

APPENDIX D

Existing Memorandums of Understanding

MEMORANDUM OF UNDERSTANDING

by and between

THE CALIFORNIA DEPARTMENT OF FISH AND GAME

and

THE YOLO BASIN FOUNDATION

regarding

THE YOLO BYPASS WILDLIFE AREA

This Memorandum of Understanding ("MOU") is made and entered into on August 24, 1995, by and between the California Department of Fish and Game ("Department"), and the Yolo Basin Foundation, a non-profit, public benefit corporation incorporated under the laws of the State of California ("Foundation").

WITNESSETH:

WHEREAS, there is in the County of Yolo, the Yolo Bypass Wildlife Area ("YBWA"), managed by the Department; and

WHEREAS, pursuant to Fish and Game Code § 1802, the Department is trustee for California's fish and wildlife resources and has jurisdiction over the conservation, protection, and management of California's fish, wildlife and native plants and over habitat necessary for biologically sustainable populations of those species; and

WHEREAS, the Foundation is dedicated to conserving the YBWA and to promoting public awareness and understanding about the YBWA; and

WHEREAS, the Foundation and its supporters, in partnership with the Department and other agencies, were instrumental in the creation of the YBWA; and

WHEREAS, the Department and the Foundation wish to conserve the YBWA for the benefit of wildlife and wetlands preservation and to promote compatible public use through the development, support and operation of interpretive programs, publications, facilities, and fund-raising activities; and

WHEREAS, in connection with the YBWA, the Department will own and manage a headquarters facility on property generally west of the YBWA on Chiles Road ("Headquarters").

NOW, THEREFORE, in considerations of the mutual covenants hereinafter contained, the parties hereto agree as follows:

I. RIGHTS AND OBLIGATIONS OF FOUNDATION

With the Department's right of review and approval, which will be deemed waived if not exercised within a sixty-day period, the Foundation may develop, support, and operate interpretive programs, publications, facilities, and fund-raising activities at the YBWA and Headquarters as follows:

A. ACQUISITIONS

The parties anticipate that each of them will acquire and develop information and materials for use in the interpretive programs at the YBWA. To the extent practicable as determined by the party who acquires or develops the information or materials, each party shall provide any such items for the other party's use at the YBWA upon request. Requests for YBWA interpretive program items shall be in writing. The Foundation shall maintain an inventory of items acquired by the Foundation for joint use at the YBWA and shall provide copies of the inventory to the Department upon request. The Department shall not be liable for loss or damage of Foundation property at YBWA, except when the loss or damage is due to the intentional acts or negligence of the Department or its employees or agents. The Foundation shall not be liable for loss or damage of Department property at YBWA, except when the loss or damage is due to the intentional acts or negligence of the Foundation or its employees or agents.

B. INTERPRETIVE SERVICES

The Foundation may sponsor, support, and assist with tour programs, environmental educational activities, seminars, lectures, and other activities and exhibits that contribute to the interpretive programs at the YBWA. The frequency, type, themes, and locations of on-site interpretive services, including all informational and recreational programs, facilities, publications and other public services shall be subject to the Department's right of review and approval as provided above. In addition, the Foundation shall consult the Department concerning any proposed publicity about the YBWA. If initiated, the day use fee program at YBWA shall be managed by the Department. Interpretive programs will be free of charge unless the charge has been approved by the Department's Regional Manager. Donations may be allowed in connection with any program.

The Foundation may sponsor, publish, purchase, and distribute or sell maps and literature, illustrative materials, and any other informational or educational material concerning the YBWA or its ecology. The contents and pricing of all such material provided by the Foundation at the YBWA and

Headquarters shall be subject to the Department's approval. Other items proposed by the Foundation for public sale or distribution, such as comestibles, artwork or souvenirs, may be permitted at the YBWA or Headquarters, subject to the Department's approval.

The Foundation shall remove any items judged by the Department to be inappropriate for presentation in YBWA.

C. REVENUE

The Foundation may sell Foundation items and other materials at the YBWA and Headquarters, subject to the terms and conditions prescribed in this MOU, and subject to applicable federal, state, and local laws and regulations. In addition, the Foundation may plan, organize, and implement fund-raising activities to acquire contributions to support the management, interpretive, volunteer and public use activities of the YBWA.

The Foundation shall expend all net proceeds from YBWA sales and fund raising for the YBWA interpretive services program described in this MOU and for the purposes specified in its Articles of Incorporation on file with the Secretary of State.

The Foundation shall submit for approval by the Department any planned expenditures that will be utilized on the YBWA or utilized by the public to ensure that those items or services are consistent with YBWA management and public education objectives.

D. ANNUAL REPORT

The Foundation shall furnish the Department with an annual financial statement and report of activities, including an accounting of expenditure for all YBWA and Headquarters generated funds, an accounting of all Foundation revenue derived from YBWA activities and sales at the YBWA and Headquarters and from fund-raising activities in which funds were obtained, in whole or in part, for use at the YBWA, and proposed list of expenditures for the following year. The Foundation shall, upon reasonable notice, furnish the Department with IRS tax return forms, if any, or access to Foundation books.

E. FACILITIES

1. The Department intends to allow the Foundation use of YBWA and Headquarters facilities that are adequate for purposes identified in this MOU. Such facilities will include office space and a small area for sales and the distribution of literature and information. Such facilities will also include the use of a meeting room during and

after regular hours of the YBWA and Headquarters operation, scheduled with the approval of the YBWA Manager and office (which may be shared with Department employees). The Headquarters may also be used as a staging area for interpretive programs and field trips in the YBWA and other refuges, when scheduled with the approval of the YBWA Manager. The YBWA Manager's approval shall also extend to the number of vehicles to be left in the parking lot at the Headquarters during field trips.

2. The Department will provide the Foundation with incidental utilities services at the Headquarters, including water, electricity, heat, air conditioning, and phone lines as needed for YBWA activities.

3. With thirty-days' notice, the facilities at the Headquarters to be used or occupied by the Foundation may be changed or relocated by the Department.

4. The Foundation shall not construct, alter, repair, reconstruct, or improve any structure or facility at the YBWA or Headquarters without first obtaining written approval from the Department (Regional Manager).

5. The Foundation will use the Headquarters facility only during regular business hours, except as approved by the YBWA Manager.

F. TITLE

All facility, improvement, alterations, and other permanent fixtures constructed or completed by the Foundation at the YBWA or Headquarters pursuant to this MOU shall be the property of the Department, and the Department shall not be responsible for the cost of such improvements, alterations, and restorations.

G. FOUNDATION PERSONNEL

All Foundation volunteers and employees interacting with YBWA visitors or conducting business at the YBWA shall be trained in accordance with guidelines established by the Department and shall wear a uniform or an identification badge imparting their affiliation with the Foundation. The Foundation understands and specifically agrees to inform its volunteers and employees that the Foundation is independent of the Department and that Foundation volunteers and employees are not employees of the Department or the State of California. The Foundation shall ensure that the conduct of its volunteers and employees is consistent with the effective management of the

YBWA and with the enjoyment and protection of the public and shall take all necessary actions to correct conduct consistent with such purposes. In the event the Department elects to establish a volunteer program at the YBWA, the Department and the Foundation shall coordinate volunteer activities. Department volunteers working at the YBWA shall not be required to obtain or hold membership in the Foundation.

H. NONDISCRIMINATION CLAUSE

The Foundation and its employees shall not discriminate because of race, religion, color, ancestry, sex, sexual orientation, age, national origin, or physical disability against any person by refusing to furnish such person any accommodations, facility, service, or privilege offered to or enjoyed by the general public. Nor shall the privileges in any manner that would directly or indirectly reflect upon or question the acceptability of the patronage or any person because of race, color, ancestry, sex, sexual orientation, age, national origin, or physical disability.

I. INSURANCE

The Foundation shall furnish to the Department an annual certificate of insurance showing that the foundation has obtained general liability insurance in a minimum amount of \$500,000 covering the Foundation's activities at the YBWA and Headquarters, including the activities of its volunteers and employees. This amount shall be increased to \$1,000,000 in any year in which the Foundation's annual budget exceeds \$50,000.

J. RESPONSIBILITIES

All liaisons regarding interpretive elements outlined in this MOU shall be through the Foundation Executive Director and Department Interpretive Services Supervisor. The use of facilities, timing and location of on-site programs, operation of retail concession, donation of equipment and on-site non-interpretive volunteers shall be approved by the YBWA Manager. Financial reporting and transaction to the Department, insurance certificate, and written intent to donate equipment or facility are to be directed to the Department Regional Administration Officer, via the Interpretive Services Supervisor. The Foundation shall prepare written procedures for preventing and responding to injury associated with Foundation programs at the YBWA.

II. MISCELLANEOUS

A. NO AGENCY

Nothing in this MOU is intended to or shall be interpreted to create in the Foundation, its volunteers and employees a right to act as agent for, or as representative of, the Department. The Foundation and its volunteers and employees shall not have, nor shall they assert, the authority to bind, commit or obligate the Department in any way, nor to assume any liability for the Department.

B. TERMINATION

This MOU may be terminated by either party following sixty-days' written notification. The Foundation shall vacate the Headquarters upon termination of this MOU or at such time specified by the Department.

C. ENTIRE AGREEMENT

This MOU constitutes the entire agreement between the Foundation and the Department concerning management of the YBWA and Headquarters and supersedes any prior oral or written agreements or understandings between the Parties.

D. AMENDMENTS

This MOU may be amended only by a written instrument executed by both Parties.

E. ASSIGNMENTS

No right or obligation created by this MOU shall be assigned by the Department or the Foundation.

F. EFFECTIVE DATE

This MOU shall be immediately effective upon execution by both Parties.

G. NONLIMITATION

Notwithstanding any other provision of this MOU, this MOU shall not be construed as limiting the rights or privileges the Foundation and its Board, employees, agents, and volunteers would enjoy in the absence of this MOU.

H. NOTICE

Any notice required under this MOU shall be made in writing to:

Regional Manager
California Department of Fish and Game
1701 Nimbus Road, Suite A
Rancho Cordova, CA 95670

Executive Director
Yolo Basin Foundation
P.O. Box 943
Davis, CA 95617

I. FURTHER AGREEMENTS

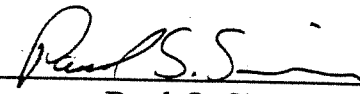
The parties may, as they consider appropriate, make supplemental, specific agreements in furtherance of the purposes of this MOU.

J. DUPLICATE ORIGINALS

This Agreement will be executed in two counterparts, each of which shall constitute an original.


Dated: May 19, 1997.

YOLO BASIN FOUNDATION

By 
Name Paul S. Simmons
Title Chairman
Address 400 Capitol Mall, Suite 1900
Sacramento, CA 95814

Dated: June 3, 1997.

DEPARTMENT OF FISH AND GAME

By 
Name Banky Curtis
Title Regional Manager
Address 1701 Nimbus Road
Rancho Cordova, CA 95670

THE RECLAMATION BOARD

1416 Ninth Street, Room 455-6
Sacramento, CA 95814-5594
(916) 653-5434 FAX: (916) 653-5805



March 16, 1994

Mr. Wallace McCormack, President
The Reclamation Board
1416 Ninth Street, Room 455-6
Sacramento, California 95814

Mr. Boyd H. Gibbons, Director
Department of Fish and Game
1416 Ninth Street, 12th Floor
Sacramento, California 95814

Mr. David N. Kennedy, Director
Department of Water Resources
1416 Ninth Street, Room 1115-1
Sacramento, California 95814

Mr. Wayne S. White
State Supervisor
U.S. Fish and Wildlife Service
2800 Cottage Way, Room E1803
Sacramento, California 95825

Gentlemen:

Enclosed is the fully signed Memorandum of Understanding Regarding Threatened and Endangered Species in the Yolo Basin Wetlands Project developed among The Reclamation Board, the Department of Water Resources, the Department of Fish and Game, and the U.S. Fish and Wildlife Service. The MOU will be used to confirm and clarify understandings, agreements, representations, and commitments with respect to threatened and endangered species that exist or could occur in the Corps of Engineers' Yolo Basin Wetlands Project--Putah Sinks site.

If you have any questions, please contact me at (916) 653-5434 or have your staff contact Jay Punia at (916) 327-1535.

Sincerely,

ORIGINAL SIGNED BY
RAYMOND E. BARSCH

Raymond E. Barsch
General Manager

Enclosure

cc: Mr. Douglas P. Wheeler
Secretary for Resources
The Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

Colonel John N. Reese
District Engineer
Sacramento District
U.S. Army Corps of Engineers
1325 J Street
Sacramento, California 95814-2922

bcc: Mr. Bob Mapes
Region 2
Department of Fish and Game
1701 Nimbus Road
Rancho Cordova, California 95670

Mr. Peter Sorenson
U.S. Fish and Wildlife Service
2800 Cottage Way, Room E1803
Sacramento, California 95825-1846

MEMORANDUM OF UNDERSTANDING
REGARDING THREATENED AND ENDANGERED SPECIES
IN THE YOLO BASIN WETLANDS PROJECT

The Reclamation Board (Board), the Department of Water Resources (DWR), the California Department of Fish and Game (DFG), and the United States Fish and Wildlife Service (USFWS) (all hereinafter referred to collectively as the Parties) have entered this Memorandum of Understanding (MOU) to confirm and clarify their understanding, agreements, representations, and commitments with respect to threatened and endangered species that exist or could occur in the Yolo Basin Wetlands Project - Putah Sinks site and the administration of the federal Endangered Species Act (16 U.S.C. § 1531 *et seq.*) and the California Endangered Species Act (Fish and Game Code § 2050 *et seq.*) (together, the Acts), and to facilitate the successful avoidance of adverse impacts to public safety as it relates to flood control.

EXPLANATORY RECITALS

1. The U.S. Army Corps of Engineers (Corps) and DFG have approved an undertaking consisting of the modification of a federally authorized flood control project. The project modification provides for the restoration, enhancement, and maintenance of wetlands and other habitats. The project modification, located within the Yolo Bypass, a feature of the Sacramento River Flood Control Project (SRFCP), is described in detail in the "Project Modification Report and Environmental Assessment/Initial Study (April 1992)."

2. The Corps is developing an Operation and Maintenance (O&M) Manual for the project modification. Upon its acceptance of the completed project from the Corps, DFG, or its assignee will be required to operate, maintain, repair, replace, and rehabilitate (hereinafter referred to collectively as manage) the completed project in accordance with the O&M Manual.

3. The Board has the obligation to operate and maintain the Yolo Bypass, and DWR has obligations to maintain the Yolo Bypass under California Water Code Section 8361.

4. The Board is required by agreement and California Water Code Section 8710 to prohibit encroachments or activities that will adversely affect the capacity, operation and maintenance of flood control works such as the Yolo Bypass. An agreement between DFG and the Board pursuant to Water Code Section 8618 will be necessary for the implementation of the project modification, in lieu of a Board encroachment permit.

5. Based upon their formal and informal communications, and in recognition of the importance of the Parties' respective obligations and missions under state and federal law, the Parties have determined that it is desirable to confirm their understanding and agreement with respect to threatened and endangered species that may occur now or in the future in the project area.

6. The Parties acknowledge that substantial effort has been made to avoid negative effects on flood control, and the project modification can be made compatible with flood control.

7. DFG and USFWS have responsibility for implementing the Acts, including, the review and approval of management plans and habitat conservation plans.

8. As described in paragraphs 11-14, DFG and USFWS consider the likelihood that threatened or endangered species will impede proper operation and maintenance of the SRFCP to be remote. The Parties agree, however, that it is appropriate to enter into this MOU to define their understanding and agreement with respect to threatened and endangered species resulting from the proposed project modification of the Yolo Bypass to restore and maintain wetlands and other habitat.

REPRESENTATIONS AND COMMITMENTS

9. All Parties acknowledge the substantial environmental benefits to be provided by the project modification. At the same time, however, all Parties recognize that the primary purpose of the Yolo Bypass is to provide for the protection of public health and safety and the protection of property, and that the project modification is subordinate to purposes of the SRFCP.

10. DFG and USFWS recognize that proper operation of the SRFCP requires maintenance in accordance with the O&M Manual and that maintenance shall be an integral part of the project modification.

11. DFG and USFWS have determined that currently the project modification area provides, or may provide, habitat during all or certain times of the year, for certain threatened and endangered species, including the Swainson's hawk and the giant garter snake. DFG and USFWS have determined that following the project modification of the Yolo Bypass to restore wetlands and uplands habitat the area may provide potential habitat for these species and other species that either are listed or may be a candidate for listing, including, but not limited to, the valley elderberry longhorn beetle, greater sandhill crane, tricolored blackbird, and black rail. During inundation in flood years, the Yolo Bypass provides a corridor of travel for winter-run chinook salmon. These species may occur in the area after the project modification. DFG and USFWS have determined, based on the information currently available, that the project modification, including management in accordance with the O&M Manual, is not expected to result in a long-term adverse impact to any state-listed or federally-listed threatened or endangered species. Nor should the project modification and management result in any violations of the Migratory Bird Treaty Act (16 U.S.C. § 703 *et seq.*).

12. DFG and USFWS are of the opinion that the project modification, including management in accordance with the O&M Manual, will provide a net benefit for the environment and for species that may become established in the area of the project modification, and that the long-term environmental benefits to those species outweigh the short-term negative impact that may occur due to habitat management that is for flood control purposes. The project modification is similar in nature to management plans and habitat conservation plans developed for multiple species.

13. DFG and USFWS have reviewed, in depth, all the activities proposed for the management of the project modification in the December 1993 draft O&M Manual, which the Corps has represented to be an ninety percent complete O&M Manual. In the professional judgment of DFG and USFWS, these activities will not threaten in any significant way the existence of species described in paragraph 11 or result in the destruction or adverse modification of habitat that would be considered necessary to the continued existence of such species.

Further, DFG and USFWS have determined that the potential to take such species incidental to management of the project modification does exist. Loss of individuals may occur as a result of implementing the project modifications. DFG and USFWS have determined that if management activities outlined in the O&M Manual are fully implemented and adhered to, then the adverse impacts of "incidental take" will be minimized. DFG and USFWS have not, however, considered the effects of any additional conditions that may be contained in the final O&M Manual or in an encroachment permit or agreement entered into under Section 8618 of the Water Code. If the final O&M Manual, an encroachment permit issued by the Board, or an agreement under Section 8618 of the Water Code contains requirements, terms, or conditions which affect the conclusions in this MOU, DFG and USFWS will so advise DWR and the Board.

14. Management of the project modification area will take into consideration the specific habitat requirements of the giant garter snake and Swainson's hawk, but the area will not be specifically managed for any other listed or candidate species. Consideration of the habitat needs of the giant garter snake and Swainson's Hawk will not impair management in accordance with the O&M Manual.

15. Despite the foregoing, the Parties understand and agree that it is not possible to achieve absolute certainty as to events in the future. For example, laws may change, new facts may come to light, and currently unknown or unanticipated species may be listed as threatened or endangered or otherwise become protected or become established in the project modification area. In recognition of that uncertainty, whatever its magnitude, the Parties agree to cooperate to resolve all endangered species concerns expeditiously and in a manner consistent with applicable law, including laws affecting the SRFCP, and the primary purpose of the SRFCP.

16. By August 1 of each year, DFG will report to the Board and USFWS the occurrence of any known threatened or endangered species in the project area. The report will identify any potential for take of the listed species or other conflict that could occur as a result of management in accordance with the O&M Manual, and will outline the measures that will be taken, with a time schedule, to resolve the conflict, if any.

DFG could also become aware at some time in the future: a) that a threatened or endangered species not contemplated at this time has come to inhabit the project modification area and that the presence of the species could potentially interfere with management in a manner not contemplated at this time; or b) that management of the completed project in accordance within the O&M Manual otherwise has impacts on threatened or endangered species not currently

anticipated, such that a potential for conflict with flood control exists. Recognizing that the absence of management may create adverse impacts for flood control, DFG agrees that in such circumstances, it will give notice to DWR, the Board, the Corps, and USFWS within three working days. Within seven working days after the notice, representatives of the Parties will visit the site of the project modification, and will act as expeditiously as possible and consistent with applicable law to facilitate management that will not have an adverse impact on flood control.

17. In recognition of the primary purpose of the SRFCP, the Parties will observe special procedures in the event of flood control emergencies. For the purposes of this MOU, a flood control emergency is defined as a sudden and unexpected occurrence or set of circumstances which poses an imminent threat to public health and safety or property from floodwaters as determined by the Board, DWR, or the Corps. It is not expected that the measures necessary to alleviate a flood control emergency or eliminate an imminent threat are likely to present additional or unique issues with respect to threatened or endangered species, and the Parties anticipate that imminent flood control emergencies can be resolved without triggering the substantive requirements of the Acts. If, however, it is determined that the measures necessary to alleviate an imminent flood control emergency or eliminate an imminent threat could result in the take of a threatened or endangered species or otherwise trigger the substantive requirements of the Acts, the Parties will immediately confer, in person or by telephone, and will resolve the issue as quickly as permitted by applicable law.

18. This MOU will remain in effect until amended, revised, or revoked by the written agreement of the Parties. The Parties will, as necessary and in keeping with the purposes and intent of this MOU renegotiate the terms of this MOU in good faith based on experience in its operation and changing circumstances.

19. No party shall incur any additional fiscal obligations under this MOU.

20. This MOU may be executed in several duplicate counterparts, each of which shall be an original.

Dated: 1/25/94

THE RECLAMATION BOARD

By Wallace McCormack
Wallace McCormack
President

Dated: 3/7/94

CALIFORNIA DEPARTMENT OF
WATER RESOURCES

By David Kennedy
David Kennedy
Director

Dated: 4/1/94

CALIFORNIA DEPARTMENT OF
FISH AND GAME

By Boyd Gibbons
Boyd Gibbons
Director

Dated: 2/11/94

UNITED STATES FISH AND WILDLIFE
SERVICE

By Wayne S. White
Wayne S. White
State Supervisor



DEPARTMENT OF FISH AND GAME

<http://www.dfg.ca.gov>

SACRAMENTO VALLEY - CENTRAL SIERRA REGION

1701 Nimbus Road, Suite A

Rancho Cordova, California 95670

(916) 358-2900



April 22, 2004

Mr. John Currey
Dixon Resource Conservation District
1170 North Lincoln, Suite 110
Dixon, CA 95620

Dear John:

Enclosed are two fully executed originals of the Yolo Bypass Wildlife Area Lease (L-2112). Please retain one for your files and forward the second copy to the Solano County Auditor-Controller so they can set up the Yolo Bypass Wildlife Area account.

I want to thank you for all the help you provided in getting this master lease in place. It was a long, tedious job, and your input is greatly appreciated. It will be used as the model for leases with other Resource Conservation Districts throughout the State.

Sincerely,

A handwritten signature in cursive script that reads "Mary E. Brawner".

Mary E. Brawner
Associate Governmental Program Analyst

Enclosures

cc: Eric Dockter, Business Services Officer, Sacramento
David Feliz, Manager, Yolo Bypass Wildlife Area, Davis



MEMORANDUM

Date: April 19, 2004

To: Ms. Mary Brawner
Department of Fish and Game - SVCSR
1701 Nimbus Road
Rancho Cordova, California 95670

From: Department of General Services – Real Estate Services Division
Professional Services Branch IMS Z-1
707 Third Street • P.O. Box 989052 • West Sacramento, CA 95798-9052

Subject: **YOLO BYPASS WILDLIFE AREA LEASE (L-2112)
WITH THE DIXON RESOURCE CONSERVATION DISTRICT**

Attached are the fully executed copies of the lease with the Dixon Resource Conservation District for the properties known as the Yolo Bypass Wildlife Area. And thank you, I will take you up on your gracious offer to distribute the signed leases to the District and to Fish and Game staff.

Your collaboration and great advice during the development of this lease was much appreciated. The "first" is always the hardest to get out the door but I think it was well worth our efforts. We look forward to Fish and Game completing more leases with Conservations Districts, using this first lease as the "format" for future leases.

As you know, I stayed on board to finish this lease (since I rotated to my new position in October) however, future leases will probably be completed with JoAnn Blandford, the current manager for the State Owned Leasing and Development Unit. Her direct phone number is (916) 375-4028.

I will be sending you an electronic copy of the "Master" lease format with the Exhibit "B" for you to keep for your reference. JoAnn will also be provided an electronic copy as it will be her staff that completes future Conservation District leases (with your help of course!).

Again, thanks for our "collaboration" I truly enjoyed working with you and the rest of the staff at Fish and Game.

CHERYL L. ALLEN, Manager
Leasing and Real Estate Management

CLA:cla (P:F&G.Dixon.L-2112)

Enclosures

cc: Charlie Misuraca, Dixon Conservation District, 1170 North Lincoln, Suite 110, Dixon, CA 95620
Eric Dockter, Business Services Officer, 1087 – 13th Street, Suite 104, Sacramento, CA 95814
Gary Miller Administrative Services, Department of Fish and Game, 1701 Nimbus Road,
Rancho Cordova, CA 95670
David Felize, Manager, Yolo Bypass Wildlife Area, 45211 County Road 32-B, Davis, CA 95616
Valerie Keisler-Jenkins, Customer Account Manager, Customer Account Management Branch

MASTER-GROUND LEASE

<p>LEASE COVERING PREMISES LOCATED AT:</p> <p>YOLO BYPASS WILDLIFE AREA; in Yolo County, California</p>
<p><u>AGENCY</u></p> <p>Department of Fish and Game</p>

Lease No.: L-2112

THIS LEASE, dated for reference purposes only, this _____ day of _____, 2004, is made by and between the State of California, acting by and through its **DIRECTOR OF THE DEPARTMENT OF GENERAL SERVICES**, with the consent of the Department of Fish and Game, hereinafter called **STATE**, and the **DIXON RESOURCES CONSERVATION DISTRICT**, a not-for-profit entity, hereinafter called **LESSEE**.

RECITALS

WHEREAS, the Department of General Services is authorized under Government Code Section 14670 to lease real property

WHEREAS, the Department of Fish and Game is authorized under Public Resources Code Section 9408 to encourage resources conservation districts to address resource issues and coordinate resource management

WHEREAS, lands under the jurisdiction the Department of Fish and Game are public property, owned by the People of the State of California, and as such are subject to public recreation uses such as hunting, sightseeing, nature study and other uses as authorized by the rules and regulations of the State of California

WHEREAS, **STATE** intends to facilitate such resource management by Conservation Districts, and consent to the subletting of the Conservation District's interests herein solely for said purposes, and hereby finds and determines that said subletting under those conditions agreed to by **STATE**, does not constitute an assignment of **LESSEE'S** interests hereunder

WHEREAS, it is in the best interest of the **STATE** that such a Lease be consummated on the terms conditions herein contained

NOW THEREFORE, it is mutually agreed between the parties as follows:

WITNESSETH:

PROPERTY DESCRIPTION

1. **STATE** has under its control certain Premises located in the City of Davis, County of Yolo, State of California, commonly known as the Yolo Bypass Wildlife Area, and depicted in **Exhibit "A"**, with said boundary outlined in green, consisting of one (1) page, attached hereto and by this reference made a part hereof.

AREA

2. The STATE does hereby lease to LESSEE, and LESSEE does hereby lease from STATE, approximately sixteen thousand (16,000 ±) acres of land, hereinafter called the Leased Premises ("Premises"), located within the boundaries of the Yolo Bypass Wildlife Area, situated in the City of Davis, County of Yolo, State of California, hereinafter called the Leased Premises, ("Leased Premises").

USE

3(a). Subject to the numerous existing Oil, Gas and Mineral leases located throughout the State's property, the Leased Premises shall be used during the term hereof solely for the purpose of managing properties, including the entering into of future subleases by LESSEE on the Department of Fish and Game-owned lands to be managed consistent with the Management Plan of this lease, as described in **Exhibit "B"** consisting of five (5) pages, attached hereto and incorporated by this reference for maintaining agricultural production which provides wildlife habitat values, maintains native grasslands, rare plants, vernal pools and the restoration of seasonal and permanent wetlands.

(b) Should LESSEE'S use and/or management of designated lands for agricultural production and habitat require grazing, haying, and/or farming practices, those activities and practices shall comply with and are subject to the direct oversight of the Department of Fish and Game.

(c) LESSEE shall, with the cooperation of the following parties designated by the Department of Fish and Game, such as the University of California Extension Service, the Nature Conservancy, or others, determine stocking rates and capacity of each field designated for grazing; field rotation schedules for fields designated for grazing, and time of use, duration of use and use the most appropriate for the Department of Fish and Game's objectives on all areas of the Leased Premises.

(d) Should LESSEE desire to use pesticides on the area all applicable United States Environmental Protection Agency (EPA) standards and California Department of Pesticide Regulations must be met and prior approval must be received from the STATE as not all EPA approved pesticides may be used on wildlife areas. For the purpose of this agreement, the definition of "pesticide" shall be the same as that found in the California Food and Agriculture Code sections 12752-12759, as said section may be updated or amended. No aerial applications of pesticides will be permitted, unless specifically approved by the Department of Fish and Game, in writing, prior to any application by LESSEE and/or SUBLESSEES. LESSEE will fill out Form FG-880 and submit it to the area manager by February 1st of each year. The Department of Fish and Game will consider requests from LESSEE for the allowance of emergency types of pesticide application unanticipated in the annual FG-880 submitted to the area manager by February 1st. Should management of the Leased Premises necessitate an emergency application of pesticide, deemed necessary by the Department of Fish and Game, LESSEE shall submit to the Department of Fish and Game additional FG-880's at least seven (7) days prior to application of pesticides by LESSEE and/or SUBLESSEES. STATE reserves the right to disapprove the use of any pesticide. LESSEE shall obtain all County, State, or Federal permits required, including restricted pesticide use and burning permits and comply with all conditions of those permits. LESSEE shall submit to the area manager a copy of all permits. No dumping of hazardous wastes shall be permitted. Hazardous substances shall include, but not be limited to hydrocarbons, petroleum, gasoline and/or crude oil or any products, by-products, or fractions thereof.

(e) LESSEE shall maintain fences and gates, provide stock water and remove trespass livestock, as necessary. All livestock will be deemed trespassing if they are

USE
(-Continued-)

outside of their designated fences or if they are property of a person or persons not party to this Lease.

(f) LESSEE shall at all times during the terms of this Lease, and during any hold-over period thereof, provide to the STATE, at the addresses listed in the "Notices" section of this Lease, the names, addresses and telephone numbers of a minimum of two (2) individuals responsible for the maintenance of fences and the control of livestock on the Leased Premises. The current individuals are as follows: 1) Greg Schmitt, P.O. Box 1395, Davis, CA 95617; Phone Number: (530) 757-2359, and 2) Tom Schene, P.O. Box 968, Dixon, CA 95620; Phone Number (707) 678-1443.

(g) LESSEE'S designated individuals responsible for the maintenance of fences and the control of livestock must be available to respond within a two (2) hour period to remedy livestock trespass issues.

(h) It is further agreed and understood by the LESSEE that the herein demised premises and every part thereof shall be subject to use for public recreation including, but not limited to, public hunting, public fishing, field trips, under applicable laws of the State of California, and rules and regulations of the State Fish and Game Commission, and that the State of California, its officers, agents and employees shall not be responsible for damages to livestock or property or injuries to persons which may arise from or be incident to such use and occupation of said premises.

TERM

4. The term of this Lease shall be for a period of five (5) years, commencing on **February 1, 2004**, and terminating on **January 31, 2010**, with such rights of termination as may be hereinafter expressly set forth.

EARLY
TERMINATION

5. In accordance with Section 10(c)-Ownership of Improvements; either party may terminate this Lease at any time effective on or after February 1st, 2006, by giving written notice to the other party at least one hundred and eighty (180) days prior to the date when such termination shall be come effective.

IN-LIEU RENT

6. STATE and LESSEE acknowledge currently there are existing agricultural and grazing leases, duck club agreements, and water agreements. STATE leases and agreements, as referenced below, exist on the Leased Premises. In lieu of annual rents due STATE by LESSEE, LESSEE shall perform all covenants of this Lease and the lease management services identified in Exhibit "B", including the lease management for the following existing STATE leases and agreements:

Agricultural -And- Grazing Leases:

- 1) Tule Ranch: Los Rios Farms, Inc., Gregory R. Schmid
- 2) Tule Ranch: Schene Enterprises, Inc., Thomas A. Schene

- 3) Causeway Ranch: S.A.M. Farms, Inc., Gregory R. Schmid
- 4) Causeway Ranch: Ronald R. Tadlock.
- 5) Causeway Ranch; DeWit Farms, Jack DeWit

- 6) Geiberson Ranch: S.A.M. Farms Inc., Gregory R. Schmid

LESSEE shall manage the leased premises in accordance with the following Duck Club Agreements:

Duck Club Agreements:

- 1) Bull Sprig Duck Club, dated February 3, 1997
- 2) SkyRakers Duck Club, dated August 21, 1997
- 3) Channel Ranch Duck Club, dated April 7, 1997
- 4) H-Pond Club, dated April 1, 1997

LESSEE shall manage the leased premises in accordance with the following water agreements, on-site and as affected by water agreements with adjacent property owners:

Water Agreements:

- 1) Mace Ranch Irrigation System Easements & Water Deliver System

LESSEE'S management services under the terms of this lease are further described in **Exhibit "B"**, consisting of five (5) pages, attached hereto and incorporated by this reference.

Future Sublease Agreements:

In addition to the existing Agreements and Leases, LESSEE shall actively manage the Premises and with the prior written approval of the Department of Fish and Game, may enter into additional subleases on the Premises.

If at any time during the term of this Lease, or any hold-over period thereof, STATE shall discover that LESSEE has failed to provide the consideration (lease management services) as defined above, said failure will constitute a forfeiture by LESSEE of said in-lieu benefit rent credit. Upon written notice by STATE of forfeiture, LESSEE shall pay a monthly rental equivalent to the current per-acre fair market rental value of the Leased Premises, in addition to an administrative fee of ONE THOUSAND FIVE-HUNDRED DOLLARS (\$1,500.00). Said rent shall be due monthly and paid to:

RENTAL PAYMENTS SHALL BE DELIVERED TO:

Department of Fish and Game
Sacramento Valley Central Sierra Region
1701 Nimbus Road, Suite "A"
Rancho Cordova, California 95670

Administrative Fee shall be delivered to:

Department of General Services
Attn: Accounts Receivable, PAL (L-2112)
Post Office Box 989052
West Sacramento, CA 95798-9052

LESSEE'S method of payment shall be paid directly to the above address, shall display the STATE'S lease number as shown on Page 1 of this document, and shall not require receipt of an invoice prior to issuance of payment.

**AUDITING
REQUIREMENTS**

7. LESSEE agrees that the STATE or its representative will have the right to review, obtain, and copy all records pertaining to performance of the Lease. LESSEE agrees to provide the STATE or its representative with any relevant information requested and shall permit the STATE or its representative access to its Premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under review to determine compliance with the lease. LESSEE further agrees to maintain such records for a period of three (3) years after the review of the lease.

**UTILITY/
EXPENSES**

8. STATE does not warrant the existence nor guarantee LESSEE'S success in obtaining any utilities to the Premises. Obtaining utilities will be the sole responsibility and cost of LESSEE. LESSEE shall install any and all meters for utility operations required at the Premises for LESSEE'S use, at LESSEE'S sole cost. LESSEE agrees to pay all water, electric, gas and other utility charges or any other charges payable in connection with LESSEE'S use, during the term of this Lease.

**CEQA
REQUIREMENTS**

9(a). LESSEE acknowledges that environmental documents under the California Environmental Quality Act (CEQA) may be required for this Lease and for any of LESSEE'S anticipated future improvements to the Leased Premises.

(b) During the term of this Lease, or any renewal of same, LESSEE shall comply with all applicable requirements of CEQA as well as all state, local and federal regulatory and permitting agencies having jurisdiction, including those pertaining to hazardous materials. Any physical change to the site and all improvements constructed by LESSEE or LESSEE'S representatives, at the site shall comply with the CEQA.

(c) It is the understanding of LESSEE that the proposed Lease and the LESSEE'S Future improvements may qualify for a statutory exemption under CEQA, however, STATE makes no representation regarding future CEQA requirements. LESSEE acknowledges that during the entire term of this Lease, LESSEE shall comply with applicable CEQA guidelines and requirements.

(d) All costs associated with CEQA compliance shall be the sole responsibility of LESSEE.

**OWNERSHIP OF
IMPROVEMENTS**

10(a). During the term of this Lease all buildings, structures and improvements constructed on the Premises by LESSEE shall be vested in LESSEE. At the expiration or termination of this Lease, or any extensions thereof, all buildings, structures and improvements constructed on the premises by LESSEE shall vest in STATE. LESSEE shall deliver said buildings, structures and improvements to STATE in good condition and repair, reasonable wear and tear excepted, without compensation to LESSEE, any subtenant or third party, free and clear of all claims to or against them by LESSEE, any subtenant or third party., and LESSEE shall defend and hold STATE harmless from all liability arising from such claims or from the exercise by STATE of its rights under this paragraph.

(b) In the event said buildings, structures and improvements are not delivered to STATE in good condition and repair, reasonable wear and tear excepted, STATE shall have the option to make the necessary maintenance and repairs and LESSEE shall be liable to and shall reimburse STATE for any such expenditures made, plus interest equal to the then defined rate as established in California State Law, per annum from the date of completion of work.

OWNERSHIP
OF
IMPROVEMENTS
(-CONTINUED-)

(c) If LESSEE terminates this Lease, as provided herein, prior to the natural expiration of the Lease term, STATE shall have the option, at LESSEE'S sole expense, to require LESSEE to promptly demolish and remove all buildings, structures and improvements installed by LESSEE and require LESSEE to restore of the Premises to its original condition. Upon written notification by STATE to LESSEE, LESSEE shall promptly demolish and remove all buildings, structures and improvements within sixty (60) days after the date of STATE'S notification.

(d) However, LESSEE shall have the right to any personalty and shall remove such personal property and equipment no later than thirty (30) days after notice by STATE requiring the restoration of the Premises.

(e) Failure by STATE to provide such notice to restore the Leased Premises to its original condition shall be deemed to be an election by STATE **not** to retain any buildings, structures and/or improvements.

NOTICES

11. All notices or other communications required hereunder shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, to the addresses set forth below, or sent by electronic facsimile to the telefacsimile numbers set forth below. All such notices or other communications shall be deemed received upon the earlier of (i) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, (ii) if mailed as provided above, on the date of receipt or rejection, or (iii) if given by electronic facsimile, when received by the other party if received Monday through Friday between 6:00 a.m. and 5:00 p.m. Pacific Standard Time, so long as such day is not a state or federal holiday, and otherwise on the next day, provided that if the next day is Saturday, Sunday, or a state or federal holiday, such notice shall be effective on the following business day.

To the LESSEE: Dixon Resource Conservation District
1170 North Lincoln, Suite 110
Dixon, California 95620
Telephone: (707) 678-1655
Telefacsimile: (707) 678-5001

To the STATE: Department of General Services
Real Estate Services Division
State-Owned Leasing and Development
707 3rd Street, Fifth Floor
West Sacramento, CA 95758
Telephone: (916) 375-4025
Telefacsimile: (916) 375-4029

To the STATE: Department of Fish and Game
Yolo Bypass Wildlife Area
42511 County Road 32-B
Davis, California 95616
Telephone: (530) 757-2461
Telefacsimile: (530) 757-2518

**NOTICES
(-CONTINUED-)**

Notice of change of address or telefacsimile number shall be given by written notice in the manner described in this section, but nothing herein contained shall preclude the giving of any such notice by personal service. LESSEE is obligated to notice **all** state offices listed above and the failure to provide notice to all state offices will be deemed to constitute a lack of notice.

SUBLETTING

12(a). Except as provided in Section 12(b) below , LESSEE shall not assign this Master-Ground Lease or sublet the Premises or any part thereof, and will not permit the use of the Premises by anyone, without prior review, approval, and written consent by the STATE. In any event, no sublease shall extend beyond the term of this Lease or any extension hereof.

(b) Subject to the limitations specified in this paragraph, LESSEE shall have the right to sublease certain portions of the premises. The limitations to subleasing are:

- 1) State shall have the right to review and approve of the proposed sublessee and sign the sublease agreement. LESSEE shall submit the proposed sublease to the State for this purpose at least thirty (30) days prior to its proposed effective date.
- 2) The proposed use under the sublease shall be limited to the uses described in this "Master" lease, and no other use shall be proposed.
- 3) Each proposed sublease shall contain provisions precluding the sublessee from further subleasing premises, or any portion thereof, and shall contain insurance, indemnification and defense provisions satisfactory to STATE

**TEMPORARY
TENANCY**

13. LESSEE acknowledges that LESSEE, it's employees, contractors, subordinates and assigns are not entitled to any Relocation Payment or Relocation Advisory Assistance, or costs pursuant to the Government Code sections 7260 et seq., or any regulations implementing or interpreting such sections. LESSEE further agrees that it has no claim in either law or equity against the STATE for damages or other relief with regards to Relocation Payment or Relocation Advisory Assistance or costs pursuant to Government Code 7260, should the Lease be terminated, and waives any such claims it may have, created by its occupancy of the Premises.

**RECOVERY
OF LEGAL FEES**

14. If action is brought by the STATE for the recovery of any rent due under the provisions hereof or for any breach hereof, or to restrain the breach of any agreement contained herein, or for the recovery of possession of said leased Premises, or to protect any rights given to the STATE against LESSEE, and if the STATE shall prevail in such action, the LESSEE shall pay to the STATE such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.

**PARTNERSHIP
DISCLAIMER**

15. LESSEE and any and all agents and employees of LESSEE shall act in an independent capacity and not as officers or employees of STATE. Nothing herein contained shall be construed as constituting the parties herein as partners.

**INDEMNIFICATION
OF STATE**

16. This Lease is made upon the express condition that STATE is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever while in, upon, or in any way

INDEMNIFICATION
OF STATE
(-CONTINUED-)

connected with the Premises during the term of this Lease or any occupancy hereunder, except those arising out of the sole negligence of the STATE. Each party agrees to indemnify and defend the other in the event of any claim, demand, causes of action, judgements, to the other in the event of any claim, demand, causes of action, judgements, obligations or liabilities, and all reasonable litigation and attorney's expenses which each party may suffer as direct and proximate result of the violation of any law, breach or any term of this Lease, negligence or other wrongful act by a party to the Lease or such party's employees, representatives, contractors, or any other person or persons acting within the direct control or authority of such party or its employees. LESSEE further agrees to provide necessary Workers Compensation Insurance of all employees of LESSEE upon said Premises at the LESSEE'S own cost and expense.

INSURANCE
REQUIREMENTS
OF LESSEE

17(a). LESSEE shall furnish a certificate of insurance with the State's Lease Number indicated on the face of said certificate, issued to STATE with amounts of Commercial General Liability of at least \$5,000,000 per occurrence naming the State of California, its officers, agents and employees as additional insureds. Said certificate of insurance shall be issued by an insurance company that is acceptable to the Department of General Services, Office of Risk and Insurance Management, and the STATE shall have the right to reconsider insurance requirements at any time during the term of this Lease. STATE at its sole discretion may require LESSEE to increase insurance limits and coverage requirements, as STATE deems necessary. Increases in insurance coverage required by STATE shall not be unreasonable and shall not exceed coverage amounts for policies then available within the insurance industry.

(b) It is agreed that STATE shall not be liable for the payment of any premiums or assessments on the insurance coverage required by this lease. The certificate of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to STATE. LESSEE agrees that the insurance herein provided for shall be in effect at all times during the term of this Lease. In the event said insurance coverage expires at any time or times during the term of this Lease, LESSEE agrees to provide STATE at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one (1) year. In the event LESSEE fails to keep in effect at all times insurance coverage as herein provided, STATE may, in addition to any other remedies it may have, terminate this Lease upon the occurrence of such event.

(c) LESSEE shall maintain insurance at its own cost and expense providing protection against the perils included within the standard form of an all risk insurance policy together with insurance against vandalism, malicious mischief, and sprinkler leakage, covering improvements for their full replacement cost. Each insurance policy shall be issued in the name of LESSEE and STATE, as their interests may appear.

(d) If LESSEE is self-insured, LESSEE shall provide STATE with written acknowledgment of this fact at the time of the execution of this Lease. LESSEE shall annually thereafter, on the anniversary of the date of execution of this Lease, provide STATE with a written acknowledgment of the continuation of its self-insured status. If, at any time after the execution of this Lease, LESSEE abandons its self-insured status, LESSEE shall immediately notify STATE of this fact and shall comply with the terms and conditions of this Section of this Lease.

(e) As often as reasonably requested by STATE, LESSEE and/or its SUBLESSEE will furnish to STATE a complete list, statement and description of all

INSURANCE
REQUIREMENTS
OF LESSEE
(-CONTINUED-)

such insurance, together with certificates from each insurance company issuing any thereof, that same is in full force and effect and that all premiums have been paid.

INSURANCE
REQUIREMENTS
OF SUBLESSEES

18. All SUBLESSEES shall carry identical insurance coverage, as listed for LESSEE in the above Section 17:Lessee's Insurance Requirements, except that the limitation of coverage shall be reduced to the amounts of Commercial General Liability of at least \$1,000,000 per occurrence, with an aggregate of at least \$3,000,000. All other requirements contained in Section 17:Lessee's Insurance Requirements, shall also apply to all SUBLESSEES.

FIRE-AND
CASUALTY
INSURANCE

19. STATE will not keep improvements which are constructed or installed by LESSEE and/or its SUBLESSEE under the provisions of this Lease insured against fire and casualty and LESSEE and/or its SUBLESSEE will make no claim of any nature against STATE by reason of any damage to the business or property of LESSEE and/or its SUBLESSEE in the event of damage or destruction by fire or other cause, arising other than from or out of negligence or willful misconduct of agents or employees of the STATE in the course of their employment.

NON-
DISCRIMINATION

20(a). In the performance of this Lease, LESSEE shall not unlawfully discriminate or allow harassment against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age (over 40) or sex, sexual orientation, or use of family care leave. LESSEE shall insure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination and harassment.

(b) LESSEE shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of the Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Lease by reference and made a part hereof as if set forth in full. LESSEE shall give written notice of their obligations under this clause to any labor organizations with which they have a collective bargaining or other agreement. Further, LESSEE shall post in conspicuous places available to employees and applicants for employment, notices to be provided by the STATE setting forth the provisions of this Fair Employment Practices Section. (Government Code, Section 12920-12994).

Remedies for willful violations:

- (i) The STATE as LESSOR, may determine a willful violation of the Fair Employment Practices provision to have occurred upon the receipt of a final judgement having that effect from a court in an action to which LESSEE was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that the LESSEE has violated the Fair Employment Practices Act and has issued an order pursuant to the appropriate provisions of the Government Code.
- (ii) Breach of this Section, or finding of willful violation hereof, shall constitute an event of default hereunder, upon notice thereof given to LESSEE following the STATE'S determination under (a) above. Any loss or damage sustained by the STATE by reason thereof shall be borne and paid for by the LESSEE.

**AMERICANS WITH
DISABILITIES ACT**

21(a). Where applicable LESSEE shall comply with all federal requirements established under 28 Code of Regulations, Part 36, Americans with Disabilities Act, in order to make improvements and programs accessible to all participants and to provide equally effective communications.

(b) The requirements of CCR Title 24, State Building Code relative to Access Law Compliance, and Americans with Disabilities Act (ADA), and Uniform Federal Access Standards (UFAS), must be included in the design and development of all facilities constructed under this Lease.

(c) All new construction work shall be planned to comply with the above mentioned standards.

LOSSES

22. The STATE will not be responsible for losses or damage to personal property, equipment or materials of the LESSEE, its agents and employees, or Sublessees.

**TAXES/
ASSESSMENTS**

23(a). LESSEE agrees to pay all lawful taxes, assessments, or charges, which at any time may be levied upon LESSEE'S interest in this Lease. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of property taxes levied on such interest.

(b) Should LESSEE be assessed by any jurisdiction claiming an assignment right, LESSEE shall immediately contact the Department of Fish and Game representative by phone at the phone number referenced in the Notice Section of this lease, and shall also provide a written copy of all assessment notices and/or claims to the Department of Fish and Game.

**COMPLIANCE
WITH LAWS**

24(a). LESSEE shall, at its sole cost and expense, comply with all of the requirements of all municipal, state, and federal authorities now in force, or which may be in force pertaining to the Premises and use of the Premises as provided by this Lease.

(b) Any work done that does not comply with any laws, rules, or regulations will be remedied at the LESSEE'S expense and expenditures for the Lease or audit period.

**CONDITION
OF PREMISES**

25. LESSEE accepts the Leased Premises in an "as is" condition.

**WASTE/
NUISANCE**

26. LESSEE shall not use the Leased Premises or permit any other person to use the Leased Premises or any part thereof, nor allow any person access to the Leased Premises for any use, which constitutes waste, nuisance, or an unreasonable annoyance to STATE. LESSEE at all times during the Lease, at its sole cost, shall do all things necessary to maintain the Leased Premises in a clean and sanitary manner and will not use, nor permit any other persons to use the Leased Premises for disposal or storage of any hazardous or noxious products, except as approved by the STATE. No dumping of refuse by LESSEE is permitted in any area of the Leased Premises, and LESSEE further agrees that it shall at all times exercise due diligence in the protection of the Leased Premises against damage or destruction by fire or other cause.

**BURNING
PROHIBITION**

27. No burning is allowed on the Premises without the prior written consent of the STATE. LESSEE shall reimburse to STATE all fire fighting costs incurred by STATE for extinguishing any fire resulting from any use of said Premises by LESSEE or any SUBLESSEE, employee or invitee.

MAINTAINING
PREMISES

28(a). Except for reasonable use and wear thereof and damage caused by earthquake, fire, public calamity, and acts of God, LESSEE agrees to maintain said Leased Premises in compliance with the sanitation laws and regulation of the State of California, and in compliance with all other laws of the STATE. STATE reserves the right to inspect the Leased Premises to ensure that it is maintained in a satisfactory condition. Failure to keep the Leased Premises in an orderly condition following written notice to LESSEE and LESSEE'S failure to correct such condition within sixty (60) days shall constitute a breach of the Lease.

(b) LESSEE shall maintain the Leased Premises in good repair. LESSEE agrees that in no event shall STATE be required to perform any maintenance on or make repairs or alterations to the Premises of any nature whatsoever. LESSEE agrees to keep the Premises in good order and condition at LESSEE's own cost and expense.

WATER SYSTEMS

29. STATE does not warrant that water supplies or systems are located on the Premises. It shall be the responsibility of the LESSEE to provide water for its operations, including water troughs for livestock located on the Premises. LESSEE may, upon written approval by the Department of Fish and Game, develop and improve, at its own expense, water systems consistent with its use of the Premises. If the LESSEE drills a well or wells on the Premises, it is understood and agreed that at the termination of the Lease, the LESSEE shall have the right to remove pumps or equipment supplied by it, but that it shall not impair the usefulness of the well or wells in any way and shall leave them capped and in all respects in compliance with all applicable laws and regulations.

FENCING

30(a). LESSEE shall at its sole cost and expense, provide and maintain in good repair at all times, necessary boundary fences to prevent trespass on adjacent property. STATE does not warrant the existence of required fences in and around the Premises. Such fences, corrals, and cross fences that are now installed may not be the property of STATE and STATE does not warrant their availability for LESSEE'S use. LESSEE may, with prior approval of STATE, at LESSEE'S sole cost and expense, provide other fencing not inconsistent with STATE use. Such other fences so installed by LESSEE shall remain the property of LESSEE and shall be removed by LESSEE upon termination of this Lease, or with prior approval of STATE, such fences may remain in place and shall become the property of STATE upon termination of this Lease.

(b) Any future fencing required by SUBLESSEES shall be provided by SUBLESSEES at SUBLESSEE'S sole cost and expense. Said fencing shall be consistent with the Management Plan of this Lease.

(c) As deemed necessary, after year one of this Lease, STATE may from time to time require LESSEE to provide FUTURE fencing, gates, cattle-guards and pedestrian access ways, to protect riparian and other sensitive areas as well as developed sites used by the general public. The fences shall be of a type specified by STATE and installed in locations to be designated by STATE. Within thirty (30) days of notification by STATE, LESSEE shall submit plan for such work, together with an estimate of expected material and labor costs. Upon approval by STATE, LESSEE shall install the fencing in an expeditious manner. Upon completion of the work, LESSEES shall present to STATE invoices, paid bills or other records of payment, for actual labor and material costs. Upon acceptance of the work by STATE, and submission of invoices and records, LESSEE shall be given an off-set fence credit in the amount of the actual labor and

FENCING
(-CONTINUED-)

material costs, not to exceed the approved estimate. The STATE shall not require work to be performed the total value of which exceeds six months' rental payments in any one calendar year, unless mutually agreed to by STATE and LESSEE.

(d) All cost of future fencing required of LESSEE by STATE shall be identified in each year's annual report as referenced in **Exhibit "B"** of this Lease. Credit to LESSEE for said future fencing shall be allowed in the subsequent lease year, following said fence installation; however, at no time shall LESSEE qualify for credit of future fence costs which exceed the amount of subleases rent revenues collected by LESSEE.

RODENT
CONTROL

31. LESSEE may upon the Department of Fish and Game approval, when necessary, and at LESSEE'S sole expense, implement a rodent control program in accordance with applicable federal, state, or local laws, regulations or ordinances. Shooting of such rodents may be deemed an acceptable mode of rodent abatement so long as LESSEE does so at their sole risk and holds STATE harmless from any and all damages or injuries caused by LESSEE'S exercise of rodent control program.

PEST CONTROL

32(a). LESSEE shall at all times cooperate with the County Agricultural Commissioner and the state Department of Agriculture relative to the prevention, control and eradication of any pest or disease which might do material damage to the demised Premises or other adjacent Premises.

(b) "Should LESSEE desire to use pesticides on the area, all applicable Environmental Protection Agency (EPA) standards and California Department of Pesticide Regulations must be met and prior approval must be received from the STATE as not all EPA approved pesticides may be used on wildlife areas. For the purpose of this agreement, the definition of "pesticide" shall be the same as that found in the California Food and Agriculture Code sections 12752-12759, as said section may be updated or amended. No aerial applications of pesticides will be permitted unless specifically approved by the Department of Fish and Game, in writing, prior to any application by LESSEE or SUBLESSEES. LESSEE will fill out Form FG-880 and submit it to the area manager by February 1st of each year. The Department of Fish and Game will consider requests from LESSEE for the allowance of emergency types of pesticide application unanticipated in the annual FG-880 submitted to the area manager, by February 1st. Should management of the Leased Premises necessitate an emergency application, deemed necessary by the Department of Fish and Game, LESSEE shall submit to the Department of Fish and Game additional FG-880's, at least seven (7) days prior to the application of pesticides by LESSEE and/or SUBLESSEES. State reserves the right to disapprove the use of any pesticide.

(a) LESSEE and/or SUBLESSEES shall obtain all County, State, or Federal permits required, including restricted pesticide use and burning permits and comply with all conditions of those permits. LESSEE shall submit to the area manager a copy of all permits.

(d) No dumping of hazardous substances shall be permitted. Hazardous substances shall include, but not be limited to hydrocarbons, petroleum, gasoline and/or crude oil or any products, by-products, or fractions thereof.

PREVAILING
WAGE
PROVISION

33(a). For all construction, maintenance and services performed under the terms of this Lease, the LESSEE shall pay, and shall ensure that all LESSEE'S, contractors, and subcontractors pay prevailing wages to their workers. It is the intent of this section that third party rights for the benefit of the covered workers be created. Nothing herein shall be construed as a limitation or restriction on the rights of such workers and the following shall apply:

**PREVAILING
WAGE PROVISION
(-CONTINUED-)**

(b) LESSEE shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with 1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.

(c) LESSEE shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which LESSEE/SUB-LESSEE(S) will post at the job site. All prevailing wage rates shall be obtained by the LESSEE/SUBLESSEE(S) from:

Department of Industrial Relations
Division of Labor Statistics and Research
45 Fremont Street, Suite 1160
San Francisco, California 94105

(d) LESSEE shall comply with the payroll record keeping and availability requirement of 1776 of the Labor Code.

(e) LESSEE shall make travel and subsistence payments to workers needed for performance of work in accordance with 1773.8 of the Labor Code.

(f) Prior to commencement of work, LESSEE shall contact the Division of Apprenticeship Standards and comply with 1777.5, 1777.6, and 1777.7 of the Labor Code and Applicable Regulations.

**FAILURE TO
PERFORM
MAINTENANCE
AND REPAIR**

34. In the event of the failure, neglect, or refusal of LESSEE to do or perform maintenance and repair work, or any part thereof, or any act or thing in this lease provided to be done and performed by LESSEE, STATE shall give notice in writing to LESSEE that if LESSEE fails to perform maintenance and repair work within ninety (90) days from the date of said notice, the STATE shall, at its option, have the right to do and perform the same, and LESSEE hereby covenants and agrees to pay STATE the cost, plus fifteen percent (15%) administrative fee assessed on said cost, upon written demand by STATE.

**SURRENDER
OF PREMISES**

35. LESSEE hereby acknowledges the underlying fee title of STATE in and to the Premises and hereby covenants and agrees never to contest said title. At the termination of this Lease or in the event of a breach of Lease and cancellation of this Lease by STATE, title to the facilities constructed by or for LESSEE on the Premises, and any permanent fixtures or appurtenances in connection therewith reverts to the STATE. Within thirty (30) days of such termination, LESSEE may remove any moveable fixtures, equipment and other personal property located on the Premises other than such personal property owned by STATE.

**MECHANIC'S
LIENS**

36(a). LESSEE will not in any way encumber or cloud the title to the Premises, or any part thereof, and will promptly pay and discharge any and all debts contracted by it in reference thereto for labor, material or services or anything connected with or used by it upon said Premises to the end that no liens shall attach hereto.

(b) STATE shall have the right to post and keep posted such notices, as it may desire in order to protect the Premises, against liens. If, nevertheless, any such lien shall

MECHANIC'S
LIENS
(-CONTINUED-)

be recorded and the LESSEE shall, within sixty (60) days after notice from STATE fail to pay, settle, or otherwise release such lien, or deposit into escrow with a reputable bank or trust company in California a sum sufficient to satisfy such lien, in full, in the event of unsuccessful termination of any litigation in connection with such lien and under the terms of which it shall be obligated to pay such lien upon the unsuccessful termination of such litigation, then, upon the failure of the LESSEE to comply with said requirements, STATE may pay or otherwise dispose of said lien, or defend, settle, or compromise any lawsuit brought to foreclose the same, in its sole discretion, and all amounts so paid by it or any loss sustained by STATE on that account, including reasonable amount for its attorney's fees, shall be repaid to STATE and shall be in addition to any other payments by way of rents, or otherwise, required under the terms of this Lease. A failure to pay any such sum within thirty (30) days after mailing of bill therefore to the LESSEE shall constitute a breach of this Lease.

RIGHT TO ENTER

37. During continuance in force of this Lease, there shall be and is hereby expressly reserved to STATE and to any of its agencies, contractors, agents, employees, representatives or licensees, the right at any and all times, and any and all places, to temporarily enter upon said Premises for survey, inspection, or any other lawful STATE purposes.

EASEMENTS

38(a). This Lease is subject to all existing easements and rights of way. STATE further reserves the right to grant additional public utility easements which do not unreasonably interfere with LESSEE'S use of the property and rights of way, whether recorded or unrecorded, as may be necessary and LESSEE hereby consents to the granting of any such easement. The public utility will be required to reimburse LESSEE for any damages caused by the construction work on the easement area.

(b) Any easements required by LESSEE in connection with this Lease shall be obtained at LESSEE'S sole cost and expense. Easements shall be described by a Licensed Surveyor and recorded in the County of Yolo, at LESSEE'S sole cost and expense.

PUBLIC
SAFETY
NETWORK

39(a). LESSEE avers that the State of California, Department of General Services, is responsible for the STATE'S existing Public Safety Network System, used to support all types of radio, digital, microwave, and fiber optic communications. Should LESSEE require the use of two-way radio communications on the Premises, LESSEE agrees to install, maintain, and operate its two-way radio equipment in accordance with the specific site standards and any other statutes pertaining to the use of electronic equipment. In the event LESSEE'S installation, or operation, in any way hinders, obstructs, or interferes with the operations of the State's Public Safety Network, or any tenant at said site, LESSEE shall, at its sole cost and expense, upon receipt of written notification, forthwith cease the interfering installation or operation.

(b) If such hindrance, interference or obstruction cited is not eliminated or does not fully cease within thirty (30) days after receipt by LESSEE from STATE of a notification of the existence thereof, STATE shall have the right to order cessation of LESSEE'S communications operations as may be necessary to continuously eliminate said interference.

(c) Any interference and compatibility testing required hereunder for radio Interference with other equipment at the Premises, of such equipment installed, or changes to said equipment, shall at the sole cost of LESSEE, be made by a qualified

technical person representing LESSEE and a representative designated by STATE. If the test is satisfactory to both the technical person and the STATE representative, a certification of such test signed by both the technical person and the STATE representative shall be forwarded to STATE at locations indicated in the "Notices" Section. Any costs incurred by the STATE to conduct compatibility testing will be reimbursed to the STATE within thirty (30) days upon LESSEE'S receipt of invoice.

(d) Any interference of the STATE electronic equipment during an emergency incident will require immediate cessation of operation, transmission or further use of LESSEE'S equipment.

MINERAL RIGHTS

40. As provided under the Public Resources Code (Section 6401) LESSEE agrees not to interfere, in any way, with the interests of any person or persons that may presently, or in the future, hold oil, gas, or other mineral interests upon or under said Premises; nor shall LESSEE, in any way, interfere with the rights of ingress and egress of said interest holders. Access rights to mineral interests shall be designated at a specific location as agreed upon by STATE and LESSEE, with the intent of causing the minimum amount of disruption to LESSEE'S use of Premises. The parties further agree that such access shall be limited to an area to be mutually agreed upon by the parties which will not impose burden on LESSEE'S project or development. The parties will agree prior to any access to a specific square-footage amount, and to the specific site for any extraction for which access applies. No such mineral rights granted by STATE or LESSEE shall materially interfere with LESSEE'S beneficial use and occupancy of the Premises.

ENVIRONMENTAL
COMPLIANCE

41(a). LESSEE agrees to comply with all applicable Federal, State, and local regulations pertaining to hazardous materials' use, storage, and disposal. LESSEE shall indemnify and hold harmless the STATE and its agents and representatives for any violation of hazardous materials law caused by LESSEE or LESSEE'S representatives. Furthermore, LESSEE shall reimburse the STATE for any and all costs related to investigation, clean up, and/or fines incurred by the STATE for environmental regulation non-compliance by LESSEE or LESSEE'S representative.

(b) If LESSEE is required to prepare a Business Plan, as specified by Health and Safety Code Section 25500 et seq., or a Hazardous Waste Contingency Plan, as specified in 22 CCR 66264.51 et seq., then a copy of the plan shall be submitted first to the Department of Fish and Game.

(c) If LESSEE or LESSEE'S representative generates any regulated hazardous wastes on the STATE'S property, LESSEE agrees to dispose of such wastes in accordance with all applicable Federal, State, and local regulations. Copies of all hazardous waste manifests or disposal certificates shall be submitted to the Department of Fish and Game.

(d) Storage of hazardous waste shall comply with 22 CCR 66264 et seq. And all applicable fire regulations. LESSEE shall not apply to become a "permitted" hazardous waste storage facility without written permission from the Department of Fish and Game.

(e) The STATE or its representatives reserves the right to inspect all areas, which are leased or rented by LESSEE, for the purpose of verifying environmental compliance.

ENVIRONMENTAL
CLEARANCE
(-CONTINUED-)

(f) At the request of the Department of Fish and Game, the LESSEE shall provide copies of Material Safety Data Sheets (MSDS) for all hazardous materials used on STATE's property.

(g) Any violation in Federal, State, or local environmental law deemed serious by the STATE will be deemed a breach by LESSEE of this Lease. Termination of this Lease by either party or evacuation of the Premises by LESSEE shall not relieve LESSEE of environmental or hazardous materials related liabilities incurred by the STATE during LESSEE'S occupancy or incurred as a result of LESSEE'S actions.

SIGNS

42. All signs shall be subject to review by the STATE, including placement, size, Color, and wording; provided, however, nothing herein shall prohibit LESSEE from placing one (1) distinctly visible sign near the entrance of the Premises. Should the LESSEE wish to install a sign, placement of signs will be decided at the Department of Fish and Game's Headquarters Office. The STATE shall not unreasonably withhold approval of such sign. LESSEE shall obtain any and all permits as may be required for LESSEE to place said sign at or near the entrance to the Premises.

PERSONAL
PROPERTY

43. All personal property, tools or equipment taken onto, stored or placed on the Premises by the LESSEE shall remain the property of the LESSEE. Such personal property shall be removed by the LESSEE, at their sole risk and expense, upon the expiration or sooner termination of this Lease. The STATE does not accept any responsibility for any damage, including, but not limited to damages caused by fire, flooding and theft, to any personal property, including any equipment, tools or machinery stored on the Leased Premises.

MUTUAL
CONSENT

44. This Lease may be altered, changed, or amended only by mutual written consent of the parties hereto.

WAIVER

45(a). The exercise of any right, option or privilege existing at law or by virtue of this Lease, by STATE shall not preclude STATE from exercising any and all other such rights, options and privileges, and STATE'S failure to exercise any such right, option or privilege shall not be deemed a waiver thereof, nor shall it relieve the LESSEE from its obligations to perform each and every term, covenant, provision and condition on its part to be performed pursuant to the provisions of this Lease or as required by law, nor shall it relieve the LESSEE from damages and other remedies for its failure to perform or meet its obligations to STATE.

(b) The waiver by STATE, except as is hereafter provided, or any breach of any term, covenant, provision or condition of this Lease by the LESSEE shall not be deemed to be a waiver of such term, covenant, provision or condition nor any subsequent breach of the same, nor any other term, covenant, provision or condition of this Lease agreement. The subsequent acceptance of rent or other performance required by this Lease by STATE shall not be deemed to be a waiver of any preceding breach by the LESSEE or any term, covenant, provision, or condition of this Lease, regardless of STATE'S knowledge of such preceding breach at the time of its acceptance of such rent or performance.



WAIVER
(-CONTINUED-)

(c) Notwithstanding anything in this paragraph to the contrary, STATE may waive any term, covenant, provision or condition of this Lease, or any known breach thereof, and STATE may waive any of its known rights, options or privileges; provided, however, such waiver must be express and not by implication and must also be in writing duly executed by STATE and delivered to LESSEE.

SEVERABILITY

46. The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or illegal.

UNDERSTANDING
OF LEASE

47 This Lease contains the entire understanding of the parties and the parties agree that there is no other written or oral understanding between the parties in respect to the Leased Premises.

CUMULATIVE
REMEDIES

48. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

MISCELLANEOUS

49(a). Covenants. Whenever words or provisions imposing an obligation or duty on either party are used herein, such words or provisions shall have the same force and effect as though phrased in the form of express covenant.

(b) Construction. The language in all parts of this Lease shall in all cases be construed simply and according to its fair meaning and not strictly for or against either of the parties.

(c) Diligence. LESSEE shall conduct the activities authorized by this Lease agreement on and in connection with the Premises with due diligence and efficiency.

(d) Definition of "Law". "Law" as used herein, includes all valid laws, statutes, ordinances, rules, order and regulations promulgated or issued by federal, state, municipal, local and administrative authorities.

AUTHORITY

50. Each individual executing the Lease on behalf of the LESSEE represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of the LESSEE in accordance with the duly adopted resolution of the Dixon Resource Conservation District or in accordance with the Bylaws of said Board, and that this Lease is binding upon said Board in accordance with its terms. LESSEE shall, concurrently with the execution of this Lease, deliver to STATE a certified copy of a resolution of the Conservation District's Board authorizing or ratifying the execution of this Lease.

BINDING

51. The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns and successors in interest of the parties hereto.

CLEAR TITLE

52. At the termination of this Lease, or in the event of a breach of the express terms of this Lease by Lessee, and termination of this LEASE by STATE, LESSEE shall execute and deliver to STATE within thirty (30) days a good and sufficient Quitclaim Deed to any rights arising hereunder. Should LESSEE fail or refuse to deliver said Quitclaim Deed, a written notice by STATE reciting said failure, shall after ten (10) days from the date of recordation of said notice be conclusive evidence of such termination against LESSEE and all persons claiming interest under this Lease.

**SECTION
HEADINGS**

53. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

ESSENCE OF TIME

54. Time is of the essence of each and all of the provisions, covenants and conditions of this Lease.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the executed date written below.

STATE OF CALIFORNIA

DIRECTOR OF THE
DEPARTMENT OF GENERAL SERVICES

LESSEE:

DIXON RESOURCE CONSERVATION
DISTRICT

By: *Chey L. Allen*
CHERYL L. ALLEN, Manager
Real Estate Leasing and Management

By: *Charlie Misuraca*
CHARLIE MISURACA
As: President, Board of Directors

EXECUTED DATE: 4-14-2004

Date: 3-24-04

Consents to Lease
And Approves its Terms:

DEPARTMENT OF FISH AND GAME

By: *Renee Renwick*
RENEE RENWICK
Acting Deputy Director of Administration

Date: 3/19/04

By: *Mike Vader*
MIKE VADER, Manager
Business Services Section

Date: 3/19/04

EXHIBIT "B"

MANAGEMENT PLAN – Lease Number L-2112

The LESSEE shall, with the cooperation of the following parties designated by the Department of Fish and Game, such as the University of California Extension Service, the Nature Conservancy, or others, determine stocking rates and capacity of each field designated for grazing; field rotation schedules for fields designated for grazing or crop production; and time of use, duration of use most appropriate for the Department of Fish and Game's objectives on all areas of the Leased Premises.

Using the above determinations, the LESSEE shall submit to the Department of Fish and Game's Area Manager for approval not less than thirty (30) days prior to implementation, the Annual Grazing Plan, the Annual Cropping Plan, Annual Water System Plan, and the Annual Budget of the LESSEE. The deadline for submitting the plans and budgets for the first year is forty-five days from the signing of the lease, and February 1st of each year thereafter.

DEFINITION OF PLANS:

Annual Grazing Plan – Shall specify season of use, livestock numbers, designated areas, estimated animal unit months (AUM), field rotations and the rate and basis to be charged.

LESSEE shall also provide names and telephone numbers of two individuals, representing Sublessees, as contacts responsible for the maintenance of fences and the control of livestock. These contacts must be available to respond within a two-hour period. They shall check as needed: maintain fences and gates; provide stock water and remove trespass livestock as necessary. All livestock will be deemed trespassing if they are outside of their designated fences or if they are property of a person or persons not party to the lease(s).

Annual Cropping Plan – Shall specify estimated dates of activities, crop to be planted, acreage to be planted/tilled/harvested, pesticide usage and rate charged per field or unit.

Annual Water System Plan – Shall specifically estimate date of activities crop and other usages, acres irrigated. Shall identify which irrigation ditches will need maintenance, who is required to perform maintenance and who will pay the related costs of same. Sublessee's prorate share of expenses, and when shares are paid shall also be identified.

Annual Budget – LESSEE shall specify the anticipated income and expenses for the normal operation and maintenance of the designated areas and subleases.

Evaluation of Plans – Final Evaluation of LESSEE'S Prior-Year Plans (Years 2 through 5) will include, but not be limited to, feed-back information on such items as number of animals grazed and sufficiency of grazing land, annual yield of crops, final project expenditures.

EACH Annual Plan shall also specify the names and telephone numbers of not less than two (2) contact persons (LESSEE'S staff) who can respond within two (2) hours, if necessary to remedy situations determined by the STATE to require immediate action.

MANAGEMENT OF EXISTING STATE LEASES:

LESSEE will manage existing STATE'S leases with current tenants. STATE'S existing leases may be terminated or renewed dependent upon new management criteria and competitive bid. The LESSEE will manage any new leases as appropriate.

LESSEE shall establish a **separate** account known as the "YBWA Account" within the District Funds at the Solano County Auditor-Controller. LESSEE shall process all financial transactions relating to the designated areas through the YBWA Account.

LESSEE shall collect rents from the Sublessees based upon the rates established and specified in the leases. The rents will be deposited in the YBWA Account.

LESSEE shall pay all expenses, as approved by the Area Manager and the Regional Manager, or his designee, associated with the normal operation and maintenance of the designated areas from the YBWA Account.

In addition to the in-lieu rent credit described in Section 6 of the Lease, and upon actively performing every covenant of the Lease with diligence, and upon STATE'S verification of same, LESSEE shall qualify for a "Management Fee". Said Management Fee shall be fifteen percent (15%) of the rents collected by LESSEE, for any existing leases or future subleases on the Premises. These fees will be paid through transfer from the YBWA account to the LESSEE'S General Fund on a quarterly basis, in arrears, upon approval of the Department of Fish and Game, through the invoice process as detailed in the INVOICING AND PAYMENT Section, page 4 of 5).

Quarterly payment of invoices for repairs and improvements shall take precedence over payment of Management Fees. If insufficient funds exist within the YBWA to cover all expenditures during a quarter, management fees (in whole or in part) will be rolled over to the next billing cycle.

LESSEE'S IMPROVEMENTS:

LESSEE shall contract for and supervise the repairs and improvements to the designated areas as approved by the Area Manager and Regional Manager, or his designee, and pay for such repairs and improvements from the YBWA Account.

LESSEE shall deliver in consideration for the economic value of the agricultural use of the Leased Premises, to the Department of Fish and Game, goods and/or services within thirty (30) days as specified herein. The Department shall receive goods and services from the LESSEE totaling the economic value of the rents and/or any other fees collected by LESSEE for the use of the Leased Premises, less all expenses associated with the normal operation and maintenance of the designated areas, including the management fees paid to the LESSEE, as outlined in the Annual Budget or expenses approved by the Area Manager and Regional Manager, or his designee.

LESSEE is required to make repairs to, or replacement of improvements that are damaged due to misuse or negligence in relation to this Lease.

LESSEE shall, at its regularly scheduled meeting and at the request of the YBWA Manager confer with the Area Manager to consider how these goods and/or services shall be provided.

If for any reason collected rents from Sublessees are not fully expended in a given year, those funds and any interest accrued shall remain in the YBWA Account for future use as determined by mutual agreement of the LESSEE and Area Manager.

In the event of termination of this Lease, LESSEE shall hold sufficient funds to pay any and all outstanding obligations created by LESSEE'S use of the Leased Premises, for the Department of Fish and Game. Once the outstanding obligations have been paid, the LESSEE will remit the balance of the YBWA Account to the Department of Fish and Game within thirty (30) days.

LESSEE'S REPORTING:

LESSEE shall furnish the Area Manager monthly reports of receipts and disbursements, and an annual report of cumulative totals. The Contractor will also furnish periodic reports on improvements, crops, and general condition of the designated areas.

The LESSEE shall take all responsible precautions to protect YBWA lands from overgrazing and other improper or illegal acts. LESSEE will report promptly to the Area Manager any violations by its Sublessee, or others, of this Lease.

DEPARTMENT OF FISH AND GAME OBLIGATIONS:

1. The Department of Fish and Game will provide the LESSEE copies of all existing leases relating to YBWA lands. Once the Management Plan is in place, the Department will advertise for and select qualified Sublessees to graze livestock, or farm on YBWA as provided for in the annual plans. The Department and LESSEE shall work cooperatively to obtain new Sublessees and to execute subleases. An inked-signature copy of all Subleases will be provided to the Department of General Services, the Department of Fish and Game, the LESSEE and any subsequent Sublessee.
2. The Department of Fish and Game will identify and make available to the LESSEE, for the purposes stated herein, YBWA lands and improvements as designated in the Annual Grazing Plan, and Annual Cropping Plan.
3. The Department of Fish and Game's Area Manager, in conjunction with the Regional Manager or his designee, will review, revise, or approve annual plans and budgets associated with any projects to be undertaken. Responses to the LESSEE will be made, in writing, within 15 days of receipt of said annual plans and budget. Additional projects may be added during the year upon review and approval of the Area Manager and Regional Manager or his designee.
4. The Department of Fish and Game reserves the right to change or substitute any field due to the presence of sensitive or protected plants or wildlife species. Any alterations in the designated areas to be grazed, hayed or farmed shall not substantially diminish the established value of the respective approved annual plans.
5. The Department of Fish and Game will monitor and evaluate the effectiveness of the practices applied under this Lease and will revise them in subsequent years if necessary to further the purpose of the Agreement.
6. The Department of Fish and Game retains the right to perform any improvements on the lands under this Lease as it deems necessary.
7. The Department of Fish and Game will provide water for livestock and irrigation pursuant to existing water rights adjudications incumbent upon specific areas of land.
8. The Department of Fish and Game will notify the LESSEE of any maintenance activities required for each designated area.
9. The Department of Fish and Game will review, and if deemed adequate, approve monthly reports of receipts and disbursements. Approval of said reports must be made by the Area Manager and the Regional Manager, or his designee. Should discrepancies be noted, the Area Manager shall advise the LESSEE and request revision and replacement thereof.

10. The Department of Fish and Game will provide a list of appropriate approval signatures to the Solano County Auditor-Controller, and will periodically update the list as necessary.

SCHEDULE OF COMPLETION DATES:

<u>ACTIVITY:</u>	<u>DUE DATE:</u>
1. Monthly Report of Receipts and Expenditures	Ongoing
2. Annual Grazing Plans, Annual Crop Plans, Annual Water System Plans, Annual Budgets	45 days after signature of Lease; February 1 st each year thereafter
3. Evaluation of Prior-Year Plans (Years 2 through 5)	February 1, 2005 and each year thereafter
4. DFG Response to Plans and Budgets	60 days after signature of Lease; February 15 th each year thereafter
5. Additional Project Lists and Estimated Expenses	Ongoing as needed.

INVOICING AND PAYMENT:

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the Department of Fish and Game agrees to compensate individual Contractors or Vendors for actual expenditures incurred.
- B. Payments to individual Contractors and Vendors will be made monthly, in arrears, from the YBWA Account by the Solano County Auditor-Controller upon receipt of one original and two copies of an invoice, along with backup documentation, which properly details all charges, expenses, direct and indirect costs.
- C. Additionally, upon satisfactory performance, as defined in the "MANAGEMENT OF EXISTING STATE LEASES" of this Exhibit, the State agrees to pay the LESSEE a Management Fee, on a flat rate basis.
- D. The Management Fee will be transferred quarterly, in arrears, from the YBWA Account by the Solano County Auditor-Controller to the LESSEE'S General Fund, upon receipt and approval of one original and two copies of the invoice, which properly details all quarterly rents collected and calculation of fee (rents collected times 0.15 = management fee).
- E. The invoices shall be submitted to:
- Area Manager: David Feliz
- Region/Division: Yolo Bypass Wildlife Area
- Address: 45211 County Road 32-B
- Davis, California 95616
- F. The quarterly invoices shall contain the following information:
1. The word "Invoice" should appear in a prominent location at the top of the page(s);
 2. Printed name of the LESSEE, Contractor, or Vendor;

3. Business address of the LESSEE, Contractor, or Vendor, including P. O. Box, City, State, and Zip Code;
4. Name of the Region/Division of the Department of Fish and Game being billed;
5. The date of the invoice;
6. The number of the Lease upon which the claim is based; and
7. An itemized accounting of the overall lease management services for which the Department of Fish and Game is being billed.

Include the following:

- a. The time period covered by the invoice, i.e., the term "from" and "to";
- b. A description of the services performed with supporting documentation;
- c. The total amount due. This should be in a prominent location in the lower right-hand portion of the last page and clearly distinguished from other figures or computations appearing on the invoice; the total amount due shall include all costs incurred by the LESSEE under the terms of this Lease.

- D. The original and one (1) approved copy of the invoice will be forwarded to the Solano County Auditor-Controller by the Regional Manager or his designee. Payment of any invoice will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed statement. Failure to use the address exactly as provided above may result in the return of the statement to the LESSEE. All invoices must be approved by the Department of Fish and Game's Area Manager and Regional Manager, or his designee.

CONFIDENTIALITY OF DATA: All financial, personal, technical, and other data and information relating to the California Department of Fish and Game's operations which are designated confidential by the California Department of Fish and Game and made available to the LESSEE in carrying out this LEASE, shall be protected by the LESSEE for the protection of the LESSEE'S data and information are deemed by the California Department of Fish and Game's confidential information, such methods and procedures may be used, with written consent of the California State Department of Fish and Game, to carry out the intent of this paragraph. The LESSEE shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the LESSEE'S possession, is independently developed by the LESSEE outside the scope of this LEASE, or is rightfully obtained from third parties.

QUARTERLY REPORTS OR MEETINGS: LESSEE shall submit progress reports or attend meetings with STATE personnel not more often than monthly to allow the STATE to determine if the LESSEE is on the right track, whether the project is on schedule, provide communication to interim findings, and afford occasions for airing of difficulties or special problems encountered so that remedies can be developed quickly. At the conclusion of this Lease, LESSEE shall hold a final meeting with the STATE during which LESSEE shall present his findings, conclusions, and recommendations.

RULES/REGULATIONS: LESSEE shall observe and comply with all federal, state, city, and county laws, rules and regulations affecting the work. Any work done that does not comply with any laws, rules, or regulations will be remedied at the LESSEE'S expense and expenditures for the contract or audit period.

[Remainder of Page intentionally left blank.]

RECORDING AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

007189

TONY BERNHARD
COUNTY RECORDER

91 MAR 28 AM 9:38

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
&&) L Street, Suite 1200
Sacramento, CA 95814-3363

OFFICIAL RECORDS
YOLO CO. CALIF.
RECORD REQUESTED

Attention: Cliff Schulz

FIRST AMERICAN TITLE CO.

77

CONFORMED COPY
NOT COMPARED
WITH ORIGINAL

MACE RANCH IRRIGATION SYSTEM
GRANT OF EASEMENTS AND
WATER DELIVERY AGREEMENT

LOS RIOS FARMS, INC., a California corporation ("Los Rios"),
and ALHAMBRA PACIFIC JOINT VENTURE, L.P., a California limited
partnership ("Alhambra Pacific"), hereby agree as follows:

ARTICLE 1. GENERAL

1.01. Los Rios Farms. Los Rios is the current owner of fee
title to all that certain real property located in Yolo County,
California, that is described on Exhibit "A" Attached hereto and
incorporated herein by this reference (the "Los Rios Property").

1.02. Alhambra Pacific Property. Alhambra Pacific is the
current owner of fee title to certain real property located in
Yolo County, California, that is described on Exhibit "B"
attached hereto and incorporated herein by this reference (the
"Alhambra Pacific Property").

1.03. Mace Ranch Irrigation System. The Los Rios Property
and the Alhambra Pacific Property contain all of the real
property that comprised the original Mace Ranch (the Los Rios
Property and the Alhambra Pacific Property are sometimes referred
to collectively in this Agreement as the "Mace Ranch Property").
The entire property historically and currently receives
irrigation water through the Mace Ranch irrigation system, which
is described in detail in this Agreement (the "Irrigation
System"). The Irrigation System carries water from (a) the toe
drain dam (the "Toe Drain Dam"), (b) Putah Creek, and (c) various
groundwater wells to the fields on the Mace Ranch Property. The
Irrigation System is also operated in reverse, to drain water
from certain of the fields into the Toe Drain (or, if the Yolo
bypass area is flooded, to drain water into Davis drain and
pumping station as shown on Exhibit C.)

1.04 Purpose of Agreement. The current landowners desire to continue operating the Irrigation System, to insure water delivery through the Irrigation System for agricultural and other uses, and to provide for its use as a drainage facility. The purpose of this Agreement is to provide for the continued operation of the Irrigation System as described herein and to allocate the expenses of and responsibility for operating and maintaining the Irrigation System and its component parts.

1.05. Binding Upon Successors and Running With the Land. Los Rios and Alhambra Pacific hereby agree and acknowledge that the Mace Ranch Property and each portion thereof shall be held, sold, conveyed, owned and used subject to the easements, covenants, conditions, restrictions, servitudes and other provisions of this Agreement, which are agreed to relate to the use, repair, maintenance and/or improvement of the Irrigation System on the Alhambra Pacific Property, and matters incidental thereto, and are for the benefit of the Los Rios Property and the Alhambra Pacific Property and their respective owners, heirs, successors, tenants, representatives and/or assigns. The provisions of this Agreement shall (subject to the limitations contained in this Agreement and without modifying the provisions of this Agreement) be enforceable as easements, equitable servitudes and conditions, restrictions, and covenants running with the land, and shall be binding on the Los Rios Property and the Alhambra Pacific Property, and each portion thereof, and upon any and all of the owner or owners and the respective heirs, successors, tenants, representatives and/or assigns of the owner or owners of the Los Rios Property and/or the Alhambra Pacific Property, and any and all persons and/or entities who now or hereafter own or otherwise have any right, title or interest in all or any part of the Los Rios Property and/or the Alhambra Pacific Property.

ARTICLE 2. GRANT OF EASEMENT

2.01. Reservation and Grant of Easement. Alhambra Pacific hereby grants to Los Rios a nonexclusive easement over, through and across that certain real property located in Yolo County, California, as approximately shown on the diagram attached hereto as Exhibit "C" and incorporated herein by this reference, and as more specifically described in the metes and bounds description attached hereto as Exhibit "D" and incorporated herein by this reference.

2.02. Use. The easement granted in Section 2.01 above (the "Easement") shall be for the maintenance, repair, removal, inspection, operation and use of the Irrigation System described

in Article 3 below, and for no other use. The right of use granted to the owner or owners of the Los Rios Property by this Agreement shall be for sufficient capacity in the Irrigation System to provide irrigation water to the Los Rios Property. Alhambra Pacific specifically reserves to itself the right to sufficient capacity of the Irrigation System to meet the reasonable water requirements of the Alhambra Pacific Property, and otherwise to use the Easement area in any manner not inconsistent with Los Rios' rights under this Agreement. The Easement may be used by the owners and users of the real property to which the Easement is appurtenant, and by all employees, tenants, licensees, agents and contractors. No use of the Easement shall be done or made in such a manner that it would unreasonably interfere with the use of the Easement by any other permitted user of the Easement, unless the prior written consent of all parties to this Agreement is obtained. The parties recognize that there may be times when the capacity of the irrigation system is insufficient to meet the immediate needs of all parties to this Agreement. The parties shall cooperate in good faith to develop and implement irrigation and other water use schedules which will accommodate the reasonable needs of all users of the Irrigation System.

2.03. Appurtenant. The Easement for water delivery purposes shall be appurtenant to the Los Rios Property, and each portion thereof. The Easement for drainage purposes shall be appurtenant to that portion of the Los Rios Property located north of the north levee of Putah Creek and Los Rios agrees that no other portion of the Los Rios Property has or claims drainage rights through the Irrigation System.

2.04. Right to Relocate or Improve; Costs. Alhambra Pacific shall have the right to relocate from time to time such portions of the Irrigation System and the Easement that are located upon the Alhambra Pacific Property (including, without limitation, sections of the canals and pumping/lift stations), at the sole cost and expense of Alhambra Pacific. Each party shall also have the right to improve (for example, by replacing a section of open canal with an underground pipe or storm drain of sufficient capacity to carry the same quantity of water) from time to time all or portions of the Irrigation System, at the sole cost and expense of the party desiring to make such improvement. All such improvements made by Los Rios shall be made within the boundaries of the Easement. The operation and use of the Irrigation System may not be unreasonably interrupted or interfered with during any such relocation or improvement of any portion of the Irrigation System, and the capacity of the Irrigation System may not be diminished as a result of any such relocation or improvement. Should all or any portion of the Easement be relocated pursuant to the terms of this Article, the parties shall execute and record an amendment to this Agreement

describing the location of the relocated easement and extinguishing any easements over the abandoned locations of the Irrigation System.

2.05. Notwithstanding anything to the contrary contained in this Agreement, Los Rios consents to a relocation of a portion of the Irrigation System to the location shown on Exhibit "E" attached hereto and incorporated herein by this reference, recognizing that a portion of the Easement described thereon is located on the Los Rios Property.

ARTICLE 3. COMPONENTS OF THE IRRIGATION SYSTEM.

3.01 Component Parts of the Irrigation System. The component parts of the Irrigation System are shown on Exhibit "C" generally consist of the following:

A. Canals: Irrigation canals carry the water along the following courses:

- (1) Toe Drain and Toe Drain Dam (at channel) to the First Lift Station;
- (2) First Lift Station to Putah Creek;
- (3) First Lift Station to the Levee;
- (4) Levee to the Second Lift Station;
- (5) Second Lift Station to the west line of Section 17, T8N, R3E, MDB&M;
- (6) From the canal described in (5) south along the west line of Section 16, T8N, R3E, MDB&M.

B. Dams. The Irrigation System includes two dams that are generally described as the:

- (1) Toe Drain Dam and gates; and
- (2) Second Putah Creek Dam. The Second Putah Creek Dam is an earth dam that is constructed each spring and removed each fall, located at the point where the canal from the First Lift Station feeds into Putah Creek.

C. Pumps. The Irrigation System includes electric pumps at the following locations:

- (1) First Lift Station (four electric pumps); and
- (2) Second Lift Station (three electric pumps).

D. Pipe: The Irrigation System passes through a pipeline through the Levee, between the canal running from the First Lift Station to the Levee and the canal running from the

Levee to the Second Lift Station. The existing pipeline is approximately forty-eight inches (48") in diameter, and approximately eighty feet (80') in length.

3.02. Secondary Delivery Systems, Pumps, Etc.: The foregoing description is of the Irrigation System. The Irrigation System does not include the lesser or secondary delivery systems, pumps, etc. that feed off the main Irrigation System and carry water into or drain water from the fields.

ARTICLE 4. MAINTENANCE AND OPERATIONAL TASKS AND COSTS

4.01. Responsibility for Maintenance.

A. Responsible Party. The owner or owners of the Los Rios Property (the "Maintaining Party") shall be responsible for causing the Irrigation System to be maintained in reasonably good condition and repair (as such maintenance is more specifically described in Section 4.03 below). The responsibility for such maintenance may be delegated to a third party (for example, to a farmer leasing a portion of the property using the Irrigation System, or to any other responsible third party) selected by the Maintaining Party; provided, however, such delegation shall not relieve the Maintaining Party of its obligations under this Agreement. The Maintaining Party may assign its obligations for maintenance of the Irrigation System, but only if the Maintaining Party is no longer the largest landowner of land comprising the Los Rios Property, and then only to an individual or entity that is the largest landowner of land comprising the Los Rios Property.

B. Failure to Maintain. In the event the Maintaining Party fails to perform the maintenance, repair or replacement obligations as provided for in this Agreement, the owner or owners of the Alhambra Pacific Property may, but shall not be obligated to, perform or cause to be performed such maintenance, repair or replacement as is reasonably necessary for the continued operation of the Irrigation System or portions thereof. In such event, the owner or owners performing such work shall be entitled to reimbursement from the owner or owners of the Los Rios Property for (a) their respective shares of such maintenance, repair and/or replacement costs (allocated as specified in Sections 4.04 through 4.09 below), and (b) any other costs or damages incurred as a result of the Maintaining Party's failure to carry out its maintenance obligations. Payment of such amounts shall be due within thirty (30) days after demand.

4.02. Reimbursement. The Maintaining Party shall be entitled to reimbursement from the owners of the Alhambra Pacific

Property for that share of the reasonable costs that are incurred for the maintenance of the Irrigation System as required by this Article that is properly allocated to Alhambra Pacific Property as specified in Sections 4.03 through 4.05 below.

The Maintaining Party may bill the owners of the Alhambra Pacific Property not more frequently than once every calendar month for such reimbursements. Each billing shall include copies of paid invoices, receipts or other reasonably satisfactory evidence of the costs incurred, and of the calculations showing the amount allocated to the real property owned by the party receiving such billing. Each reimbursement shall be based on the actual reasonable cash expenditures of the Maintaining Party without a markup for profit, and shall be payable in lawful money of the United States within twenty (20) calendar days after actual receipt of such billing and reasonably satisfactory evidence. If all or portions of the Alhambra Pacific Property is conveyed to a third party or parties, Alhambra Pacific shall notify the Maintaining Party of such transfer. Thereafter, the Maintaining Party shall bill the owner of the transferred property and Alhambra Pacific shall have no further reimbursement obligation under this Agreement as to the transferred property.

The reimbursement obligation(s) under this section or Section 4.01B shall not constitute and shall not be secured by foreclosable lien(s) on all and/or part of the Los Rios Property or the Alhambra Pacific Property (except as might otherwise be provided by law for attachment liens for monetary claims, judgment liens and/or execution and/or other liens related to the enforcement and/or realization of judgments, and then only to the extent so provided).

4.03. Maintenance Tasks. The component parts of the Irrigation System require repairs and periodic maintenance, including, without limitation, the following:

A. Canal Maintenance:

- (1) Cleaning canals as needed;
- (2) Weed control;
- (3) Pipe and water gate inspection and repair and replacement as needed;

B. Pump Repair as needed;

C. Pump Structure Repair as needed;

D. Dam Maintenance:

- (1) Annual Installation Costs;
- (2) Dam Repairs as needed;

E. Main Road Maintenance:

- (1) Weed Control to be done annually;
- (2) Road Grading to be done annually;

F. Salary for Ditch Rider (Water Control);

G. Pump Servicing, including both scheduled maintenance and repair as needed; and

H. Reading, scheduled maintenance, and repair as needed of the measuring devices which may be installed pursuant to this Agreement.

4.04 Maintenance Cost Allocation:

A. Except for costs of power as described in 4.05 below, all costs associated with operating and maintaining the Irrigation System shall be allocated between the owners of the Los Rios Property and the Alhambra Pacific Property based upon the relative amounts of acreage which are served or capable of being served water from the Irrigation System during the year when the costs were incurred. For purposes of this Agreement, the expense year shall be from November 1 through October 31.

B. The parties shall maintain accurate records of crops grown, applied irrigation water, acreage irrigated, and other records reasonably related to water use on their respective properties. Prior to the beginning of the irrigation season, the parties shall meet and estimate their respective water uses and monthly reimbursements (as described in Article 4.02) shall be based upon such estimates. Within twenty (20) days of the end of each expense year the parties shall meet and in good faith to determine the actual amount of water used on the Los Rios Property and on the Alhambra Pacific Property. Any final adjustments in the maintenance cost allocation resulting from this final determination shall be paid to the appropriate party within ten (10) days thereafter.

C. The parties shall have PG and E conduct a pumping efficiency test on the pumps and motors located at the First Lift Station and the Second Lift Station. The parties shall use power consumption records to measure the amount of water pumped at the such lift stations and to assist in determining the amount of water delivered to the Los Rios Property and the Alhambra Pacific Property. The parties to this Agreement agree to meet and confer in good faith to determine if meters should be installed on the lift station pumps to improve the accuracy of the water use measurements.

D. Any party to this Agreement may, by notice given to all other parties to this Agreement and recorded in the

Official Records of Yolo County, designate all portions of that party's land which, thereafter, shall no longer be entitled to receive water from the Irrigation System. Upon such notice and recordation the land so designated shall have no further right to any capacity in or any other right to use the Irrigation System and shall have no obligation to share in maintenance costs incurred after the date notice and recordation are completed.

4.05 Power Charges: The annual power charges for operating the electric pumps at the First and Second Lift Stations shall be allocated between the Los Rios Property and the Alhambra Pacific Property based upon the amount of pumped water used on each property. The parties recognize that some of the water utilized will require use of both lift stations, while other water deliveries may require only one or no pump lift. At the time the parties estimate their respective water uses, as described in Article 4.04, they shall also estimate how much of that water will be pumped at one or more of the lift stations. Power charges shall be paid based upon those estimates until the final adjustments are made. At the time of the final adjustment, as described in Article 4.04, the parties shall determine how much of the water used by each party passed through one or two lift stations and payments for power costs shall be adjusted accordingly. No power costs sharing shall be required for any water used by any party which does not require use of any pump lift. If any groundwater is pumped into the Irrigation System, the party carrying out that pumping shall bear the full cost for the electric power required to pump the water into the Irrigation System.

4.06. Putah Creek Water. There are times when Putah Creek is flowing and water from Putah Creek is used on some portions of the Mace Ranch Property without incurring some or all of the cost of pumping water through the Irrigation System. Available Putah Creek water shall be shared by parties to this Agreement in proportion to their estimated water uses for the year as determined pursuant to paragraph 4.04B.

ARTICLE 5. GENERAL.

5.01. Enforcement. If any party bound by this Agreement fails or refuses at any time to pay when due its share of the maintenance, repair and/or replacement expenses provided for by this Agreement, then legal action may be instituted against the defaulting party for reimbursement plus interest at the maximum legal rate.

5.02. Entry. Los Rios Property shall have, and is hereby granted, the right to enter upon the Easement areas to maintain, repair or replace all or any portion of the Irrigation System as provided in this Agreement.

5.03. Insurance; Indemnity. Each party bound by this Agreement shall be responsible for maintaining public liability and property damage insurance for its own account and for paying all real property taxes and any other taxes and special assessments applicable to its real property which are imposed by any public entity or agency. Each party bound by this Agreement shall indemnify, defend, protect and hold the other (including, without limitation, the other party's board of directors, officers, employees, partners, agents and representatives) harmless from and against any and all costs, expenses, claims, demands, damages, losses, liabilities and obligations sustained, incurred or paid by the other (including, without limitation, reasonable attorneys' fees and costs, fines, penalties, awards, judgments, sums paid and liabilities incurred in settlement, court costs and arbitration fees and costs) arising out of or incurred in connection with or as a result of its performance of its obligations under or its breach or alleged breach of the provisions of this Agreement.

5.04. Attorneys' Fees and Costs of Enforcement. In the event that any legal, equitable or arbitration proceeding is brought for the enforcement of any of the terms of conditions of this Agreement, or any alleged disputes, breaches, defaults or misrepresentations in connection with any provision of this Agreement, the prevailing party in such action, or the nondismissing party where the dismissal occurs other than by reason of a settlement, shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, fees paid to experts, and other costs paid or incurred in good faith in such action or arbitration and in any appeal or appeals. The "prevailing party," for the purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal, judgment or final decision of the arbitrator.

5.05. Amendment and Termination. The provisions of this Agreement may be amended or terminated in full, or as to any parcel, only by a written agreement between the owner or owners of all the Los Rios Farms and Alhambra Pacific Property. The consent of no other person shall be required for such amendment or termination.

5.06. Relief from Obligations. In the event any party bound by this Agreement shall convey its fee interest in all or a portion of the real property that is the subject of this Agreement, then upon such conveyance said party shall be automatically freed and relieved of all liability under this Agreement with respect to any obligation thereafter to be performed with respect to the property so conveyed. It is intended that the agreement and obligations contained in this instrument on the part of each party shall be personally binding

on such party only with the respect to obligations that are to be performed during its ownership; therefore, the conveying party shall remain liable for any obligations incurred under this Agreement prior to the date on which its ownership interest is terminated.

5.07. No Waivers. A failure to enforce any covenant, restriction or other provision of this Agreement or to seek redress for the breach of or default in performance under any such covenant, restriction or other provision shall not constitute a waiver of the right to enforce the same or any other covenant, restriction or provision of this Agreement or to seek redress for the breach thereof. The respective warranties, representations, covenants, agreements, obligations and undertakings of each party hereunder shall be construed as dependent upon and given in consideration of those of the other party. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

5.08. Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the property to the general public or for the general public for any public purpose whatsoever, it being the intention of the parties hereto that this declaration shall be strictly limited to and for the purposes herein expressed, and for the exclusive benefit of the parties hereto and their successors and assigns.

5.09. No Third-Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person or entity other than Los Rios and Alhambra Pacific and their respective successors and assigns, directors, officers, employees, partners, agents and representatives.

5.10 Warranty of Authority. Each party represents and warrants to the other that it is authorized to enter into and execute this Agreement, and that the person or persons executing this Agreement on its behalf are authorized to do so without the need to obtain the further consent of any person or entity, and that upon such execution this Agreement shall be valid, binding and enforceable according to its terms against such party.

5.11. Notices. All notices, approvals, or consents required to be given under this Agreement shall be in writing and, except as otherwise provided herein, shall be effective upon personal delivery, or three (3) business days after deposit in the United States mails, sent by certified mail, with first-class postage fully prepaid, addressed as follows:

Alhambra Pacific: Alhambra Pacific Joint
Venture, L.P.
Attn: Larry Asera
4615 Cowell Blvd.
Davis, CA 95616

Los Rios: Los Rios Farms
Attn: Gregory Schmid
P. O. Box 1407
Woodland, CA 95695

or to such other addresses as either party shall, from time to time, specify in the manner provided herein.

5.12. Governing Law; Interpretation. This Agreement has been executed in California and pertains to real property located in Yolo County, California. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The captions of paragraphs used in this Agreement are for convenience only. No addition to or modification of any term or provision shall be effective unless set forth in writing, signed by both Los Rios and Alhambra Pacific. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained here. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter, which are not fully expressed herein.

5.13. No Partnership. By executing this Agreement, Los Rios and Alhambra Pacific do not intend to form a joint venture or partnership, and no partnership or joint venture shall be deemed to have been formed.

5.14. Additional Documents. From time to time each party shall execute and deliver such instruments and documents as may be necessary to carry out the purpose and intent of this Agreement.

5.15. Water Rights. Nothing in this Agreement shall be interpreted as creating, modifying, or transferring any surface or groundwater rights now owned or held by Los Rios or Alhambra Pacific. This Agreement is intended only to allocate capacity in the Irrigation System and each of the parties to this Agreement shall rely solely on their individual ground or surface water rights or contracts as the basis for their water diversions into the Irrigation System. Los Rios and Alhambra Pacific covenant and agree that neither of them shall contend that this Agreement created any jointly owned or held water rights or contracts or obligated either party to share or allow the other party to use

such party's individually held water rights or contracts for the benefit of the other party's property.

5.16 Existing Easements and Riparian Rights. Without limiting the general applicability of Article 5.12, the parties agree that this Agreement supersedes and terminates any easements and any rights or obligations of the parties under (a) that certain deed from Title Insurance and Trust Company to Robert A Barber, recorded June 20, 1975, in Book 1149, Page 627, Official Records of Yolo County (as modified by a grant deed recorded in Book 1345, Page 33, Official Records of Yolo County), and (b) that certain agreement between Anderson Farms Company and Robert A Barber, recorded June 20, 1975, in Book 1345, Page 631, Official Records of Yolo County (as modified by agreement dated December 27, 1978 and recorded December 28, 1978 in Book 1345, Page 39, Official Records of Yolo County). The parties to this Agreement specifically agree that it is their intent to maintain all riparian, appropriative, or other water rights to the Sacramento River, the Toe Drain, Putah Creek, and other sloughs or water courses that now are or historically have been used to provide water to the Los Rios Property and the Alhambra Pacific Property and that the Irrigation System may be used for the exercise of such rights, subject to the terms and conditions contained herein.

5.16. ARBITRATION OF DISPUTES. ANY DISPUTE BETWEEN THE OWNERS OF THE LOS RIOS FARMS PROPERTY AND THE ALHAMBRA PACIFIC PROPERTY (INCLUDING, WITHOUT LIMITATION, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS), INVOLVING AN ALLEGED DEFAULT OR FAILURE TO ACT WHEN REQUIRED UNDER THIS AGREEMENT, OR INVOLVING A DISPUTE ARISING UNDER SECTION 2.02 OR ARTICLE 4 OF THIS AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION MAY BE INITIATED BY ANY SUCH OWNER. THE FEE TO INITIATE THE ARBITRATION SHALL BE ADVANCED BY THE PARTY BRINGING THE ARBITRATION ACTION, HOWEVER, ALL COSTS OF ARBITRATION SHALL BE BORNE EQUALLY BY THE OWNERS OF THE LOS RIOS FARMS PROPERTY AND THE ALHAMBRA PACIFIC PROPERTY. THE ARBITRATION SHALL BE HEARD AND DECIDED BY A SINGLE ARBITRATOR SELECTED BY THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION LOCATED NEAREST TO THE PROPERTIES, AND THE ARBITRATION SHALL BE HEARD AT THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION NEAREST TO THE PROPERTIES. THE DECISION OF THE ARBITRATION SHALL BE BINDING UPON ALL OF THE OWNERS OF THE LOS RIOS FARMS PROPERTY AND THE ALHAMBRA PACIFIC PROPERTY OR ANY PORTION OF EITHER SUCH REAL PROPERTY, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. JUDGMENT UPON THE DECISION OF THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL

ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

(Initials:)
LOS RIOS FARMS, INC.: LF
ALHAMBRA PACIFIC JOINT VENTURE, L.P.: AP

5.17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

5.18. Memorandum Of Agreement To Be Recorded. A memorandum of this Agreement shall be recorded in the Official Records of Yolo County.

DATED: March 25, 1991.

LOS RIOS FARMS, INC.,
a California corporation

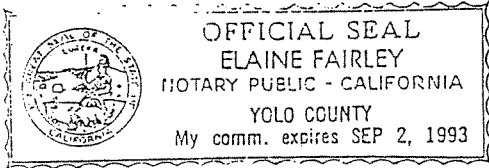
By Gregory Schmid
Gregory Schmid
Its President

STATE OF CALIFORNIA)
) ss:
COUNTY OF YOLO)

On this 25th day of March, in the year 1991, before me, Elaine Fairley, a Notary Public, State of California, duly licensed and sworn, personally appeared Gregory Schmid, personally known to me (or provoid to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of the corporation and acknowledged to me that the corporation executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the _____, County of YOLO, on the date set forth above in this certificate.

Elaine Fairley
 NOTARY PUBLIC, State of California
 My commission expires 9-2-93



ALHAMBRA PACIFIC JOINT VENTURE, L.P., a California limited partnership

By: PG&E PROPERTIES, INC., a California corporation, as General Partner

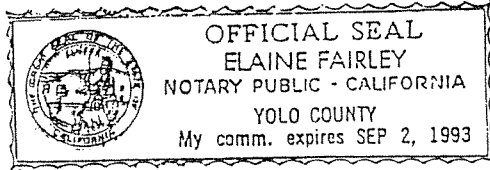
By Alan W. Beringsmith
 Its President and CEO

STATE OF CALIFORNIA)
) ss:
 COUNTY OF YOLO)

On this 27th day of March, in the year 1991, before me, Elaine Fairley, a Notary Public, State of California, duly licensed and sworn, personally appeared Alan W. Beringsmith, personally known to me (or provied to me on the basis of satisfactory evidence) to be the person that executed this instrument, on behalf of the partnership and acknowledged to me that the partnership executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the _____, County of Yolo, on the date set forth above in this certificate.

Elaine Fairley
 NOTARY PUBLIC, State of California
 My commission expires 9-2-93



6112.1

"EXHIBIT A"

EXISTING PARCELS OWNED BY LOS RIOS FARMS

All that real property in the County of Yolo, State of California, described as follows:

PARCEL ONE:

Parcel A of Parcel Map No. 2869 for Anderson Farms Co., filed December 28, 1978 in Book 4 of Parcel Maps, page 62, Yolo County Records.

EXCEPTING THEREFROM an undivided 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property, the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbon and minerals upon and from said property and to construct, install, operate and maintain and remove facilities on said property and remove the same all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with other to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within and under said property (including such rights with respect to the 10% mineral interest conveyed under this deed); and the right of ingress and egress to and from the rights-of-way for pipelines and for such purposes as reserved and provided for in the deed executed by I.W. Hellman, Max Thelen, Jr., and Wells Fargo Bank, as successor Trustees of the Charitable Trust known as the S.H. Cowell Foundation as created in the Will of Samuel H. Cowell, deceased and recorded December 6, 1974 in Book 1128 of Official Records, page 341.

EXCEPTING THEREFROM an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; as reserved in the deed to Robert A. Barber, recorded December 28, 1978 in Book 1345 of Official Records, page 50.

PARCEL TWO-A:

Parcel A as shown on that certain survey Map entitled "Record of Survey for Robert Barber, portions of Sections 27, 28, 29, 33 and 34, Township 8 North, Range 3 East, M.D.B.&M., Yolo County California" filed on February 6, 1975 in Book 11 of Maps and Surveys, page 26, Yolo County Records.

EXCEPTING THEREFROM an undivided 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property, the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbon and minerals upon and from said property and to construct, install, operate and maintain and remove facilities on said property and remove the same all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with other to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within and under said property (including such rights with respect to the 10% mineral interest conveyed under this deed); and the right of ingress and egress to and from the rights-of-way for pipelines and for such purposes as reserved and provided for in the deed executed by I.W. Hellman, Max Thelen, Jr., and Wells Fargo Bank, as successor Trustees of the Charitable Trust known as the S.H. Cowell Foundation as created in the Will of Samuel H. Cowell, deceased and recorded December 6, 1974 in Book 1128 of Official Records, page 341

EXHIBIT A (CONT'D)

PARCEL TO BE ACQUIRED BY LOS RIOS FARMS

Said land is situated in the County of Yolo, State of California.

PARCEL ONE:

All that portion of Parcel B as shown on that certain Survey Map entitled "Record of Survey for Robert Barber, Portions of Sections 27, 26 and 34, Township 8 North, Range 3 East, M.D.B.&M., Yolo County California" filed on February 6, 1975, in Book 11 of Maps and Surveys, page 26, Yolo County Records, described as follows:

BEGINNING at the point of intersection of the South line of said Section 34 with the Easterly line of parcel "A" as shown on the above mentioned Record of Survey from which point of beginning the Southwest corner of said Section 34 bears North 89 deg. 20' 00" West 218.90 feet; thence from said point of beginning along the boundaries of said Parcel "A" the following eight courses: (1) North 00 deg. 46' 16" East 1445.49 feet, (2) North 89 deg. 45' 14" East 24.32 feet; (3) North 00 deg. 38' 20" East 1226.33 feet, (4) North 89 deg. 29' 13" West 251.25 feet, (5) North 00 deg. 32' 15" East 2451.45 feet, (6) South 62 deg. 19' 34" East 1985.08 feet, (7) South 89 deg. 01' 25" East 697.25 feet and (8) North 00 deg. 50' 00" East 3714.66 feet to the North line of the Southwest One-Quarter of said Section 27; thence South 89 deg. 25' 37" East 345.00 feet to the Northeast corner of the Southwest One-Quarter of said Section 27; thence North 00 deg. 56' 34" East 2800.80 feet to the Northeast corner of S.L.S. No. 716 as shown on that certain Record of Survey of the "Glide Tule Ranch" filed in the Office of said Recorder in Book 8 of Maps and Surveys, pages 30 to 38, inclusive; thence South 89 deg. 01' 58" East 2648.93 feet to the Northeast corner of S.L.S. No. 264 as shown on said Record of Survey; thence South 00 deg. 46' 43" West 141.30 feet to the Northwest corner of said Section 26; thence along the Northerly line of said Section 26 the following two courses: (1) South 89 deg. 03' 21" East 2641.38 feet and (2) South 89 deg. 02' 21" East 1122.25 feet; thence South 02 deg. 05' 23" East 5079.54 feet to a point on the South line of said Section 26; thence along said South line North 89 deg. 55' 17" West 3566.67 feet to the corner common to Sections 26, 27, 34 and 35. thence along the East line of said Section 34 South 01 deg. 29' 54" West 2643.49 feet to the East One-Quarter corner of said Section 34; thence North 89 deg. 35' 56" West 2641.91 feet to the Northeast corner of the Southwest One-Quarter of said Section 34, thence South 01 deg. 17' 25" West 2790.98 feet to the South One-Quarter corner of said Section 34; thence along the South line of said Section 34 North 89 deg. 20' 00" West 2613.70 feet to the point of beginning.

EXHIBIT "B"

PARCELS TO BE ACQUIRED BY ALHAMBRA

PARCEL 1:

The South 1/2 of Section 9, Township 8 North, Range 3 East, M.D.B.&M.

ALSO EXCEPTING THEREFROM the portion conveyed to the County of Yolo by Deed recorded August 31, 1965 in Book 806, Page 439, Official Records.

EXCEPTING THEREFROM an undivided 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property, the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbon and minerals upon and from said property and to construct, install, operate and maintain and remove facilities on said property and remove the same all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this deed); and the right of DESCRIPTION continued

DESCRIPTION continued

ingress and egress, to and from and rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1974, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 2:

The South 1/2 of Section 10, Township 8 North, Range 3 East, M. D. B. & M.

ALSO EXCEPTING THEREFROM that portion conveyed to the County of Yolo by Deed recorded August 31, 1965 in Book 806, page 439, Official Records.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

DESCRIPTION continued

DESCRIPTION continued

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979, in Book 1390, Official Records, page 342.

PARCEL 3:

The South 1/2 of Section 12, Township 8 North, Range 3 East, M. D. B. & M.

ALSO EXCEPTING THEREFROM that portion lying East of the West line of Parcel 2 as conveyed to the Sacramento-Yolo Port District by Final Order of Condemnation, a certified copy thereof being recorded December 12, 1958 in Book 558 of Official Records, page 124.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

DESCRIPTION continued

DESCRIPTION continued

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 4:

All of Section 13 of Township 8 North, Range 3 East, M. D. B. & M.

EXCEPTING THEREFROM that portion lying East of the West line of Parcel 2 as conveyed to the Sacramento Yolo Port District by Final Order of Condemnation, a certified copy thereof being recorded December 12, 1958, in Book 558 of Official Records, page 124.

ALSO EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

DESCRIPTION continued

DESCRIPTION continued

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 5:

The South 1/2 and the Northeast 1/4 of Section 15, Township 8 North, Range 3 East, M.D.M.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

DESCRIPTION continued

DESCRIPTION continued

PARCEL 6:

The North 1/2 of Section 22, Township 8 North, Range 3 East, M.D.M.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 7:

All of Section 23, Township 8 North, Range 3 East, M.D.M.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities

DESCRIPTION continued

DESCRIPTION continued

on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 8:

All of Section 24, Township 8 North, Range 3 East, M.D.M.

EXCEPTING THEREFROM that portion lying East of the West line of Parcel 2 as conveyed to the Sacramento-Yolo Port District by Final Order of Condemnation, a certified copy thereof being recorded December 12, 1958 in Book 558 of Official Records, page 124.

ALSO EXCEPTING THEREFROM that portion conveyed to said district by Quitclaim Deed recorded February 11, 1959 in Book 563 of Official Records, page 400.

DESCRIPTION continued

DESCRIPTION continued

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property, for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 9:

The West 1/2 of Section 25, Township 8 North, Range 3 East, M.D.M.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so

DESCRIPTION continued

DESCRIPTION continued

excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from said rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 10:

All that portion of Section 26, Township 8 North, Range 3 East, M.D.M., described as follows: Beginning at the Northeast corner of said Section 26, as said Section is shown on that certain record of survey of the "Glide Tule Ranch" filed in the Office of the Recorder of Yolo County in Book 8 of Maps and Surveys, pages 30 through 38 inclusive; thence from said Point of Beginning along the boundaries of said Section 26 the following two courses (1) South 00° 06' 25" East 5053.05 feet and (2) North 89° 55' 17" West 1713.33 feet; thence North 02° 05' 23" East 5079.54 feet to the North line of said Section 26; thence along said North line South 89 degrees 02' 21" East 1518.88 feet to the Point of Beginning.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, dill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and

DESCRIPTION continued

DESCRIPTION continued

to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from said rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 11:

All that certain piece, parcel or tract of land, lying and being in the County of Yolo, State of California and being portions of Section 12, 13 and 24, Township 8 North, Range 3 East, M.D.B.&M., and also being a portion of Swamp Land Survey 942, Yolo County Surveys; and being more particularly described as follows: (basis of bearing and coordinates is California State Coordinate System for Zone II):

DESCRIPTION continued

DESCRIPTION continued

BEGINNING at a point on the South line of said Section 24, which point bears South 89° 50' 17" West 1574.81 feet from the Southeast corner of said Section 24, coordinates of said point of beginning being North 309,687.42 East 2, 118,027.42; thence from said point of beginning and along the said South line of Section 24, South 89° 50' 17" West 154.99 feet; thence leaving said South line of Section 24, North 00° 23' 09" West 9144.92 feet; thence North 23° 42' 47" East 4231.24 feet to a point on the East line of Section 12, hereinbefore referred to; thence along the East line of Section 12, South 00° 23' 47" East 609.45 feet; thence leaving the said East line of Section 12 South 25° 06' 51" West 1702.75 feet; thence along a curve of 8620.00 radius and curving to the left an arc distance of 3836.41 feet, said arc being subtended by a chord bearing South 12° 21' 51" West 3804.82 feet; thence South 00° 23' 09" East 7150.64 feet to the point of beginning.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and other hydrocarbons and minerals and remove facilities to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from sand rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

DESCRIPTION continued

DESCRIPTION continued

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 12:

All of Section 16, Township 8 North, Range 3 East, M.D.M., according to the official plat thereof.

EXCEPTING THEREFROM an undividing 90% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install, operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from said rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1975, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

DESCRIPTION continued

DESCRIPTION continued

PARCEL 13:

All of Section 17, Township 8 North, Range 3 East, M.D.M., according to the official plat thereof.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

EXCEPTING THEREFROM an undivided 90% interest in and to all oil, gas casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from and rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1974, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

DESCRIPTION continued

DESCRIPTION continued

PARCEL 14:

That portion of Parcel B of Parcel Map No. 2869, filed December 28, 1978 in Book 4 of Parcel Maps, page 62, Yolo County Records, lying within the Northeast 1/4 of Section 19, Township 8 North, Range 3 East, M.D.M., according to the official plat thereof.

EXCEPTING THEREFROM an undivided 90% interest in and to all oil, gas casinghead gas, other hydrocarbons and minerals contained within or under said property; the right to prospect for, drill for, produce, mine, extract and remove oil, gas, casinghead gas, other hydrocarbons and minerals upon and from said property, and to construct, install operate and maintain and remove facilities on said property and remove the same, all as may be reasonably necessary for the full enjoyment and exercise of the rights so excepted and reserved; the exclusive right to enter into leases, pooling and sharing agreements and arrangements with others to prospect for, drill for, produce, mine, extract and remove all casinghead gas, other hydrocarbons and minerals within or under said property (including such rights with respect to the 10% mineral interest conveyed under this Deed); and the right of ingress and egress, to and from and rights-of-way for pipelines and for power lines and other utility lines across said property for all such purposes as provided for in the Deed to Emile Furlan and Simone Furlan, his wife, recorded December 6, 1974, in Book 1128 of Official Records, page 341, as Instrument No. 17541.

ALSO EXCEPTING THEREFROM the possible interest in an undivided 50% of the remaining 10% interest in and to all oil, gas, casinghead gas, other hydrocarbons and minerals contained within or under the above described parcel as excepted by John B. Anderson in Deed recorded October 3, 1979 in Book 1390, Official Records, page 342.

PARCEL 15:

An easement for ingress and egress over the following described property.

A portion of Sections 17, 19, and 20 of Township 8 North Range 3 East, M.D.M., Yolo County, California and being more particularly described as follows:

DESCRIPTION continued

DESCRIPTION continued

A forty foot strip of land the center line of which is described as follows:

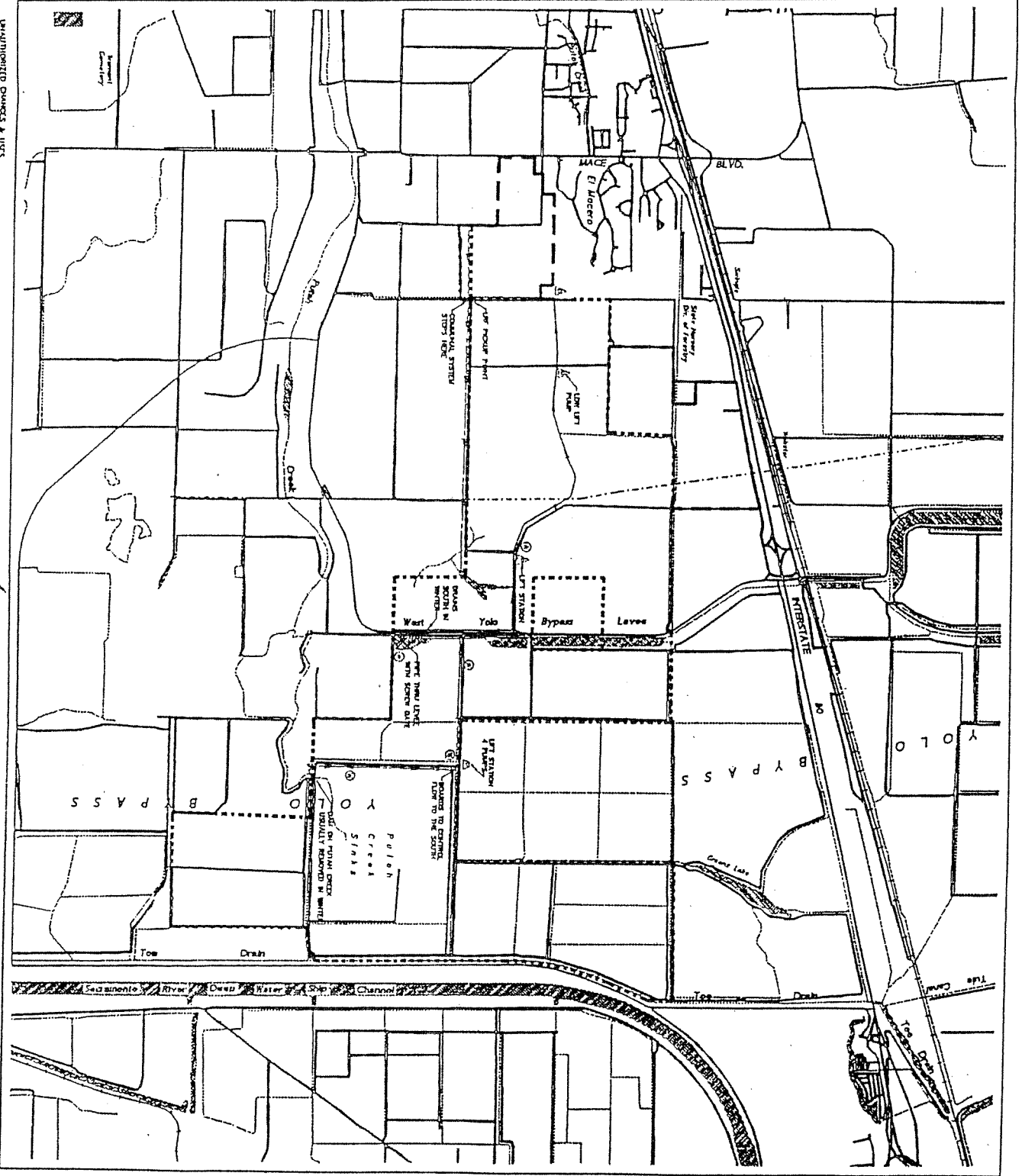
Beginning at a point in the center of County Road 104 that is distant South 00 deg. 30' 47" West 1,271.00 feet from the Northwest Corner of said Section 19; thence leaving said center of County Road 104 North 89 deg. 49' 49" East 2661.50 feet; thence along a line parallel to and distant 20 feet East of the West line of the Northeast Quarter of said Section 19 as same appears on that map recorded in Map and Surveys Book 4 at page 85, Yolo County Records, North 01 deg. 02' 49" East 785.75 feet; thence leaving said parallel line North 77 deg. 17' 55" East 511.69 feet; thence North 89 deg. 12' 33" East 2205.41 feet; thence along a line parallel to and distant 60 feet East of the East line of said Section 19, North 00 deg. 06' 00" East 354.98 feet to the North line of said Section 20; thence along the said North line of Section 20 South 89 deg. 57' 12" East 5263.78 feet to the Northeast corner of said Section 20 being the end of said 40 foot strip of land..

EXCEPTING THEREFROM that portion of said forty foot strip lying within Section 17, Township 8 North, Range 3 East, M.D.M.

UNAUTHORIZED CHANGES & USES

CAUTION: The engineer providing these plans will not be responsible for or liable for any changes or alterations made to these plans after they have been issued. All changes to the plans must be in writing and must be approved by the engineer of these plans.

DATE: MARCH 27, 1971
 SCALE: CHANGING
 DRAWN BY: LVL



West Yost & Associates

EXHIBIT "D"

DESCRIPTION OF IRRIGATION CANAL WITHIN THE PRUDENTIAL PROPERTY:

All that portion of Sections 15, 16, 17, 22, 23 and 24, Township 8 North, Range 3 East, M.D.B.&M., Yolo County, California, described as follows:

PARCEL NO. 1:

A strip of land 200 feet in width, the center line of which is described as follows:

Beginning at a point on the West line of that certain toe drain easement described in the deed recorded in the Office of the Recorder of Yolo County in Book 686 of Official Records, page 320, from which point of beginning the Northeast corner of said Section 24 bears the following two courses: 1) North 00 23' 09" West 153.58 feet, and 2) North 88 38' 55" East 1729.34 feet; thence from said point of beginning North 89 41' 43" West 3584.40 feet; thence North 88 47' 17" West 3696.87 feet to a point hereinafter referred to as Point "A"; thence North 89 01' 33" West 4657.33 feet; thence South 00 07' 56" West 2604.93 feet to a point on the South line of the North 1/2 of said Section 22, from which point the West One-Quarter corner of said Section 22 bears North 89 03' 19" West 2287.58 feet.

PARCEL NO. 2:

A strip of land 50 feet in width, the South line of which is described as follows:

Beginning at a point on the South line of the North 1/2 of said Section 22, from which point of beginning the West One-Quarter corner of said Section 22 bears North 89 03' 19" West 2287.58 feet; thence from said point of beginning along the South line of the North 1/2 of said Section 22 North 89 03' 19" West 210.00 feet.

PARCEL NO. 3:

A strip of land 80 feet in width, the center line of which is described as follows:

Beginning at a point on the South line of the North 1/2 of Section 22, from which point of beginning the West One-Quarter corner of said Section 22 bears North 89 03' 19" West 2077.58 feet; thence from said point of beginning North 00 16' 20" East 4507.32 feet; thence North 89 32' 39" West 2963.32 feet; thence North 69 57' 12" West 1079.40 feet; thence North 32 50' 50" West 1998.52 feet; thence North 76 39' 26" West 801.64 feet; thence South 83 53' 43" West 188.07 feet; thence South 55 42' 47" West 479.29 feet; thence South 71 41' 10" West 1944.49 feet; thence North 87 10' 13" West 789.96 feet; thence North 83 04' 37" West 1020.44 feet; thence South 86 29' 24" West 2631.17 feet to the West line of said Section 17, from which the Southwest corner of Section 17 bears South 00 27' 21" West 3119.41 feet.

PARCEL NO. 4:

A strip of land 60 feet in width, the West line of which is described as follows:

Beginning at the Southwest corner of said Section 17; thence from said point of beginning along the West line of said Section 17 North 00 27' 21" East 3119.41 feet.

DESCRIPTION OF IRRIGATION CANAL - CONT'D

PARCEL NO. 5:

A strip of land 150 feet in width, the center line of which is described as follows:

Beginning at the point hereinabove referred to as Point "A"; thence from said point of beginning South 00 33' 11" West 5391.68 feet to a point on the South line of said Section 23, from which point the Southwest corner of Section 23 bears North 89 03' 21" West 1631.42 feet.

PARCEL NO. 6:

A strip of land 140 feet in width, the South line of which is described as follows:

Beginning at a point on the South line of said Section 23, from which point of beginning the Southwest corner of Section 23 bears North 89 03' 21" West 1631.42 feet; thence from said point of beginning South 89 03' 21" East 475.00 feet.

PARCEL NO. 7:

A strip of land of the uniform width of 80 feet lying equally on each side of the line between said Sections 16 and 17 and extending from the southerly boundary line of said Sections 16 and 17, northerly approximately 3430.0 feet to a point in the centerline of the 80 foot wide strip of land herein described under PARCEL NO. 3, the sidelines of the strip to be lengthened or shortened so as to terminate in the southerly line of said strip described under PARCEL NO. 3.

EXHIBIT "E"

DESCRIPTION OF THAT PORTION OF THE FUTURE IRRIGATION CANAL THAT LIES
ALONG THE CONTIGUOUS PORTIONS OF PRUDENTIAL AND LOS RIOS FARMS

All that portion of Sections 17 and 20, Township 8 North, Range 3 East, M.D.B.&M., Yolo County,
California being more particularly described as follows:

Being a strip of land of the uniform width of 80 feet lying equally on each side of the line common
to said Sections 17 and 20 and extending from the westerly lines of said Sections 17 and 20 easterly
5328.72 feet to the easterly lines of said Sections 17 and 20.