \$12,800/year, calculated as follows:*
- b. *Farm A: \$4,200 (40 acres): \$105/acre
Farm B: \$5,000 (50 acres): \$100/acre
Farm C: \$3,600 (20 acres): \$180/acre*
- c. *Average: \$128/acre * 100 acres = \$12,800/year = Annual Fair Market Value*

Rent in the amount of the Annual Fair Market Value shall be paid by Lessee either (I) on an annual basis on or before the first day of each year of the Term; or (II) on a monthly basis on or before the first day of each month of the Term (with the first month's rent of the Initial Term and last month's rent of any unextended Term to be prorated based on a 30-day month). The Annual Fair Market Value shall be adjusted every five (5) years according to the method provided in this section. Any other payment arrangement shall require the prior written approval of Lessee and Lessor.

4. Assignment/Sublease. Lessee may freely assign this Lease or sublet all or a portion of the Property at any time during the Term without any prior notice to or consent of Lessor and in Lessee's sole and absolute discretion; provided that Lessee shall provide written notice to Lessor of any such assignment or sublease and the identity of the sublessee within thirty (30) days of executing such assignment or sublease. Lessee shall provide a full copy of the Covenant and the Conservation Easement to such sublessee upon the execution of any such assignment or sublease of this Lease by Lessee pursuant to this paragraph. All actual and reasonable costs incurred by Lessee related to the assignment or sublease may be recovered by Lessee upon written notice to Lessor, and Lessee shall be entitled to offset Rent otherwise due and payable to Lessor to recover such amounts. Such costs include, but are not limited to, those incurred by Lessee to solicit and evaluate proposals from prospective subtenants/assignees, draft and negotiate related contracts, and any associated due diligence costs that may be incurred

SAMPLE

by Lessee.

5. Utilities; Taxes. Lessor shall continue to pay all charges for heat, electricity, gas, telephone, water, trash collection, sewer and all other utilities, if any, servicing the Property during the Term of the Lease and shall continue to pay existing real property taxes and customary increases, except for any increases attributable to Lessee's activities on, or improvements to, the Property. Lessee shall be solely responsible for the payment of any personal property taxes levied on the personal property owned by Lessee and used on the Property.
6. Permitted Agricultural Operations. Lessee may conduct, at its discretion, any Agricultural Use on the Property that is in compliance with all applicable laws and ordinances and the terms and conditions of the Conservation Easement, as well as all related uses allowed by the Conservation Easement. Lessee shall be solely responsible for the cost of all materials, equipment, and labor required to conduct Agricultural Use on the Property, including but not limited to soil amendments, irrigation infrastructure, and other infrastructure and inputs, but may deduct from the Rent otherwise due and payable to Lessor all costs incurred by Lessee in implementation of any restoration, preparation, and maintenance of the Property to resume Agricultural Use (e.g. to bring the Property back into production following noncompliance with the Covenant).
7. Improvements. Lessee may make such improvements to the Property as are reasonably necessary for the permitted agricultural operations on the Property, provided that any such improvements shall comply with the terms and conditions of the Conservation Easement as well as applicable laws and regulations, as they may change from time to time. Lessee shall be responsible for all costs and expenses to develop such improvements, except as such improvements are reasonably necessary to resume Agricultural Uses (e.g. those uses that historically complied with the Covenant). It is the intent of this clause to permit improvements to be made by Lessee that may change the character of the prior Agricultural Uses of the Property, provided however that Lessor shall be responsible for the costs of improvements only to the extent such improvements are necessary to resume operations reasonably similar in scale and character to those previously conducted on the Property to comply with the Covenant.
8. Maintenance; Storage; Dumping. Lessee shall maintain all portions of the Property in a reasonable state of cleanliness and orderly condition, free from trash, waste and debris; provided, however, that the deposition of organic materials used on the

SAMPLE

Property for, or resulting from, Agricultural Use that is conducted in accordance with this Lease and the Conservation Easement is permitted. Lessee may store and/or deposit material and equipment about the Property in accordance with sound agricultural practices.

9. Hazardous Substances. Lessee shall not install, store, treat, use, transport, or otherwise dispose of any hazardous materials on, under, above, or in the Property unless such use, storage, and transportation is in compliance with all applicable laws. As used in this Lease, the term "hazardous substances" means any substance, material, or waste now or hereafter determined by any federal, state, or local governmental authorities to be capable of posing a risk of injury to health, safety, or property, including, but not limited to, any substance, material, or waste: (i) containing asbestos, radioactive materials, petroleum, petroleum fractions, or petroleum distillates; (ii) now or hereafter defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (iii) now or hereafter defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6903; or (iv) now or hereafter defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601 *et seq.*
10. Indemnification; Insurance. Lessee shall indemnify, defend, and hold harmless Lessor from any and all claims, demands, lawsuits or judgments arising out of Lessee's use of the Property during the Term of this Lease. Lessee agrees to carry and maintain at its own cost and expense throughout the entire term of this Lease a policy or policies of insurance, in which Lessor shall be named as an additional insured, insuring against death or injury to persons and damage to property in an amount not less than \$2,000,000.00 combined single limit for both bodily injury and property damage liability type claims. Prior to taking possession of the Property, Lessee shall deliver to Lessor a certificate of the insurance company issuing such insurance, evidencing such coverage.
11. Default. In the event Lessee defaults in performing or observing any of the covenants or conditions of this Lease and does not cure such default within thirty (30) days of Lessee's receipt of written notice thereof by Lessor, or under circumstances where the default cannot reasonably be cured within a thirty (30)-day period, fails to begin curing the violation within the thirty (30)-day period, or does not continue diligently to cure the failure until finally cured, Lessor may, at Lessor's option, terminate and cancel this Lease, re-enter the Property and dispossess Lessee and remove its effects and take

SAMPLE

possession of the Property and hold the same as if this Lease had not been made. All terms of the Covenant and the Conservation Easement shall, in any event, continue in full force and effect and no portion of this Lease shall be construed to condition, amend or modify the Covenant and Conservation Easement.

12. Quarantine. Lessee shall not be required to pay Rent for any portion of the Property during any such time that such portion of the Property is quarantined by the State of California, the County of Sonoma, or similar governmental agency. In such event, the annual Rent shall be proportioned based upon the area of the Property quarantined and the number of days the quarantine remains in effect.
13. Notice. Any bill, statement, or notice that either party desires to give or is required to be given by the terms of this Lease shall be made in writing and delivered or mailed to the intended recipient at the parties' respective addresses shown on the first page of this Lease (or to such other address as such party may designate to the other pursuant to the terms of this section). Said notice will be considered delivered on the day it is mailed, if applicable, or if not mailed, when actually delivered to the recipient at the proper address. Any such notice shall be delivered personally; sent by certified U.S. mail, return receipt requested, with sufficient postage prepaid; or sent by a reputable overnight delivery service.
14. Amendment. This Lease may be amended only by an agreement in writing signed by the parties to this Lease.
15. Termination. In addition to other events of termination provided for in this Lease, this Lease may also be terminated at any time upon mutual consent of Lessor and Lessee.
16. Surrender of Property. Upon the expiration or termination of this Lease, Lessee shall quit and surrender the Property to Lessor. On termination or expiration, Lessee shall have the right to remove personal property at its expense, and shall have sixty (60) days after the expiration of the Lease in which to remove any or all of said personal property. If Lessee fails to remove all said personal property within 60 days after expiration of the Lease, then that personal property not removed shall be deemed abandoned by Lessee and title to that property may be retained by Lessor.
17. Eminent Domain. If the whole or any part of the Property is acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the terms of this Lease may be terminated at the discretion of the District, effective from the date of

SAMPLE

title vesting in such condemning entity, and Lessee shall have no claim against Lessor for the value of any unexpired Term of this Lease.

18. Lien. This instrument shall not be a lien against said Property with respect to any mortgages that hereafter may be placed against said Property, and the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this Lease, irrespective of the date of recording, and Lessee agrees to execute any such instrument, without cost, which may be deemed necessary or desirable to further effect the subordination of this Lease to any such mortgage or mortgages.
19. No Broker. Each party represents to the other that no broker brought about the signing of this Lease. In the event any person asserts a claim for a broker's commission or finder's fee, the party on account of whose conduct or actions the claim is asserted will indemnify, defend and hold the other party harmless from said claim.
20. Lease Runs with the Property. This Lease and all its terms shall run with the Property and shall survive a sale of the Property by Lessor.
21. Successors and Assigns. The covenants, conditions, and agreements contained in this Lease shall bind and inure to the benefit of Lessor and Lessee and their respective heirs, successors, and permitted assigns.
22. Entire Agreement. Any prior negotiations, oral representations, or statements made by either Lessor or Lessee are merged into this Lease. All prior claims, counter-claims, defenses, or actions are extinguished upon execution of this Lease. This Lease contains and fully integrates the entire agreement between the parties, and it shall not be modified in any manner except by an instrument in writing executed by the parties. If any term or provision of this Lease or the application of this Lease to any person or circumstances shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease, or the application of such Lease's terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each remaining term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.
23. Construction. This Lease shall be governed by and construed under the laws (statute and common) of the State of California. Paragraph headings and summaries are for convenience only. In no event shall any such title or caption be deemed to be part of

SAMPLE

this Lease or interpretive of any of its language or intent. No provision of this Lease is to be interpreted for or against either party because that party or that party's legal representative drafted this Lease or any of its provisions. Words of any gender in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural when the sense requires.

24. Time of Essence. Time is of the essence in this Lease and all the provisions relating to timely performance shall be strictly construed.

[THIS AREA IS LEFT BLANK INTENTIONALLY.]

SAMPLE

IN WITNESS WHEREOF, OWNER has executed this Irrevocable Offer of Dedication this day of _____, 2026

OWNER: [FRANCIS FARMER]

By: _____

NOTE: ACKNOWLEDGMENTS MUST BE ATTACHED FOR ALL SIGNATORIES.

SAMPLE

Exhibit A

Property Legal Description

SAMPLE