

**LEASE AGREEMENT BETWEEN THE VENTURA COUNTY TRANSPORTATION COMMISSION
AND UNDERWOOD LAND LIMITED PARTNERSHIP**

THIS LEASE AGREEMENT (“Lease”) is made as _____ day of _____ 2024 (“Effective Date”) by and between THE VENTURA COUNTY TRANSPORTATION COMMISSION (“VCTC”), and [INSERT LESSEE NAME] (“Lessee”), (sometimes referred together as the “Parties”).

RECITALS

WHEREAS, the Southern Pacific Company (VCTC’s predecessor-in-interest) entered into Lease Number [INSERT ORIGINAL LEASE # HERE] with [ORIGINAL LESSEE] (“Original Lessee Name”) dated [INSERT DATE] to allow for the [INSERT LEASE PURPOSE / USE AND LOCATION] (“Lease Area”); and

WHEREAS, the Lease Area is described and depicted in Exhibit A, attached hereto and incorporated herein; and

WHEREAS, [ORIGINAL LESSEE] seeks to assign the rights under the Original Lease to the [NEW LESSEE] in connection with the sale of [ORIGINAL LESSEE]’s property; and

WHEREAS, to ensure that the agreement between the Parties reflects all currently-required terms and conditions and accurately identifies the current Parties, the Parties desire to rescind and replace the terms contained in the Original Lease pursuant to this Lease.

NOW, THEREFORE, for and in consideration of the promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VCTC and Lessee hereby agree as follows:

1. **Repealed and Replaced.** Upon execution of this Lease by all parties, the Original Lease shall be deemed repealed and replaced and the terms of this Lease shall govern the Lessee’s use and enjoyment of VCTC’s property.
2. **Term.** The term of this Lease shall begin on the Effective Date and shall continue until terminated pursuant to Section 3 below.
3. **Termination.** This Lease may be terminated by either Party upon thirty (30) days’ written notice. In the event that Lessee violates any covenant contained herein, VCTC may immediately terminate this Lease. Upon termination of the Lease, Lessee must remove all personal property from the Lease Area, make any necessary repairs or complete any necessary work to ensure that the Lease Area is in a good and useable condition, and vacate the Lease Area. In the event of termination by VCTC, Lessee waives all claims for loss of or damage to crops.
4. **Rent.** Lessee agrees to pay the amount of \$[ANNUAL AMOUNT] per year for use of the Lease Area as contemplated hereunder. This amount will be payable annually in advance of the 1st day of July every year. VCTC may increase the rent annually by the same percentage of increase as reflected in the “Consumer Price Index for All Urban Consumers All Items – United States (1967 = 100) compiled by the Bureau of Labor Statistics of the United States Department of Labor.”
5. **Use of Property.** Lessee may only use the Lease Area for [INSERT USE, such as the cultivation of crops]. All use of the Lease Area must comply with all applicable laws and regulations, including but not limited to, those applicable to activities in the vicinity of railroads and rail lines. The Lessee may not without prior written approval of VCTC: (a) plow or cultivate within ten (10) feet of ends of ties or in such a manner to disturb any drainage ditches; (b) turn irrigation or other water on the Lease Area; (c) destroy, cut, or remove any timber, trees, or firewood located on the Lease Area; (d) plant, or permit to grow, any corn or other high-growing crop or vegetation within 300 feet of any road crossing, or allow any growth or obstruction to obscure the view at any road crossing.

6. **Maintenance.** Lessee shall maintain the Lease Area in a good and safe condition at all times. Such maintenance obligations shall include, but shall not be limited to, properly maintaining brush and foliage to minimize fire hazards, removing noxious weeds, and removing or relocating crops when the placement of such crops, in VCTC's sole determination, interferes with the operation of the rail line or VCTC's planned use of adjacent property. If Lessee fails to perform the required maintenance, VCTC may perform the maintenance on Lessee's behalf and charge Lessee the cost of such maintenance.
7. **Insurance.** Lessee, before beginning any activities under this Lease shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for as long as the Lease granted herein remains in existence.
 - 7.1 Workers' Compensation. Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Lessee with limits of not less than one million dollars (\$1,000,000.00) per accident.
 - 7.2 Commercial General and Automobile Liability Insurance; Professional Liability
 - 7.2.1 Commercial General Insurance. Commercial general liability insurance, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations or activities of Lessee. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.
 - 7.2.2 Automobile Liability. Automobile liability insurance form CA 0001 (current edition) covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle pursuant to this Lease, whether or not owned by the Lessee, on or off VCTC premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.
 - 7.2.3 General Liability/Umbrella Insurance. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
 - 7.3 All Policies Requirements.
 - 7.3.1 Verification of coverage. Lessee, prior to beginning any activities under this Lease, shall provide VCTC with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 11.2 adding the VCTC, its officers, agents, and employees as additional insureds and declaring such insurance primary in regard to work performed pursuant to this Lease.
 - 7.3.2 Notice of Reduction in or Cancellation of Coverage. Lessee shall provide at least thirty (30) days prior written notice to VCTC of any reduction in scope or amount, cancellation, or modification adverse to VCTC of the policies referenced in Section 11.
 - 7.3.3 Higher Limits. If Lessee maintains higher limits than the minimums specified herein, then VCTC shall be entitled to coverage for the higher limits maintained by Lessee.

7.4 **Waiver of Subrogation.** Lessee agrees to waive subrogation which any insurer of Lessee may acquire from Lessee by virtue of the payment of any loss. Lessee agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of VCTC for all work performed by Lessee and its employees, agents and contractors.

7.5 **Additional Insurance Obligation.** Lessee shall be solely responsible for ensuring that all equipment, vehicles and other items utilized or operated in the performance of their activities pursuant to this Lease are and remain covered by the policies referenced in Section 11. Lessee shall also ensure that all workers involved in the performance of the activities under this Lessee are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law.

7.6 **Self-Insured Retention.** If any of the insurance policies required under this Lease includes a self-insured retention that must be paid by a named insured as a precondition of the insurer's liability, or which has the effect of providing that payments of the self-insured retention by others, including additional insureds or insurers, do not serve to satisfy the self-insured retention, such provisions must be modified by special endorsement so as to not apply to the additional insured coverage required by this Lease so as to not prevent any of the parties to this Lease from satisfying or paying the self-insured retention required to be paid as a precondition to the insurer's liability.

8. **Indemnification.** To the fullest extent permitted by law, Lessee, shall indemnify, defend with counsel acceptable to VCTC, and hold harmless VCTC, its officers, officials, employees and agents, and Sierra Northern Railroad, its officers, agents, and employees, (collectively, with VCTC, the "VCTC Parties") from and against all liability, loss, cost, claim, demand, action, suit, legal or administrative proceeding, penalty, deficiency, fine, damage and expense, including without limitation, reasonable attorney's fees and costs of litigation, (collectively "Liabilities") to the extent resulting from or arising in connection with the Lease granted hereunder, except to the extent that such Liabilities are caused by the gross negligence, willful misconduct, or criminal violation, of VCTC or any VCTC Parties. Lessee's obligations under this Section shall survive termination of this Lease.
9. **Reservation.** VCTC reserves the right to construct, maintain, and operate existing and additional ditches, tracks, pipe, utility lines and facilities upon, over and beneath the Lease Area.
10. **Assignment.** This Lease may not be assigned or transferred without the express written approval of VCTC.
11. **Attorneys' Fees.** If a Party to this Lease brings any action, including arbitration or an action for declaratory relief, to enforce or interpret a provision of this Lease, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
12. **Governing Law/Venue.** This Lease shall be governed in accordance with the laws of the State of California. Any dispute shall be venued in the court of competent jurisdiction in the County of Ventura.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed and this Lease shall be effective for all purposes as of the Effective Date.

Attachment B. SPBL Lease Agreement Sample Template

VENTURA COUNTY TRANSPORTATION COMMISSION:	INSERT LESSEE NAME
By: Martin Erickson Its: Executive Director	By: Its:
APPROVED AS TO FORM	
By: Steve Mattas Its: General Counsel	

SAMPLE TEMPLATE ONLY

EXHIBIT A
LEASE AREA

INSERT MAP AND DESCRIPTION OF LEASED AREA

SAMPLE TEMPLATE ONLY