

# EASEMENT GRANT APPLICATION CHECKLIST

## SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

ALL GRANT APPLICATIONS MUST INCLUDE THE FOLLOWING:

X	Completed Easement Grant Application Checklist ( <i>this document</i> )
X	Easement Application Cover Sheet
X	Executive Summary
X	Budget
X	Easement Acquisition Summary Sheet
X	Risk of Conversion Summary Sheet and Supporting Evidence
X	Detailed Characteristics of the Proposed Easement
X	Documentation of Public Notice and Local Government Resolution of Support <sup>*1</sup>
X	Preliminary Title Report and Assessor's Parcel Map(s)
X	Appraisal / Estimated Value
X	Applicant-Landowner Letter of Intent*
X	Applicant Conflict of Interest Certification*
X	Easement Monitoring Plan

### ADDITIONAL COMPONENTS AND CERTIFICATIONS:

Please provide these supporting documents or certify that the documents on file with the Department are current.

	Disadvantaged Communities Benefits Checklist*
X	<p>Relevant Portions of the County General Plan (<i>cite or attach</i> )</p> <p>Name and Approval Date of General Plan Section(s): <u>Mendocino County General Plan, Adopted August 2009.</u></p> <p>Internet Link(s) to Current General Plan Documents:  <a href="http://www.co.mendocino.ca.us/planning/GeneralPlan.htm">http://www.co.mendocino.ca.us/planning/GeneralPlan.htm</a></p> <p><u>Citations:</u></p> <ul style="list-style-type: none"> <li>❖ <i>Policy RM-100: Maintain extensive agricultural land areas and limit incompatible uses.</i></li> </ul>

<sup>1</sup> Items with asterisks\* – samples of these documents are available on the Department web site.

SALC Program Agricultural Conservation Easement Grants

	<ul style="list-style-type: none"> <li>❖ <i>Policy RM-101: The County supports policies and programs to maintain and enhance the viability of agricultural operations and retention of agricultural land.</i></li> <li>❖ <i>Policy RM-127: Support land trusts and similar organizations in identifying and protecting lands and corridors with significant resource, recreational or scenic values</i></li> <li>❖ <i>Policy RM-127: Support land trusts and similar organizations in identifying and protecting lands and corridors with significant resource, recreational or scenic values</i></li> </ul> <p><i>The Ukiah City Council adopted the following polices in its General Plan in December 1995 (revised in 2004):</i></p> <ul style="list-style-type: none"> <li>❖ <i>Goal GP-23: Conserve agricultural lands to enhance economic vitality and the sustained identity of Ukiah as a rural agricultural community.</i></li> <li>❖ <i>Goal GP-27: Maintain scenic viewsheds of the Valley.</i></li> <li>❖ <i>Goal GP-30: Protect existing agriculturallyzoned lands in the City's Planning Area.</i></li> <li>❖ <i>Goal OC-2: The City of Ukiah shall support the conservation of agricultural lands through formation of land trust.</i> <ul style="list-style-type: none"> <li>- <i>Policy OC-2.1: Support the formation of a non-profit private Land Conservation Trust.</i></li> <li>- <i>Policy OC-17.1: The encroachment of incompatible uses into agricultural areas shall be avoided.</i></li> </ul> </li> <li>❖ <i>Goal OC-19: Maintain existing agricultural area.</i></li> <li>❖ <i>Goal OC-20: Allow agriculturally-compatible uses on non-viable agriculture lands.</i> <ul style="list-style-type: none"> <li>- <i>Policy OC 20.1: Ensure that development parcels on which commercially-viable agriculture is not feasible is compatible with agricultural uses.</i></li> </ul> </li> </ul>
X	Applicant Statement of Purpose for the preservation of agricultural land and other relevant documents ( <i>Please see Attachment 11 – Articles of Incorporation and Amendment</i> )
Documentation of Organizational Eligibility - Nonprofits	
X	IRS 501(c)3 status - <i>attached</i>
X	Articles of Incorporation - <i>attached</i>
X	Bylaws - <i>attached</i>
Documentation of Organizational Eligibility - Local Governments (as applicant) <i>Not applicable</i>	

OPTIONAL COMPONENTS

X	Letters of support from any partners
X	Accreditation Documents (Land Trust Alliance or similar professional certifications)
X	Project Geographic Area Map showing boundaries of subject parcel(s), parcel number(s), and proximity to closest Spheres of Influence and other protected lands.



## EASEMENT GRANT APPLICATION COVER SHEET

## SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

<b>Project Title</b>	Lovers Lane Vineyard Conservation Project	
Location (County and Nearest City)	Ukiah, California	
Disadvantaged Communities Status <sup>2</sup> (circle one)	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	(If yes, attach Disadvantaged Communities Benefits Checklist)
Risk Conversion Option <sup>3</sup>	Option No. 2	
Strategy and Outcome Grant Project Name (if applicable) <sup>4</sup>	Not applicable	
Grant Request Amount	\$1,169,643	
Matching Funds Pending	\$0	
Matching Funds Committed	\$375,000	
Total Estimated Project Cost	\$1,556,630	
Applicant <sup>5</sup>	Mendocino Land Trust, Inc.	
Federal Employer ID Number	94-2362450	
Mailing Address	P.O. Box 1094	
	Mendocino, CA 95460	
Contact Person	Doug Kern	
Title	Director of Conservation	
Phone Number	(707) 962- 0470	
Email Address	dkern@mendocinolandtrust.org	

<sup>2</sup> Please refer to the CalEnviroScreen maps of the highest ranking disadvantaged communities available at: <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm> or <http://oehha.ca.gov/ej/ces2.html> and to the 2016-17 SALC Program Guidelines for further information.

<sup>3</sup> Refer to pages 2-3 of the 2016-17 SALC Program Guidelines. Including the option number will suffice.

<sup>4</sup> This field is only applicable if applying for a SALC Program Conservation Strategy and Outcome grant and using an agricultural conservation easement to fulfill an administrative requirement.

<sup>5</sup> Eligible applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies. (refer to PRC §10212).



## EXECUTIVE SUMMARY

### Project Description

- ❖ The proposed easement; its scope (farmland quality, location, size, type of agricultural use)

*The easement will conserve 133.5 acres of vineyards located in Ukiah, California. Farmland quality is excellent, with 27 acres of Prime Farmland and 101.6 acres of soils of Statewide Importance (see Soils Map.)*

*In addition, another 45 acres of productive farmland containing 44.25 acres of soils of Prime and Statewide Importance will be conserved on a conservation easement on the 84.08-acre Ghianda Rose Vineyard in Hopland. (Described in a separate application.) This easement, preliminarily valued at \$350,000 will be donated by the landowners to the Mendocino Land Trust in conjunction with the Lovers Lane Project.*

- ❖ Explanation of the development pressure that may be impacting the surrounding area, including a summary of relevant risk of conversion option(s)

*As indicated in the aerial photo, the Lovers Lane Vineyard is bordered on three sides by either intensive suburban residential development or industrial development. The County is currently considering rezoning two parcels owned by the Mendo Farming Company excluded from the conservation project. This reconsideration is based upon a recognized public need in Ukiah for residential housing.*

*In 2014, the County rezoned 17.0 acres from Agland to RR-1 and RR-3 designations.<sup>1</sup> This property lies adjacent to, and south of, the vineyard. (Please refer to property highlighted in yellow on the Zoning Map, Attachment 5.)*

*The property contains five Legal Parcels, which could result in the establishment of up to five "ranchettes" with ten single-family residences on them. Such a division of the land would significantly affect its agricultural viability. Though the parcels are currently zoned AG-40-acre minimum, these parcels were "grandfathered in" in 1984, resulting in subminimum sized parcels for the zoning.*

*The property is located close to an exit on State Highway 101, increasing pressure for its development in the future and, lastly, it lies within the City of Ukiah's Sphere of Influence.*

- ❖ Additional conservation values or co-benefits (e.g., open space, viewshed, habitat, riparian corridor) the easement would accomplish

*The vineyard provides important viewshed values to the residents who live to the south. It also provides scenic value along Lovers Lane and the Comptche-Ukiah Road. In addition, the property is used informally on a daily basis by the public for walking – an activity that the landowners wish to continue.*

<sup>1</sup> A small portion of this parcel is zoned as Open Space, but it is unclear from discussions with the Planning and Building Services Department as to its size.





- ❖ Whether the landowner must meet any critical deadlines for concluding the transaction

*As of the date of this application, the landowners have no critical deadlines for concluding the transactions on either the Lovers Lane or Ghianda Rose Vineyards.*

## BUDGET

### SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

<b>Project Title</b>	Lovers Lane Vineyard Conservation Project		
	<b>SALCP REQUEST</b>	<b>OTHER FUNDING<sup>6</sup></b>	<b>TOTAL FUNDING</b>
<b>Easement Acquisition</b>	\$1,125,000	\$375,000	\$1,500,000
<i>Subtotal (Easement Acquisition)</i>	\$1,125,000	\$375,000	\$1,500,000
<b>Associated Costs<sup>7</sup></b> These costs may include, but are not limited to, the appraisal, title, escrow, closing costs, staff time, technical consultants and legal fees. The appraisal cost is the responsibility of the applicant and/or landowner, but is eligible for reimbursement if included as an Associated Cost below.			
Information regarding subcontractors, staff, and the stewardship fund is entered on the next page			
Subcontractors and staff	\$31,880	\$	\$31,880
Title insurance and closing costs	\$6,513	\$	\$6,513
Materials, printing, copying	\$250	\$	\$250
Baseline Conditions Report	\$6,000	\$	\$6,000
<i>Subtotal (Associated Costs)</i>	\$44,643	\$	\$44,643
<b>Stewardship Fund<sup>8</sup></b>		\$35,000	\$35,000
<b>GRAND TOTAL</b>	\$1,169,643	\$410,000	\$1,579,643

<sup>6</sup> In order to leverage the funding available, the SALC Program will require match funding toward the direct easement acquisition cost. The SALC Program may contribute up to seventy-five percent (75%) of the fair market value of ACEs not located within a disadvantaged community and up to ninety percent (90%) of the fair market value of ACEs located within a disadvantaged community. Funds from multiple sources may be pooled to complete projects. For additional details regarding match funding, please refer to the 2016-17 SALC Program Guidelines, page 21-22.

<sup>7</sup> To be eligible for reimbursement, direct costs paid to the applicant shall have been incurred after the complete application was submitted to the department and no more than 180 days before the execution of the grant agreement or during the grant term, and shall not exceed ten percent (10%) of the value of the easements for which the costs were incurred. (PRC §10231).

<sup>8</sup> Up to fifty (50%) percent of contributions to an agricultural conservation easement monitoring endowment for the subject property may be provided as a component of a qualified grant match under this division, as determined by the department (PRC §10233a).



**SUBCONTRACTORS AND STAFF**

Subcontractors and staff required to accomplish the project (totaled in the Associated Costs above) should be listed in this table. Subcontractors added at a later date may be subject to competitive bid requirements.

NAME	TITLE	RATE	HOURS	FUNDING REQUEST
Doug Kern	Director of Conservation	\$80/hr	65	\$5,200
Nicolet Houtz	MLT Conservation Project Manager/GIS Specialist	\$50/hr	16	\$800
Roger Sternberg	Land conservation consultant	\$80/hr	136	\$10,880
Ron Garland	MAI appraiser	-	-	\$10,000
Nelson Lee	Attorney	\$250/hr	20	\$5,000
			Subtotal	\$31,880

**ADDITIONAL EXPLANATION**

Pre-acquisition activities include: general project and financial management, preparation of drafts of Conservation Easement (3-4 drafts) for acceptance by the MLT Board, landowner, respective legal counsel and Department of Conservation, field work to identify (and mark on the ground) agricultural building envelope boundaries; project management and oversight: review and approval of appraisal, obtaining Board of Supervisor's and Ukiah City Council resolutions of support, preparation of a Baseline Report, and coordinating closing. Legal costs include: preparation of Option; Subordination Agreement, Purchase and Sales Agreement; review of Easement and Title Report; escrow instructions.

**STEWARDSHIP FUND**

See fund calculations on the following page. The fund principal is based upon using 3% of the annual return on investment for monitoring. The remaining interest income is reinvested into MLT's Stewardship and Legal Defense Fund.



# SALC Program Agricultural Conservation Easement Grants

Lovers Lane Vineyard Conservation Project Stewardship and Legal Defense Fund Calculations		Annual Cost	Endowment plus Legal Defense Provision
<b>Annual Activities</b>			
Monitoring		\$ 450.00	
Additional professional services		\$ -	
Travel/Lodging and meals		\$ 62.15	
Administration and report writing		\$ 200.00	
Materials, postage, copying, photography, GIS support		\$ 25.00	
Additional staff involvement		\$ -	
<b>Total annual monitoring costs</b>		\$ 737.15	
Endowment to generate annual cost of monitoring			\$ 24,571.67
MLT required approvals			<u>\$ 500.00</u>
			\$ 25,071.67
<b>Subtotal</b>			
Provision for legal defense of easement			\$10,000.00
<b>Total stewardship and legal defense principal*</b>			<b>\$ 35,071.67</b>
<b>Notes for line items above</b>	<b>Hours</b>	<b>Rate</b>	<b>Total annual</b>
Monitoring time	8	\$ 50.00	\$ 400.00
(Including arranging for site visit, site visit, travel)			
Additional professional services			\$ -
Travel/lodging and meals	110	0.565	\$ 62.15
Administration and report writing	3	\$ 50.00	\$ 150.00
Materials, postage, copying, photography, GIS support			\$ 25.00
Additional staff involvement in monitoring			0.00
Future staff involvement in required approvals	10	\$ 50.00	\$ 500.00
<b>* Final amount to be based on provisions in the Conservation Easement approved by all parties.</b>			



## EASEMENT ACQUISITION SUMMARY SHEET

## SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

All fields in this section must be filled out in order for the application to be considered complete.

<b>Project Title</b>	Lovers Lane Vineyard Conservation Project		
Landowner Name(s)/ Ownership Structure	Mendo Farming Company, LLC		
Street Address of Property (or nearest cross streets)	610 Lovers Lane		
Project APN(s)	170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, 170-040-04		
Distance from nearest Sphere of Influence and City (name)	Within City of Ukiah Sphere of Influence		
Total Project Acreage	133.5	Prime Farmland <sup>9</sup> Acres	27.0
		Farmland of Statewide Importance Acres	101.6
		Irrigated Acres	108
		Nonirrigated / Grazing Acres	0
		Nonagricultural Acres	2.3
Current Zoning/ Minimum Parcel Size	A-G 40-acre minimum lot size		
Number of existing legal parcels <sup>10</sup>	Five		
Proposed number of easements	One		
Would proposed easement(s) prohibit further subdivision of existing legal parcels? (please explain)	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		
Would proposed easement(s) prohibit sale of existing legal parcels separately from other parcels in easement area? (please explain)	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N		

<sup>9</sup> Prime Farmland as mapped by the California Department of Conservation [Farmland Mapping and Monitoring Program](#).

<sup>10</sup> Please confirm this information with the relevant County Planning Department.



SALC Program Agricultural Conservation Easement Grants

Water Rights and Source(s)	Pond on property- 49 acre-feet		
Description of the Mineral Rights Estate	No outstanding mineral rights		
	<i>If Yes for items below, please explain:</i>		
Third party mineral rights holder(s)?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Oil and/or gas lease(s)?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Severed mineral rights?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Evidence of past mining?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Number of <b>single-family (SF) residences</b> currently on the property	None		
Approximate size of each <b>SF residence</b> (square footage of living area)	Not applicable		
Number of additional <b>SF residences</b> to be reserved in easement (if any):	None		
Size restriction (sq ft), if any, on reserved and/or existing <b>SF residences</b>	Not applicable		
Number of <b>farm labor residential</b> structures/units currently on property	None		
Approximate size of each <b>farm labor residence</b> (square footage of living area)	None		
Number of additional <b>farm labor residential</b> structures/units to be reserved in easement (if any)	None		
Size restriction (sq. ft.), if any, on reserved and/or existing <b>farm labor residences</b>	None		
<b>Existing Building Envelope(s)</b> on the property?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Approximate Acres:	1.0
<b>Building Envelope(s)</b> to be reserved (e.g., residential, ag. employee, agricultural infrastructure)?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Approximate Acres:	1.0
<b>Other uses</b> <sup>11</sup> (e.g., oil and gas site, solar, communication towers)	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Please list: Solar-powered electrical generation structures for use primarily on property.	

<sup>11</sup> Other uses listed here are subject to review and approval by the Department. In order to be considered in the easement, other used must be included here.



## Risk of Conversion Summary Sheet and Supporting Evidence

Please check the option below that best describes the risk to the property and describe the supporting evidence provided, such as, relevant development proposal, Certificates of Compliance, county General Plan sections, etc.

Residential Risk		Description and reference to Supporting Evidence included in the Application
	1. Agricultural land identified for development as evidenced by inclusion in a development proposal submitted to the local government, undergoing environmental review, or publicly available from controlling interests within the past 5 years.	
X	2. Agricultural land identified for potential rezoning to non-agricultural use by a jurisdiction as evidenced by a revised zoning proposal or land use plan, or undergoing environmental review, within the past 5 years.	<p><i>In 2015, the County rezoned 17 acres from Agland to Rural Residential 1-acre and 3-acre designation. This property, APN 170-060-01, lies adjacent to and south of the vineyard.</i></p> <p><i>The County is in the process of reviewing a residential development application to rezone 23 acres owned by the Mendo Farming Company for urban/suburban residential development based on the recognized need for housing in the Ukiah area. This land is not included in the proposed Conservation Easement.</i></p>
	3. Agricultural land within a city's Sphere of Influence or municipal service boundary and, if applicable, within the city's urban growth boundary according to the city's general plan.	<i>As noted previously, the property lies within the City of Ukiah Sphere of Influence.</i>
	4. Agricultural land within a proposed expanded city boundary (annexation), Sphere of Influence, municipal service boundary, or specific plan.	
	5. Agricultural land within two miles of a city's Sphere of Influence or municipal service boundary, or within two miles of an unincorporated area which is zoned for or contains residential development where the average lot size is two acres or less.	
	6. Agricultural land that is determined to be in conformance with the Subdivision Map Act based on county-issued Certificates of Compliance.	



	7. Agricultural land up to five miles from land developed or zoned for rural residential use (one to ten acres) in the county General Plan.	
	8. Agricultural land within five miles of other agricultural land sold or advertised as rural home sites, rural recreational sites, or other development as evidenced through comparable sales, multiple listing services, or similar property sales tools within the last five years.	
<b>Risk of subdivision to current zoning minimums</b>		
	9. Agricultural land located within two miles of attraction(s) such as a casino, resort, golf course, public recreation area, school or university; within two miles of a major highway intersection <sup>12</sup> ; or within two miles of a planned road expansion project that increases vehicle capacity (e.g., additional lanes).	

## DETAILED CHARACTERISTICS OF THE PROPOSED PROJECT

This section should be used to explain attributes of the proposed easement, the applicant's capabilities, and local government policies and actions that are relevant to the goals of the Sustainable Agricultural Lands Conservation Program. This section should not exceed **six (6) pages**. Please answer the following questions, maintaining the lettering format below.

- a. Is the parcel proposed for conservation expected to continue to be used for, and is it large enough to sustain, commercial agricultural production? Is the land in an area that possesses the necessary market, infrastructure, and agricultural support services? Are the surrounding parcel sizes and land uses likely to support long-term commercial agricultural production? How does the subject property's size compare to typical agricultural operations in the vicinity?

*The following factors indicate the economic viability of the Lovers Lane Vineyard:*

- 1) Lovers Lane Vineyard has been in commercial production for over 100 years.
- 2) The property was acquired in 2012 by the present owners.
- 3) Approximately \$250,000 was invested in planting this year. Recognizing the long-term productivity of the property, American Ag Credit provided a portion of the financing of the vineyard's acquisition. Another \$50,000 in upgrades to the property occurred in 2016.
- 3) In 2015, the owners acquired an Option to Purchase that pertained to the parcel containing the pond, thus ensuring an ample water supply for vineyard production.
- 4) In 2016, the owners purchased an additional 11.5 acres of land for vineyard production.
- 5) The Mendo Farming Company has indicated an interest in purchasing additional farmland adjacent to, and south of, the property.
- 6) Approximately 95% of the vineyard contains Prime Farmland soils or soils of Statewide Importance

<sup>12</sup> Refer to 2016-17 SALC Program Guidelines Glossary for major highway intersection definitions for the purposes of the SALC Program



7) Lastly, the fact that the landowners are willing to forego any future development on the conserved land, indicates both their commitment to farming the land and their recognition of its economic viability.

The 133.5 acres of Lovers Lane Vineyard is considered to be a relatively large holding amongst the vineyards in the Ukiah Valley, where the average sized vineyard is 20-25 acres.

Although the property is bordered on three sides by rural and residential development, as the Geographic Area Map indicates (Attachment 1), there are numerous active farm holdings in the area – approximately 1,700 acres of agricultural land within a two-mile radius. These farms will continue to require agricultural support services.

b. What agricultural infrastructure exists on the property? Describe irrigation systems, any permanent crops, agricultural employee housing, other housing, agricultural buildings and facilities.

The following infrastructure exists on the property.

- Pump house – 100 sq. ft.
- Farm storage area with equipment storage bin – 1 acre (+/-) to be reserved
- Compost storage area – 2 acres (+/-) to be reserved
- Pond – 49-acre feet and irrigation system
- Fences
- Roads
- Utilities

The table below outlines the current vineyard inventory.

Block	Variety	Clone	Rootstock	Vines	Spacing	Acres	Year Planted
1	Zinfandel	Mendo	110R	18,723	7x6	18.05	1997
2	Cabernet	7	110R	24,443	7x5	19.64	1997
3	Cabernet	7	110R	26,513	7x5	21.30	1997
4	Cabernet	4	1103P	20,685	7x5	16.62	1998
6A	Pinot Noir	5 & 115	101-14	4,980	7x5	4.00	1998
6B	Petite Sirah	3	101-14	3,138	7x5	2.52	1998
7	Cabernet	337	110R	17,514	7x5	14.07	1998
9	Petite Sirah	3 & 6	1103P	12,000	7x5	10.00	2017
10	Carignane	Old	St. George	2,722	12x8	6.00	1941
11	Petite Sirah	3	1103P		9x5	4.00	2000
Total				130,718		116.2	

c. What is the quality of the agricultural land based upon NRCS soil survey, Farmland Mapping and Monitoring Program (FMMP)<sup>13</sup>, or other measures? Are there soil, climate, or vegetative factors that are particularly significant for this property?

<sup>13</sup> Important Farmland Maps are available at: <http://www.conservation.ca.gov/dlrp/fmmp/Pages/Index.aspx>





*The farmland soils on the property are very productive, classified as follows:*

- Prime: 27 acres
- Statewide importance: 101.6 acres
- Unique: 1.9 acres

*The Mediterranean climate of Northern California is uniquely conducive to growing high-quality, world-class wines. Unlike many vineyards in the Ukiah Valley, the Lovers Lane Vineyard also benefits significantly from cooling westerly in the summer.*

*An important edaphic factor on the vineyard is its Pinnobie loam soil (approximately 50 acres), which is particularly productive in that its structure consists of a mix of clay and small rock fines. This soil type is found in only a small percentage of soils in Mendocino County.*

d. Are there secondary natural resource considerations associated with this proposal, including factors such as open space preservation, wetland protection, or wildlife habitat conservation? Is the property adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection)? Would the agricultural conservation easement act as a community separator or greenbelt?

*The agricultural conservation easement could act as an important community separator – similar to the nearby Low Gap Regional Park and Vinewood Park. (Please refer to the Geographic Area Map, Attachment 1.)*

e. Is there coordination among affected landowners, local governments, and non-profit organizations concerning this proposed project as well as other local agricultural land conservation activities? Written support from any individuals and/or entities that are affected by the project may be submitted with the application.

*Letters of support have been obtained from U.S. Congressman Jared Huffman, State Senator Mike McGuire, and State Assemblymember Jim Wood.*

*Resolutions of support shall be sought from both the County and the City of Ukiah in the event that project funding is approved.*

*Meetings and contacts with some of the landowners adjacent to the property have occurred, but have not resulted to date in an interest in land conservation.*

*MLT staff are actively participating in the farmland conservation planning process led this year by the Mendocino County Resource Conservation District (MCRCD), and MLT anticipates working with the MCRCD to implement the plan by working to conserve those farms and ranches that are identified as high-priorities. It is likely that much of this effort will be in the Ukiah Valley, which is the location of the Lovers Lane Vineyard.*

f. Are there any innovative agricultural land conservation approaches that would be utilized in this project that might have application to other regions of the state? Does the project currently

SALC Program Agricultural Conservation Easement Grants demonstrate or have the potential to contribute to carbon sequestration or to decrease greenhouse gas emissions through its cropping patterns or management practices?

*As indicated previously, the purchase of the Conservation Easement on the Lovers Lane Vineyard will leverage the generous donation of a conservation easement on the 84.08-acre Ghianda Rose Vineyard in Hopland, resulting in the permanent conservation of an additional 60 acres of productive vineyard and rangeland.*

*Innovative farming techniques on the Lovers Lane Vineyard include:*

- 1. An irrigation system that significantly reduces the normal amount of water for vineyards, water catchment for the pond from runoff.*
- 2. Sheep are used to graze between the vineyard rows and provide fertilizer to the crops, thereby decreasing the use of agricultural equipment and associated gas emissions.*
- 3. Compost is produced annually by collecting waste from winery processing and dairy waste and applied at a rate of approximately 3 tons per acre.*
- 4. In addition to technique numbers 2 and 3, a legume-mix cover crop is planted annually to reduce commercial fertilizer applications.*
- 5. No herbicides are used.*

*Vineyards, in particular, have the potential for increased carbon sequestration when compared to annual crops. The reserved riparian area along the Russian River will also act as an important carbon sink.*

g. Is there evidence that, by acquiring an agricultural conservation easement on the proposed project, development pressures on neighboring agricultural lands will be reduced?

*The purchase of a conservation easement on Lovers Lane Vineyard may motivate adjacent landowners to work with MLT on the conservation of their property, thereby reducing development pressure. While contacts of adjacent landowners have not resulted in their participation so far, one vineyard owner located approximately four miles to the north has expressed an interest in exploring conservation of his family's property.*

*Conservation of farmland, ranchland and prime agricultural lands is part of the mission of the Mendocino Land Trust. MLT already holds four conservation easements with agricultural components and is regularly contacted by farmers and ranchers interested in exploring land conservation. We are very excited about continuing to work in the growing field of agricultural and farmland conservation in Mendocino County.*

h. How do the general plan and other land use policies<sup>14</sup> of the affected city or county demonstrate a long-term commitment to agricultural land conservation in general, and this proposal specifically? (Descriptions and web site links to specific current policies is sufficient.)

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<sup>14</sup> Including: Policies of the Local Agency Formation Commission, California Environmental Quality Act policies, the use of an effective right-to-farm ordinance, approved greenbelts or urban separators, applied strategies for the economic support and enhancement of agricultural enterprise (e.g., water policies or public education), and other relevant policies and programs (PRC §10252(c)).



*Both the County and City of Ukiah are committed to agricultural land conservation. Please refer to page for citations from the Mendocino County Plan and the City of Ukiah General Plan*

*Further, Mendocino County adopted a "Right to Farm" ordinance in 1983 and the Mendocino County Local Agency Formation Commission (LAFCO) follows the stated policy in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 which recognizes the conservation of prime farmland as an important factor in balancing development and developing local agency boundaries.*

i. Is the proposed project currently within a Land Conservation (Williamson) Act Agricultural Preserve? Is the property currently under a Williamson Act contract or in a Farmland Security Zone? If so, how does this status impact the timeframe for future conversion from agricultural use?

*The Lovers Lane Vineyard is not within a Land Conservation Act Agricultural Preserve and is not enrolled in the Williams Act Program.*

j. What are the fiscal and technical capabilities of the applicant to carry out this project? (Technical capability may be demonstrated by agricultural land conservation expertise on the governing board or staff of the applicant, through partnership with an organization that has that expertise, or professional accreditation.)

*The Mendocino Land Trust is the oldest land trust in Mendocino County and has been conserving land since 1976. It has four full-time and two part-time staff and an active Board of Trustees that meets 12 times per year. MLT has conserved approximately 14,000 acres of land in the county, including one vineyard and two ranches. It has five active land conservation projects underway, two of which involve farmers and ranchers.*

*The Land Trust acquired and manages five properties that are heavily used by the public: Hare Creek Beach, Seaside Beach, Big River, Pelican Bluffs and Navarro Point. In addition, it has an active coastal trail program, managing ten California Coastal Trail (CCT) segments. MLT is the principal partner in management of the Big River State Park in Mendocino. In addition, MLT has completed the construction of 10 miles of the California Coastal Trail and holds 74% of the public access easements in the state.*

*In December 2013, MLT purchased a conservation easement on the 53-acre Gobbi Street Vineyard in Ukiah and, as part of the project, accepted a donation of a conservation easement on the 156-acre Dark Horse Ranch. These conservation projects were the first funded by the California Farmland Conservancy Program in Mendocino County.*

*All 16 conservation easements (on a total of 6,307 acres) held by MLT are monitored annually. A separate Stewardship and Legal Defense Fund is used to fund conservation easement stewardship and would be utilized should legal defense of a conservation easement be required. In addition, the Mendocino Land Trust is enrolled in the new Land Trust Alliance easement defense insurance program, which covers the 16 aforementioned conservation easements, as well as our fee-owned properties. For a map showing MLT's partnerships and land holdings, please see Attachment 6.*

*Some of MLT's funding partners include: State Coastal Conservancy; Wildlife Conservation Board; Caltrans; Save-The-Redwoods League; Trust for Public Lands; Packard Foundation; Goldman Foundation; California Department of Parks and Recreation; California Department of Fish and*



SALC Program Agricultural Conservation Easement Grants  
*Game; California Coastal Commission; US Fish and Wildlife Service; National Fish and Wildlife Service; CalFIRE; Mendocino County Natural Resources Conservation Service; The Conservation Fund; The Bechtel Foundation; Whale Tail Grants; Mendocino County Fish and Game Commission; and the Department of Conservation's California Farmland Conservancy Program.*

*MLT's organizational capacity is further demonstrated by its accreditation in 2016 by the Land Trust Alliance.*

k. As the stewardship fund holder, what would the applicant's capacity be to effectively manage the endowment and ensure that the funds are tied to the specific property? Does the applicant have the capacity to achieve reasonable rates of return on the investment of the endowment funds similar to those of other prudent investors for endowment funds? Can the applicant demonstrate good faith and care in managing and investing the endowment?

*Our Stewardship and Legal Defense Funds are in a restricted account and currently total almost \$470,000. This amount will increase to \$1,000,000 at the end of 2017 when a pending easement is completed. Created by the organization's Board of Director's Finance Committee, MLT has a comprehensive financial management policy in place to manage these funds, which includes our financial objectives. MLT's Finance Committee sought the advice of numerous financial managers to develop its strategy for financial management. Returns have been reasonable and steadily growing. The MLT Financial Management Policy is available upon request.*

l. If this application is being submitted in conjunction with the administrative requirement for reimbursement of a Conservation Strategy and Outcomes grant, what strategy is being pursued through that process? How would the proposed easement meet the Conservation Strategy and Outcomes project's intended goals?

*This application is not being submitted in conjunction with a Conservation Strategy and Outcomes grant.*

## **PUBLIC NOTICE REQUIREMENTS**

Option B is being followed for public notice of the proposed conservation easements. A copy of the letter of notification on the proposed easements was sent to the Mendocino County Planning Director (Attachment 8). A notice will be published in the *Ukiah Daily Journal* prior to the decision on funding by the Department of Conservation.

Neighboring landowners will be notified of the proposed easement and Local Government Resolutions of Support will be obtained from the County of Mendocino and City of Ukiah.

## **APPRAISAL**

*A Preliminary Appraisal was prepared on July 30, 2017 by MAI Appraiser Ron Garland for the Mendocino Land Trust. The preliminary Conservation easement value for the Lovers Lane Vineyard was \$1,500,000. (Please refer to the Preliminary Appraisal summary page and accompanying material from Mr. Garland in Attachment 15.*



*The appraised value and summary page for the Ghianda Rose Vineyard are included in the separate application for that property.*

*Full Narrative Appraisal Reports will be prepared by Mr. Garland for both properties if the applications for funding are approved. The appraisals will comply with the Department of Conservation's "Overview and Preparation of Agricultural Conservation Easement Appraisals".*

*MLT's standards for both appraisals and proof of title meet or exceed those of the Land Trust Alliance "Standards and Practices." (Please refer to Attachment 17 for a copy of the Trust's Land Trust Alliance's letter of certification.)*

## EASEMENT MONITORING PLAN

The applicant, who will become the easement holder, must submit a plan that describes how the easement will be monitored following its completion. The plan must address all of the following **(three (3) page maximum)**:

- ❖ The plan for compiling a baseline conditions report. This report must be reviewed and approved by the Department, with a final hardcopy submitted at the close of escrow.

*A Baseline Report will be prepared by MLT prior to recording the Conservation Easement and will include maps, photos, summary of reserved rights and restrictions, copy of the Conservation Easement, other relevant documents. The draft Baseline Report will be shared with the CFCP and FRPP prior to close of escrow, with the final copy completed within 30 days of recordation of the conservation easement.*

- ❖ The process and frequency of monitoring.

*The Conservation Easement Area will be monitored annually. If needed, a site visit will also occur in association with any approvals by MLT identified in the Easement.*

*Properties conserved via Conservation Easements are monitored by MLT by a combination of volunteers and staff. In this case, the Project Manager will review the elements of Conservation Easement on-site with an assigned volunteer or staff person to ensure that the Easement elements and monitoring requirements are fully understood by the monitor.*

*Photo points identified in the Baseline Report will be monitored annually and re-shot to document any changes in property condition.*

*Problems associated with potential violations of the Easement are handled by MLT staff in consultation with its Lands Committee.*

- ❖ How monitoring documents will be archived.

*Conservation Easement monitoring documents are kept in triplicate:*

1. *Original paper copy in fireproof safe*
2. *Working paper copy*
3. *Scanned digital file stored offsite*



- ❖ How the Stewardship Fund budget reflects the costs of monitoring and any necessary enforcement.

*The Stewardship and Legal Defense Fund's estimated budget on page 7 is based on projected annual costs for monitoring, reporting, coordination and oversight of volunteers, and travel costs to the Lovers Lane Vineyard from Fort Bragg, California. Based on MLT's experience with monitoring 18 properties, the estimate reflects realistic yearly expenses.*

*The landowner contribution of \$10,000 to the Legal Defense Fund is an amount that is added to the Fund, all of which may be utilized for legal defense of an easement. As noted previously, MLT is also enrolled in the Land Trust Alliance's easement defense program.*

- ❖ The plan for managing the Stewardship Fund.

*MLT has prepared a 20-page Financial Management Plan, which is available on request.*

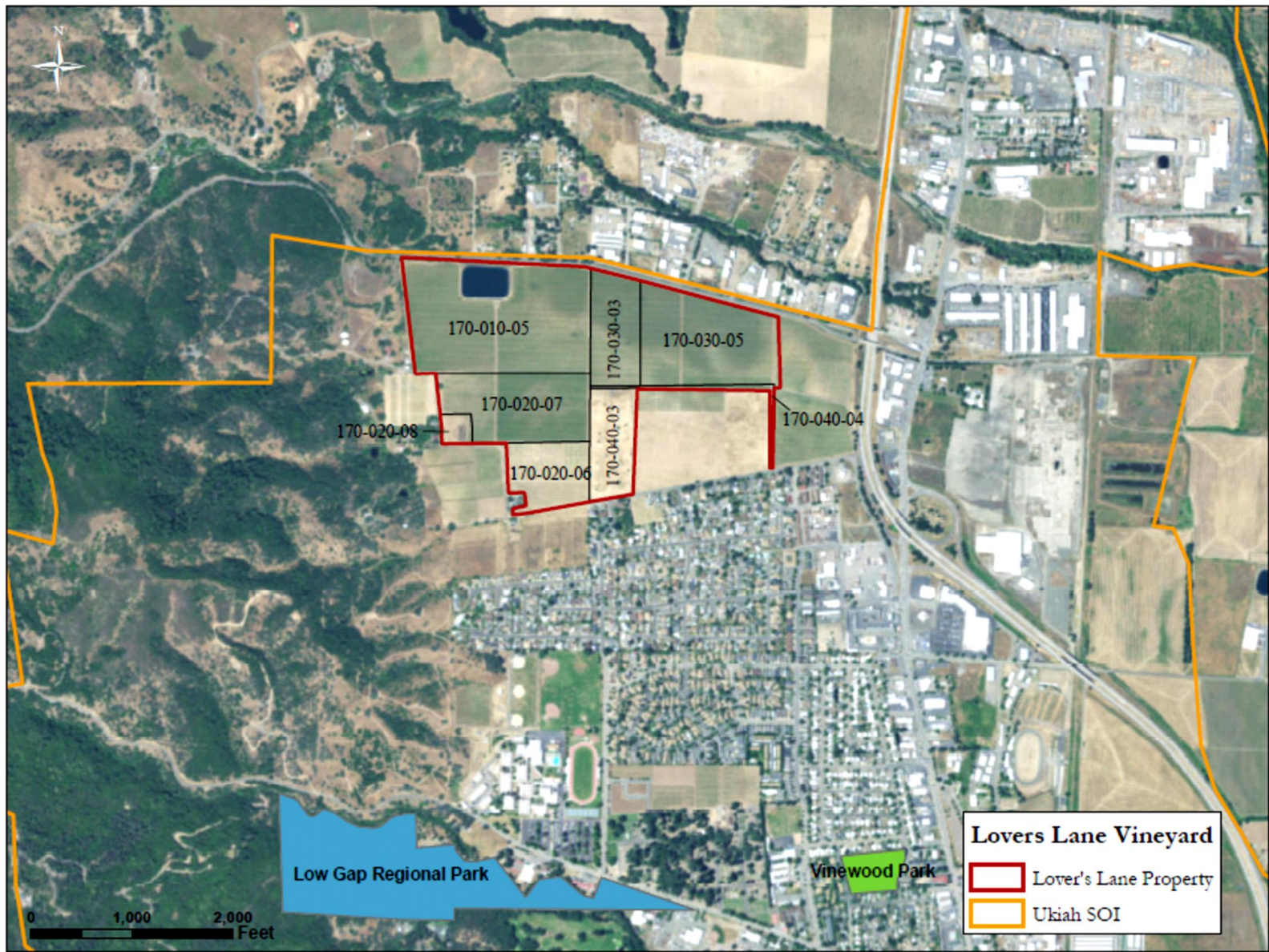


## ATTACHMENTS

1. Geographic Area Map With Boundaries of Proposed Agricultural Conservation Easement, Assessor's Parcels and Sphere of Influence Boundary
2. Soils Map
3. Topographic Map
4. Map of Current City of Ukiah Sphere of Influence
5. Map of Zoning in Area of Subject Property
6. Map of Mendocino Land Trust Projects
7. Photographs of property
8. Mendocino Land Trust Letter to Acting Mendocino County Interim Planning Director: intent to apply for SALC Program funding
9. Landowners Letter of Intent to Conserve
10. Mendocino Land Trust Non-profit IRS status
11. Mendocino Land Trust Articles of Incorporation
12. Mendocino Land Trust By-laws
13. Mendocino Land Trust Board Certification of No Conflict of Interest
14. Mendocino Land Trust Policy on Amendment of Conservation Easements
15. Summary Page and Additional Information From Preliminary Appraisal . July 30, 2017
16. Detailed Characteristics of the Conservation Easement: Draft Land Conservation Plan used as template for Conservation Easement
17. Land Trust Alliance Certification
18. Implementation Schedule
19. Letters of Support
20. Platted Easements Map
21. Preliminary Title Report and Underlying Documents: *Sent via separate email and on CD with hard copy of application*

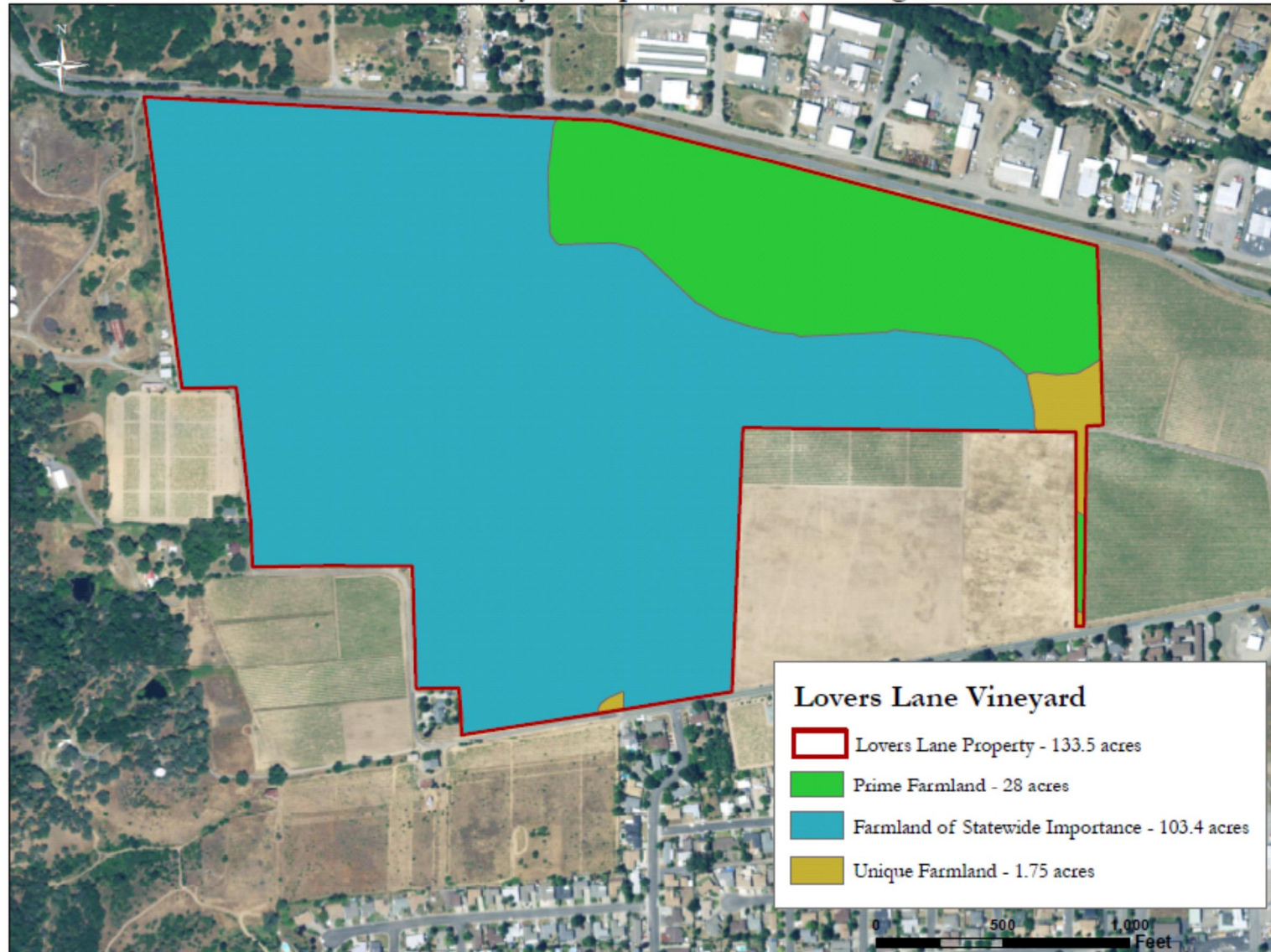


Attachment 1: Geographic Area Map





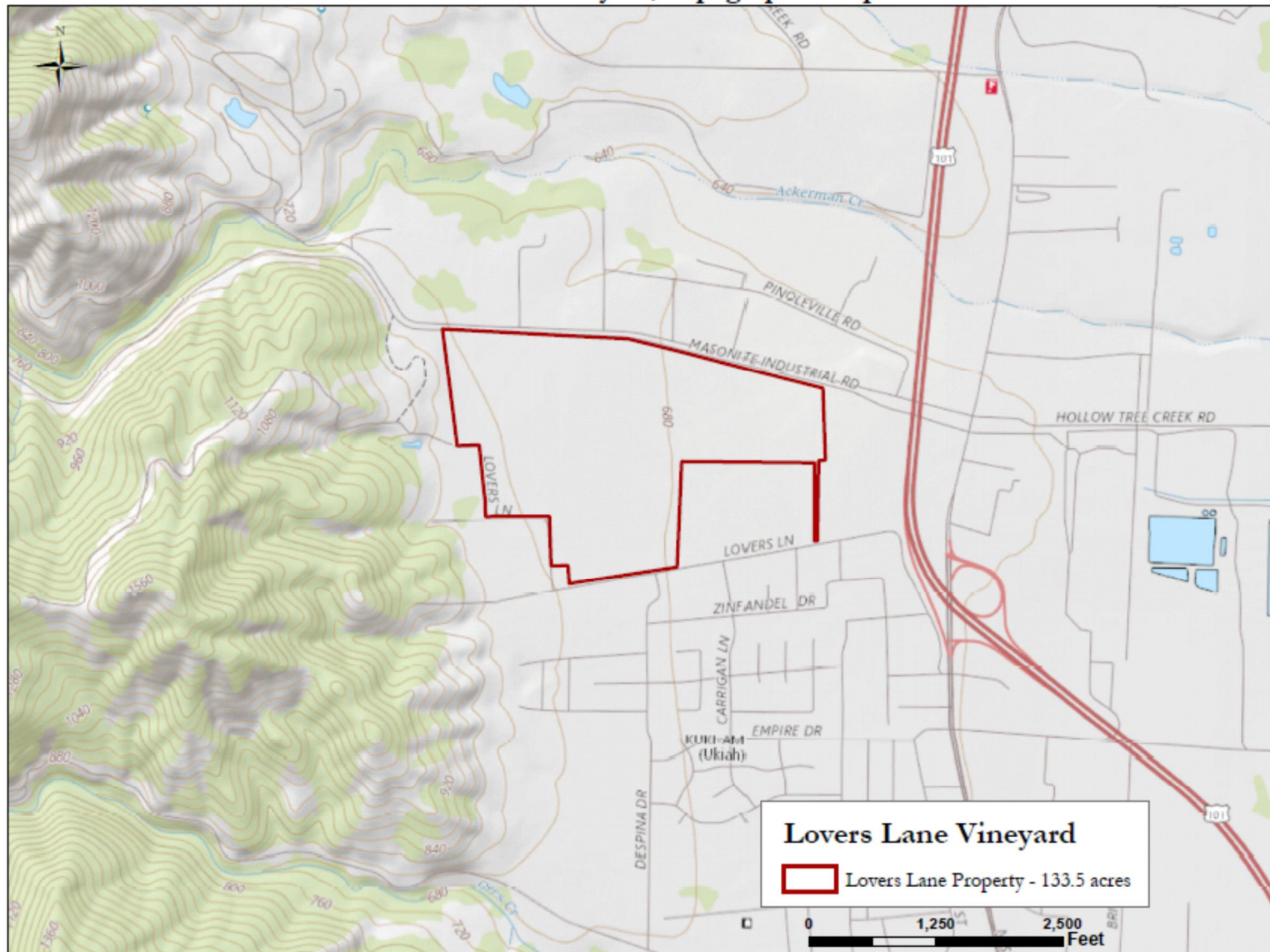
### Lovers Lane Vineyard, Important Farmland Categories



July 31, 2017

Attachment 3: Topographic Map

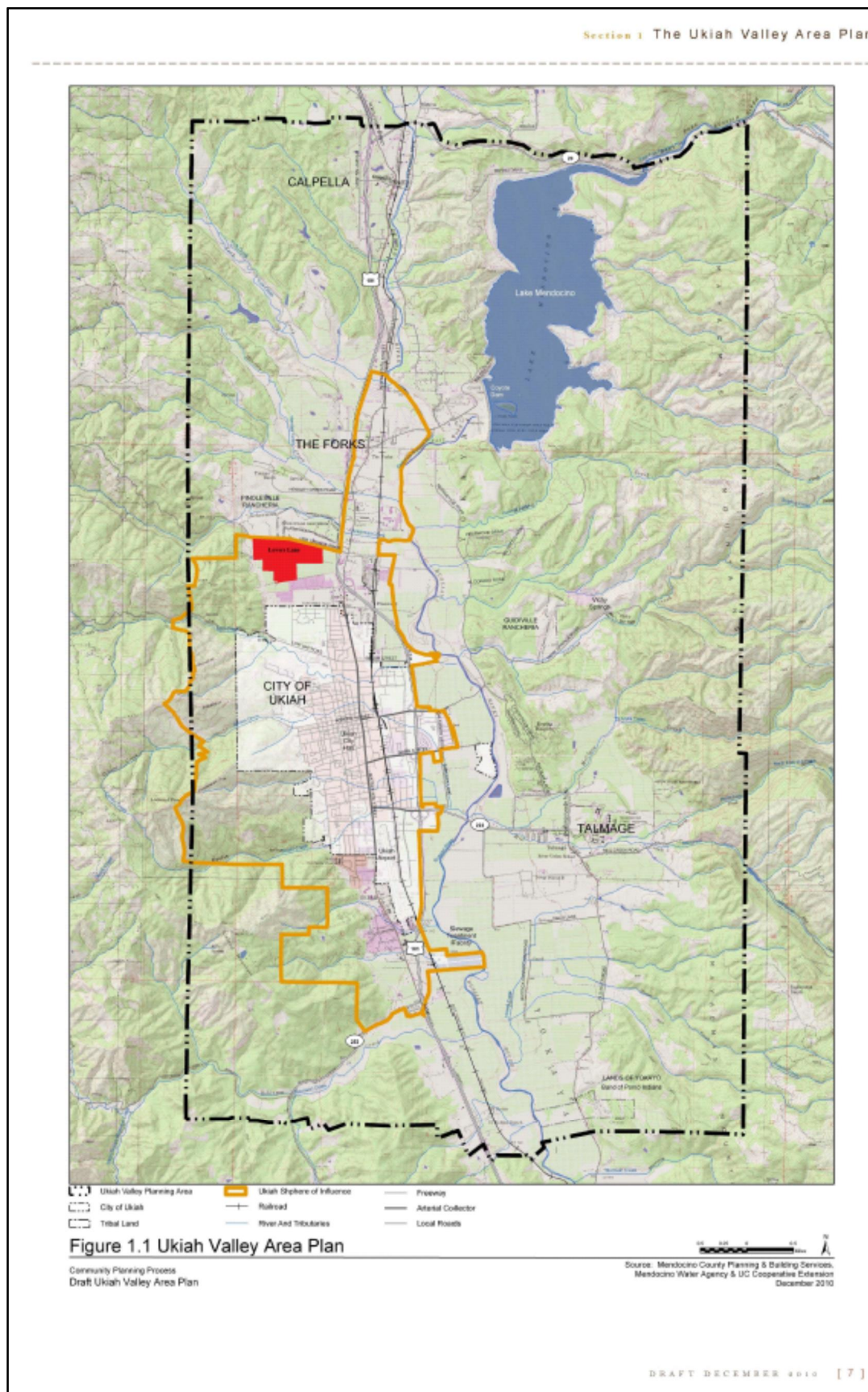
**Lovers Lane Vineyard, Topographic Map**



July 31, 2017

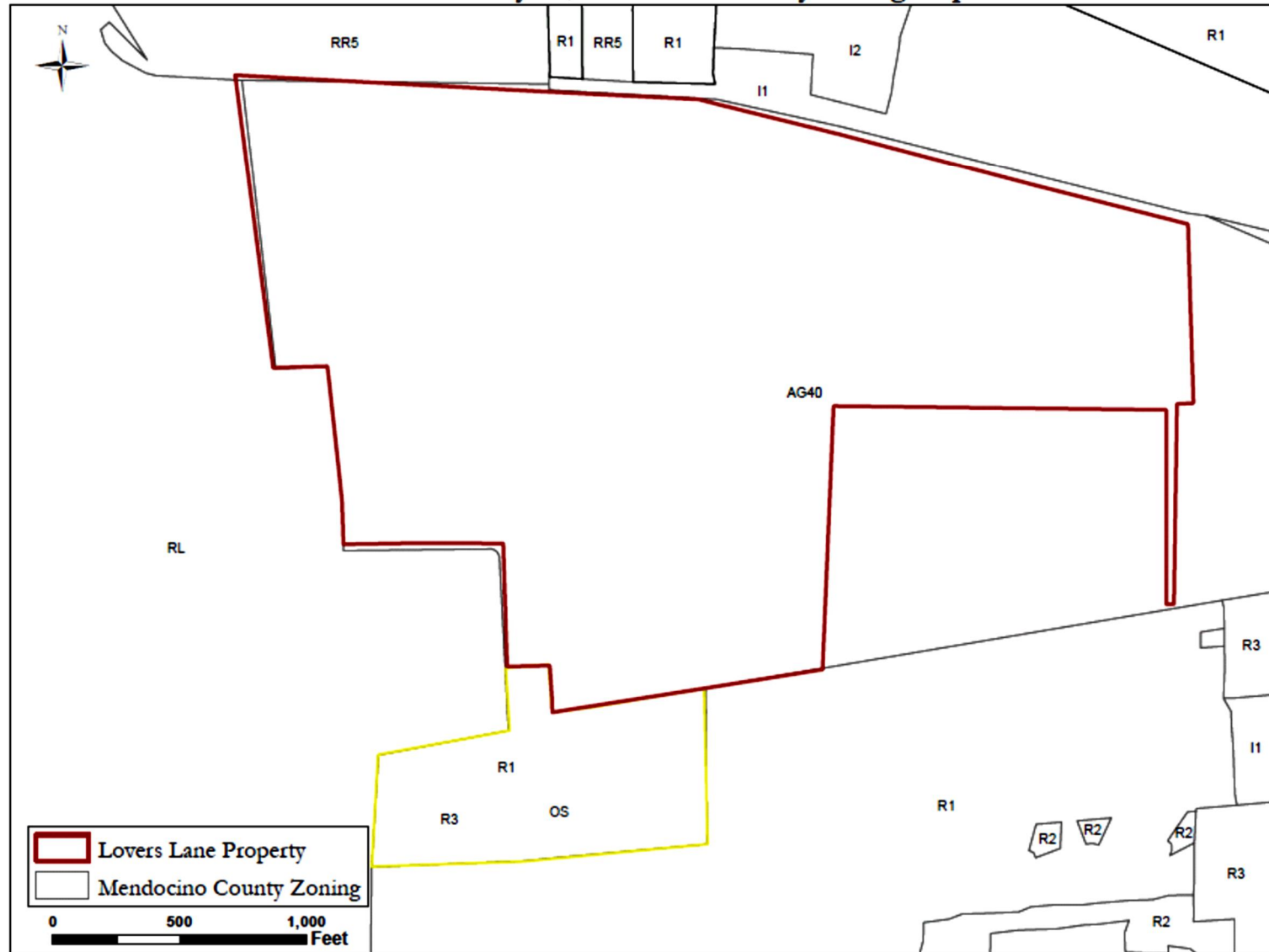


# Attachment 4: Map of Current City of Ukiah Sphere of Influence



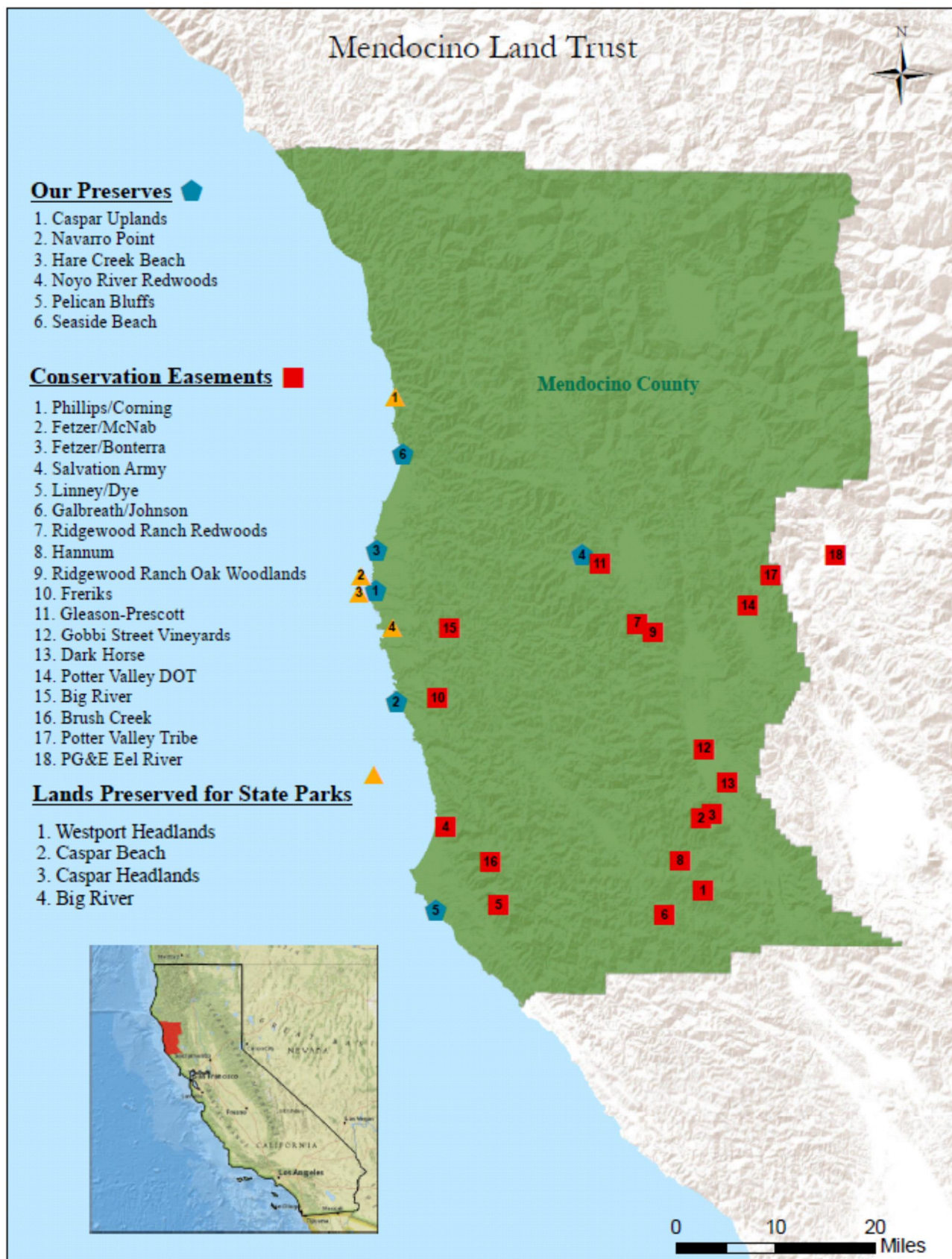
Attachment 5: Zoning in Area of Subject Property

**Lovers Lane Vineyard, Mendocino County Zoning Map**



August 7, 2017







Attachment 7: Photographs of Property



Irrigated Cabernet Vines



Irrigated Zinfandel vines with pond in background

Attachment 8: Mendocino Land Trust Letter to Acting Mendocino County Interim Planning  
Director: intent to apply for SALC Program funding



**Mendocino Land Trust**  
**PO Box 1094**  
**Mendocino, CA 95460**  
**(707) 962-0470**

June 27, 2017

Mr. Nash Gonzalez, Interim Planning Director  
Mendocino County Planning & Building Services  
860 North Bush Street  
Ukiah, California 95482

Dear Mr. Gonzalez,

I am writing to inform you of the Mendocino Land Trust's (MLT) intent to submit a grant application to the State of California Sustainable Agricultural Land Conservation Program. MLT is applying to obtain funds to acquire agricultural conservation easements on the following two properties in Mendocino County:

**Lovers Lane Vineyard (see attached map)**

- Owners: Mendo Farming Company, LLC
- Location: 610 Lovers Lane, Ukiah, California
- Size: 130.5 acres
- Assessor's Parcel Numbers: 170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, & 170-040-04

**Ghianda Rose Vineyard (see attached map)**

- Owners: Gobbi Street Vineyard, LLC
- Location: 11415 Old River Road, Hopland, California
- Size: 84.08 acres
- Assessor's Parcel Numbers: 047-370-09, 047-430-09, 047-430-12, & 047-430-13

As their names suggest, both properties are active vineyards, and it is MLT's and the landowners' goal to ensure that they remain in permanent agricultural production.

As of this writing, the owners of the Ghianda Rose Vineyard plan to donate a conservation easement to MLT and to sell a conservation easement on the Lovers Lane Vineyard at less than its fair market value.

Please contact me if you have any questions.

Sincerely,

Douglas Kern, Director of Conservation  
Enclosures: maps of Lovers Lane and Ghianda Rose vineyards

## Attachment 9: Landowners Letter of Intent to Conserve



**Mendocino Land Trust**  
**PO Box 1094**  
**Mendocino, CA 95460**  
**(707) 962-0470**

July 17, 2017

Mr. Paul Dolan, Mr. Heath Dolan  
 Mr. Peter Dolan, Mr. Dan Carroll  
 Mr. Zack Shats, Mr. Peter Chevalier  
 Ms. Jode Chevalier  
 5341 Old River Road  
 Ukiah, California 95482

**RE: ACQUISITION OF CONSERVATION EASEMENT ON LOVERS LANE AND GHIANDA ROSE VINEYARDS**

Dear Landowners,

It has been a pleasure to discuss the protection of your farms with agricultural conservation easements that will ensure that you will be leaving a lasting legacy of open space and that furthers the Mendocino Land Trust's mission of conserving farmland in Mendocino County. As we have discussed, the objectives of the easements would be to prevent further subdivision of the farms and to maintain the land in agricultural production.

The lands under discussion are as follows:

Property/Location	Size	Assessor's Parcel Numbers
Lovers Lane Vineyard Ukiah, California	130.50 acres	170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, & 170-040-04
Ghianda Rose Vineyard	84.08 acres	047-370-09, 047-430-09, 047-30-12, & 047-430-13

We will be making an application for funds to acquire conservation easements through the Sustainable Agricultural Land Conservation Program. This funding is highly competitive and there is no guarantee that we will be successful with our application.

You have told me that you are willing to convey conservation easements on these properties if the following conditions are met:

- Acceptance of the Conservation Easements' values as determined by an appraisal by a qualified appraiser;
- Grants for the purchase of an Easement on Lovers Lane are secured by the Mendocino Land Trust;
- Acceptable terms and restrictions in the Conservation Easements are agreed upon by all parties and funders;



- Agreement over the sale price of the Conservation Easement on the Lovers Lane Vineyard, including consideration of its sale at less than fair market value ("bargain sale") which normally can be deducted from federal and state income taxes;
- Agreement that you will be donating a conservation easement on the Ghianda Rose Vineyard as part of the effort to obtain funding for conservation of the Lovers Lane Vineyard;
- Agreement over the amount of stewardship fund contributions and transaction costs payable by the landowners.

The Mendocino Land Trust is prepared to make the grant applications for funding and to obtain the support of the Mendocino County Board of Supervisors and from the City of Ukiah for the grant applications as appropriate.

In order to submit the grant application, we need a countersigned letter of intent from you. Signing this letter does not create any contractual obligation for you to convey, or the Mendocino Land Trust to acquire, the Easements on your property. Once the appraisals has been completed and accepted by you, we will draft a contract that is acceptable to both parties and begin work on the Conservation Easement agreement.

I encourage you to obtain legal and tax advice regarding this transaction. A conservation easement transaction will have tax consequences for you. It is best to seek advice early in the process. The Mendocino Land Trust staff cannot provide you any such advice.

If you agree to move forward with the transaction described in this letter, please countersign below and return a copy of this letter to me no later than July 19th. Please feel free to call me if you have any questions or concerns.

I look forward to working with you to create an important addition to our efforts to conserve critical farmland in Mendocino County and the protection of the agricultural resources on your land.

Sincerely,



Doug Kern  
Director of Conservation

Accepted and agreed:

By: \_\_\_\_\_  
Paul Dolan, representing  
Nya Kusakabe & Sassicaia Dolan

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Heath Dolan

Date: \_\_\_\_\_

Accepted and agreed:

By: \_\_\_\_\_

Paul Dolan, representing  
Nya Kusakabe & Sassicaia Dolan

Date: \_\_\_\_\_

7-28-17

By: \_\_\_\_\_

Paul Dolan, representing  
Nya Kusakabe & Sassicaia Dolan

Date: \_\_\_\_\_

By: \_\_\_\_\_

Heath Dolan

Date: \_\_\_\_\_

8-1-17

By: \_\_\_\_\_

Peter Dolan

Date: \_\_\_\_\_

7/27/17

By: \_\_\_\_\_

Dan Carroll

Date: \_\_\_\_\_

8-4-17

By: \_\_\_\_\_

Dan Carroll

Date: \_\_\_\_\_

By: \_\_\_\_\_

Zach Schat Zachary Schat

Date: \_\_\_\_\_

8/1/17

By: \_\_\_\_\_

Peter Chevalier

Date: \_\_\_\_\_

By: \_\_\_\_\_

Zack Shats

By: \_\_\_\_\_

Peter Chevalier

By: \_\_\_\_\_

Jode Chevalier

Date: \_\_\_\_\_

Date: 7-31-2017

Date: 7/31/2017

Attachment 10: Mendocino Land Trust Non-profit IRS status

**Internal Revenue Service**

District  
Director

• MENDOCINO LAND TRUST, INC  
P.O. BOX 1094  
MENDOCINO, CA 94560

EIN: 94-2362450

**Department of the Treasury**

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact:

L. BARRAGAN

Telephone Number:

(213) 894-2336

Refer Reply to:

EO (0830) 95

Date:

OCTOBER 13, 1995

Dear Taxpayer:

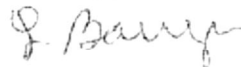
This letter is in response to your request for a copy of the determination letter for the above named organization.

Our records indicate that this organization was recognized to be exempt from Federal income tax in APRIL 1976 as described in Internal Revenue Code Section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in Section 509(a) of the Code, because it is an organization described in Section 170(b)(1)(A)(vi).

The exempt status for the determination letter issued in APRIL 1976 continues to be in effect.

If you need further assistance, please contact our office at the above address or telephone number.

Sincerely,



Disclosure Assistant

ARTICLES OF INCORPORATION OF  
MENDOCINO COMMUNITY LAND  
TRUST, INC.

NAME

FIRST: The name of this corporation is the  
Mendocino Community Land Trust, Inc.

PURPOSES AND POWERS

SECOND: The purposes for which this corporation  
is formed are:

(a) The specific and primary purposes are to assist  
in the acquisition, holding and disposal of land within  
Mendocino County in a manner designed to promote the or-  
derly and ecologically sound development of that area, to  
retain, as open space for the benefit of the citizens of  
that area, land which has special recreational, scenic or  
environmental value, to insure the benefits of sound land  
use planning for that area, and to do all of those things  
in conformance with the requirements of Section 501(c)  
(4) of the Internal Revenue Code of 1954, as amended, and  
Sections 23701(f) and 214 of the California Revenue and  
Taxation Code.

(b) The general purposes and powers are to have and  
exercise all rights and powers conferred on nonprofit corp-  
orations under the laws of the State of California, in-

cluding but not limited to the power to contract, rent, buy or sell personal or real property; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

#### ORGANIZATION

THIRD: This corporation is organized pursuant to the General Nonprofit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof, and is organized only for nonprofit purposes.

#### PRINCIPAL OFFICE

FOURTH: The County in this State where the principal office for the transaction of business of this corporation is located is Mendocino County.

#### DIRECTORS

FIFTH: The names and addresses of those persons appointed to act as the first directors, those acting in such capacity being designated as "Trustees," until the selection of their successors are:

JAMES A COUPE 45040 Main St., Mendocino CA 95460

BARRY W. CUSICK 45040 Main St., Mendocino CA 95460

IVAN W. WELTY 24 Lansing St., Mendocino CA 95460

#### MEMBERS

SIXTH: The authorized number, if any, and qualifications



of members, classes, if any, of membership, and voting, property and other rights, including termination and transfer, of membership, shall be as stated in the bylaws.

DEDICATION AND DISSOLUTION

SEVENTH: (a) This corporation is not organized, nor shall it be operated for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to the members thereof, and is organized solely for nonprofit purposes.

(b) The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any Trustee, officer or member thereof or any private person.

(c) On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or to a governmental entity, federal, State, county or municipal, for public purposes.

(d) If this corporation holds any assets in trust, or is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county where the corporation has its principal office, on petition by the Attorney General, or by a person concerned in the liquidation in a proceeding where the Attorney General is a party.

LIMITATION ON CORPORATE ACTIVITIES

EIGHTH: None of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the distribution or publishing of statements), any political campaign on behalf of any candidate for public office.

DISTRIBUTION OF INCOME AND

PROHIBITED ACTIVITIES

NINTH: Notwithstanding any other provision in these Articles of Incorporation, the corporation shall be subject to the following limitations and restrictions:

(a) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954 as amended.

(b) The corporation shall not engage in any act of self-dealing as defined in Section 4941, as amended, of the Internal Revenue Code of 1954.

(c) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, as amended.

(d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954 as amended.

(e) The corporation shall not make any expenditures which are taxable as defined in Section 4945(d) of the



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(d) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954 as amended.

(e) The corporation shall not make any expenditures which are taxable as defined in Section 4945(d) of the



A395641

CERTIFICATE OF AMENDMENT

ENDORSED  
FILED  
In the office of the Secretary of State  
of the State of California

TO

ARTICLES OF INCORPORATION

NOV 14 1990

ROBERT SCHLOSSER AND GRAIL DAWSON CERTIFY THAT:

MARCH FONG EU, Secretary of State

1. They are the president and chief financial officer,  
respectively, of the MENDOCINO LAND TRUST, INCORPORATED.

2. Article Second, subparagraph (a) of the Articles of  
Incorporation of this corporation is amended to read in whole as  
follows:


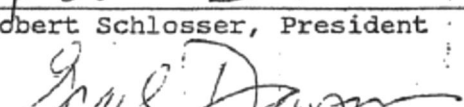
"The specific and primary purposes are to assist in the acquisition, holding, and disposal of land in Mendocino County in a manner designed to conserve land for educational and recreational purposes, to protect and enhance natural areas, coastal and river accesses, both physical and visual; and productive agricultural land. Also, to protect important sites, structures, and artifacts which would contribute to an understanding and appreciation of historic and cultural aspects of the region and help to maintain the unique character and quality of life in the area, and to do all of those things in conformance with the requirements of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and Sections 23701(f) and 214 of the California Revenue and Taxation Code."

3. The foregoing amendment to the Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment to the Articles of Incorporation has been duly approved by the required vote of members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

Dated: November 7, 1990

  
Robert Schlosser, President  
  
Grail Dawson, Treasurer

Attachment 12: Mendocino Land Trust By-laws

BYLAWS OF THE MENDOCINO LAND TRUST

Adopted September 16,  
1976

Amended November 19,  
1984

Amended December 9,  
1987

Amended February 7,  
1990

Amended January 19,  
1994

Amended June 3,  
2002

Amended August 25,  
2006

ARTICLE 1:  
Purpose

The purpose of the corporation is stated in the Articles of Incorporation, attached herewith.

ARTICLE 2: Membership

Section 2.01           Classes of Membership and Rights

The corporation shall have one class of membership only, and the voting and other rights, interests and privileges of each member shall be equal. No member shall have any interest or property right in the assets of the corporation and no member shall hold more than one membership in the corporation.

Section 2.02           Assessments

Memberships shall be non-assessable.

Section 2.03           Dues

Annual dues shall be required of each member, and such dues shall be payable each year in advance, on or before each individual member's anniversary date of their original membership. Amount of dues and categories of membership shall be set yearly by a majority vote of the Board of Trustees.

Section 2.04           Liabilities of Members

Members of this corporation shall not be personally liable for the debts, liabilities or obligations of this corporation.

Section 2.05           Transferability of Membership

Membership is not transferable and non-assignable.

Section 2.06           Termination of Membership

Membership shall terminate on receipt by the Board of Trustees of written notice of resignation of a member, the death of a member, or failure of a member to pay annual dues on or before their due date, and not otherwise. Membership may be refused to an individual or an existing membership terminated by a majority vote of the Board of Trustees.

### ARTICLE 3: Meetings of Members

#### Section 3.01 Meeting Place

Meetings of members shall be held at the principal office of the corporation, or such place as may be designated by the Board of Trustees.

#### Section 3.02 Annual Meetings

Members shall meet once each fiscal year. The annual meeting shall be held for the purpose of electing trustees, and transacting such other business as may come before it.

#### Section 3.03 Special Meetings

Special meetings shall be called by the President of the corporation, a majority of the members of the Board of Trustees, or by at least ten (10) percent of the membership.

#### Section 3.04 Notice to Members

Notice of the date, time, place and purpose of meetings shall be delivered to each member personally or by mail, at least seven (7) days prior to such meeting.

#### Section 3.05 Quorum

Twenty members shall constitute a quorum at annual membership meetings for the transaction of business, and except as otherwise provided by law, the articles of incorporation, or by these bylaws, no business shall be transacted in the absence of a quorum.

#### Section 3.06 Voting

Neither cumulative voting, voting by proxy or fractional voting shall be authorized.

#### Section 3.07 Conduct of Meetings

Meetings shall be governed by Robert's Rules of Order, as revised, insofar as such rules are not inconsistent with these bylaws, with articles of incorporation or with law.

### ARTICLE 4: Trustees

#### Section 4.01 Qualifications

Trustees shall be residents or property owners of Mendocino County and 18 years of age or older.

#### Section 4.02 Number of Trustees

The corporation shall have a minimum of five but no more than twelve trustees and collectively they shall be known as the Board of Trustees. The number of trustees constituting a full Board shall be determined by the Board.

#### Section 4.03 Vacancies

In the event of vacancies on the Board of Trustees during the year of office, such vacancies shall be filled by the majority vote of the Board of Trustees to complete the existing term of office.

#### Section 4.04 Powers

The trustees shall exercise the powers of the corporation, control its property, select and remove all employees including an Executive Director, prescribe such powers and duties for themselves and employees, and conduct its affairs, except as otherwise provided by law.

#### Section 4.05 Election and Terms of Office

(a) Trustees shall be elected at the annual meeting of the members of the corporation, and shall hold office for three-year terms. Terms shall be staggered whenever possible.

(b) Terms shall commence with the first meeting following the annual meeting of members.

(c) Candidates for the Board shall be nominated by the Board or, beginning in the fiscal year 2003, shall submit their name to the corporation at least thirty (30) days before the annual meeting of the membership.

#### Section 4.06 Absenteeism

Failure of any member of the Board of Trustees to attend three consecutive regularly scheduled meetings, or 25% of any or all meetings during any twelve-month period without prior approval of the President or Executive Committee of the Board, shall automatically result in the President of the Board of Trustees declaring such seat vacated.

#### Section 4.07 Compensation

Trustees shall serve without compensation.

#### Section 4.08 Meetings of Trustees

Trustees shall meet on a regular basis at least quarterly. Trustees shall meet at the time, place, and on the date designated by the person(s) calling the meeting. Meetings may be called by the President, the Executive Committee or the majority of the Board of Trustees.

#### Section 4.09 Notice of Meetings

Notice of regular meeting dates shall be communicated to each trustee at least seven (7) days before such meeting. Notice of the time, place and agenda of regular meetings shall be delivered to each trustee at least three days prior to the date of such meeting.

#### Section 4.10 Quorum

A majority of sitting trustees shall constitute a quorum for the transaction of business. In the absence of a quorum the Board shall transact no business, except as provided by law, these bylaws or the articles of incorporation.

#### Section 4.11 Governance of Meetings

Meetings of trustees shall be governed by Robert's Rules of Order, as revised, insofar as such rules are not inconsistent with these bylaws, the articles of incorporation, or with law.



#### Section 4.12 Written Consent

Any action which may be taken at a meeting of the trustees may be taken without a meeting, where the majority of the sitting Board shall individually or collectively consent in writing to such action after notice has been given to all trustees. Such consent shall be filed with the minutes of Board proceedings.

#### Section 4.13 Prohibited Transactions

Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is a transaction to which the corporation is a party and in which one or more of the trustees has a material financial interest.

The Board of Trustees may approve a self-dealing transaction only if the Board determines that 1) the corporation enters into the transaction for its own benefit; 2) the transaction is fair and reasonable to the corporation; and, 3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determination must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the trustees' interest in the transaction, and by a vote of the majority of the trustees in office, without counting the vote of the interested trustee or trustees.

#### Section 4.14 Removal of Trustees

A trustee may be removed from office by the vote of two-thirds of all trustees of the Board. All Board members must be notified of the proposed action.

#### Section 4.15 Indemnification

The corporation shall indemnify any person who is or was a trustee or employee up to the full extent allowed by law against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, as provided in Section 317 of the Corporations Code, as that section now exists or may hereafter from time to time be amended to provide.

### ARTICLE 5: Officers

#### Section 5.01 Election and Term of Office

Officers of the corporation shall be elected annually from among the trustees at its first meeting following the annual meeting of members. Vacancies shall be filled by the Board.

#### Section 5.02 Duties of the President

The President shall be the chief executive officer of the corporation, and shall, subject to the control of the Board, control the affairs of the corporation. He shall perform all duties incident to the office, and such other duties as may be provided in these bylaws or prescribed by the Board from time to time.

#### Section 5.03 Duties of the Vice President

The Vice President shall perform all duties and exercise all powers of the President when the President is absent or unable to act. The Vice President shall perform such other duties as may be prescribed by the Board from time to time.

#### Section 5.04 Duties of the Secretary



The Secretary shall assure that full and complete minutes of all meetings of the Board and the members of the corporation are kept, shall assure that complete records of the corporation are kept, shall assure that all notices as are required by law and these bylaws are given, and generally shall perform all duties which are incident to the office of Secretary and such other duties as may be prescribed by the Board from time to time.

#### Section 5.05                      Duties of the Treasurer

The Treasurer shall have oversight of all funds of the corporation, shall assure the deposit of such funds as are required by the Board, shall assure that adequate and correct accounts of the corporation's property and business transactions are kept, shall assure that reports and accountings are rendered to the Board or members as required by them, and shall in general perform all the duties incident the office of Treasurer, and such other duties as may be prescribed by the Board from time to time.

#### Section 5.06                      Compensation

Officers of the corporation shall serve without compensation.

### ARTICLE 6: Executive Director

The Board of Trustees may hire an Executive Director. The Executive Director shall be the chief staff officer with overall responsibility for management of the corporation. Among other duties, the Executive Director shall supervise all personnel and manage all programs, projects and contracts, budgeting, organizational development and fiscal administration.

### ARTICLE 7: Committees

#### Section 7.01                      Executive Committee

The officers of the corporation shall constitute an Executive Committee. The Executive Committee shall have such duties as determined by two thirds (2/3) vote of the sitting Board.

The Executive Committee shall exercise emergency powers when urgent action is required and it is not feasible for the full Board to meet or confer. In such a case the full Board shall be informed of the nature of the action as soon as possible.

#### Section 7.02                      Standing Committees

The corporation shall have standing committees. These committees may include Membership, Nominating, Lands, Finance, Development, Investment, Personnel, and others as deemed appropriate by the Board. Lands, Finance, Investment, and Personnel committee chairs shall be Trustees of the Board.

#### Section 7.03                      Ad Hoc Committees

The Board from time to time may designate such other ad hoc committees for specific purposes as it sees fit. The resolution establishing such committees shall provide for the appointment of its members and chair, shall state its purposes, and provide for its termination upon the meeting of stated conditions.

#### Section 7.04                      Committees Members and Chairs

Committee members and chairs serve by appointment of the Board. The chair of the committee shall submit the names of committee nominees to the Board for approval.

## Section 7.05 Responsibilities of Committees

Committees shall meet on a regular basis at least quarterly. The committee shall have an agenda, take minutes and establish procedures and policy to govern its activities. Minutes of all meetings shall be reported to the Board. Committees are prohibited from taking any actions that might incur liability for the corporation without the approval of an officer of the corporation, an Executive Director or the Board.

## ARTICLE 8: Miscellaneous

## Section 8.01 Fiscal Year

The fiscal year of the corporation shall be from July 1 to June 30.

## Section 8.02 Corporate Seal

The corporation shall have a seal which shall consist of such form and contain such matter as shall be approved by resolution of the Board. The seal shall be affixed to all corporate instrument, but the failure to affix it shall not affect the validity of any such instrument.

## Section 8.03 Execution of Checks, Notes, Contracts

Except as otherwise provided by law, checks, drafts, notes, orders for the payment of money, and other evidence of indebtedness of the corporation under \$5000.00 shall be signed by either the President, Executive Director or Treasurer. Amounts over \$5000.00 shall be signed by any two of the three authorized parties. Any contract, lease or other instrument executed in the name of and in behalf of the corporation shall be signed by the Executive Director or the President, and shall have attached a copy of the resolution of the Board, certified by the Secretary, authorizing its execution.

## Section 8.04 Amendments

These bylaws may be amended as follows: a) at any meeting of the membership upon affirmative vote of a majority of the members present; or, b) at any meeting of the Board of Trustees by two-thirds (2/3) vote of all Trustees. Should the latter occur members shall be notified that amended bylaws are available for their review.

## Section 8.05 Distribution of Assets

On the dissolution or winding up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code, or to a governmental entity, federal, state, county or municipal, for public purposes if no 501(c)(3) foundation or corporation is available.

If this corporation holds any assets in trust, or is formed for charitable purposes, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the county where the corporation has its principal office, on petition by the Attorney General, or a person concerned in the liquidation in a proceeding where the Attorney General is a party.

  
Chet Anderson, Secretary



**Resolution of No Conflict of Interest**

July 25, 2017

California Department of Conservation  
Sustainable Agricultural Lands Conservation Program  
801 K Street, MS 14-15  
Sacramento, CA 95814

To Whom It May Concern:

As certified by a resolution of the Mendocino Land Trust, Inc., no known conflict of interest, or the appearance of a conflict of interest, exists for any of the members of the Board of Trustees as related to the proposed acquisition of agricultural conservation easements on the Lovers Lane and Ghianda Rose Vineyards properties, with proposed funding from the Sustainable Agricultural Land Conservation Program.

Furthermore, at any time in the future once the conservation easements are in place, should a board member have a conflict of interest related to the Lovers Lane and Ghianda Rose Vineyards properties, such board member shall recuse him or herself from all discussions and voting related to monitoring and enforcement of the conservation easement.

A handwritten signature in blue ink, appearing to read 'Terry Gross', is written over a horizontal line.

Terry Gross, President  
Board of Trustees  
Mendocino Land Trust, Inc.

Attachment 14: Mendocino Land Trust Policy on Amendment of Conservation Easements

**MENDOCINO LAND TRUST  
CONSERVATION EASEMENT AMENDMENT POLICY**

Approved by the Board of Trustees February 19, 2016 and edited September 2, 2016  
(Supersedes prior policy approved July 31, 2004 and amended December 14, 2007)

**Land Trust Alliance Practice 11 I**

**I. Policy Statement**

Mendocino Land Trust acquires and holds conservation easement rights in property in perpetuity to preserve and protect the conservation values of the land for the public benefit. Such conservation values may include scenic, agricultural, recreational, open-space, and wildlife resources, as outlined in the Internal Revenue Service list of public benefits, and other conservation values that are specifically identified in the conservation easement document.

Mendocino Land Trust acquires conservation easements through voluntary agreements with landowners, including donations, bargain purchases, full value purchases, and assignments. The confidence of landowners and of the general public will be enhanced if Mendocino Land Trust amends its conservation easements only when those amendments comply with federal tax law and the laws governing charitable organizations. Amendments that confer private inurement or impermissible private benefit, for example, may result in penalties and fines levied by the Internal Revenue Service on both Mendocino Land Trust and on others who engage in improper amendments.

For these reasons and others, Mendocino Land Trust generally holds and enforces its conservation easements as originally written. Amendments of conservation easements will not be granted under circumstances described in Section II of this Policy.

Notwithstanding Mendocino Land Trust's general policy of holding and enforcing conservation easements as originally written, Mendocino Land Trust recognizes that amendments of conservation easements are sometimes necessary or warranted to clarify the interests and goals of the parties to easements or to better protect conservation values in perpetuity. In such circumstances, conservation easement amendments will be approved only in accordance with the circumstances set forth in this policy. Conservation easement amendments may also be approved by Mendocino Land Trust if an easement is threatened, in whole or in part, with condemnation under eminent domain laws.

Mendocino Land Trust's policy is that a party who requests a conservation easement amendment or modification shall pay all of Mendocino Land Trust's costs, including staff time, consulting fees, costs of appraisal, attorneys' fees, and costs of implementation, that are associated with review of the amendment or modification request, whether or not the amendment or modification is granted. The party requesting the amendment will be asked for a deposit made to Mendocino Land Trust in the amount estimated to cover the above costs. At Mendocino Land Trust's sole discretion, Mendocino Land Trust may waive the foregoing requirements, in whole or in part.

Mendocino Land Trust's policy is that every easement amendment request is unique, and therefore shall be considered on a case-by-case basis. The grant of an easement amendment request to one landowner shall not be considered a precedent resulting in a right of any landowner to request and receive approval for a similar amendment.

**II. Circumstances under Which Mendocino Land Trust Will Refuse to Amend Conservation Easements**

Amendments of conservation easements will not be granted if such amendments:

- Jeopardize Mendocino Land Trust's tax-exempt status or Mendocino Land Trust's status as an organization that is qualified to hold perpetual land use restrictions under state or federal law;
- Will cause the easement to fall out of compliance with applicable federal, state or local laws, regulations or ordinances;
- Are not consistent with express and specific duties or obligations to the public that are identified in the conservation easement itself or that arise by operation of law;
- Are not consistent with express and specific rights of third parties who hold interests in the conservation easement by virtue of the conservation easement instrument itself; funding agreements, by operation of law, or as mandated by federal, state or local laws, regulations or ordinances;
- Do not comply with Mendocino Land Trust's mission or other organizational policies, including its conflict of interest policies;
- Confer prohibited private benefit or private inurement; and
- Fail to provide a positive conservation outcome.

The foregoing list is not exclusive and Mendocino Land Trust reserves the right to refuse amendment requests, in its discretion, in favor of holding and enforcing the terms of the original conservation easement as originally recorded.

### III. Conditions under Which Amendment Requests May Be Considered

Mendocino Land Trust will consider amending conservation easements in the following circumstances; however, Mendocino Land Trust shall have unlimited discretion to grant or to deny each amendment request and shall evaluate each request on a case-by-case basis.

1. **Prior Agreement.** Conservation easements may be amended if their terms anticipate that they may be amended in specific ways under specific circumstances. Such terms must be set forth in the conservation easement document.

Examples of acceptable amendments pursuant to prior agreement in the terms of conservation easements include, but are not limited to, amendments to:

- *Revise and replace map exhibits to document in the public record a landowner's exercise of reserved development rights;*
- *To substitute and incorporate resource management plans that the easement recognizes may be periodically updated; or*
- *To relocate building envelopes or to reconfigure transferable lots after a landowner receives the Mendocino Land Trust's prior approval, as allowed by specific agreement in the conservation easement.*

2. **Correction of Errors and Ambiguities.** Conservation easements may be amended to correct errors or oversights made at the time the conservation easements were executed and recorded. Such errors or oversights may include, but shall not be limited to, correction of legal descriptions, addition of standard language that was unintentionally omitted, and clarification of ambiguities.

- To the extent feasible, amendments authorized to clarify conservation easement ambiguities shall be supported by written statements, affidavits, or agreements between Mendocino Land Trust and the conservation easement grantor, or other written evidence, that the purpose of the amendment is to implement the parties' original intentions when Mendocino Land Trust first acquired the conservation easement from the grantor.
- If such written evidence is not available, amendments to clarify ambiguities may be approved if Mendocino Land Trust receives an opinion from its legal counsel that without such an amendment, Mendocino Land Trust faces a risk that the ambiguous terms will render the conservation easement

unenforceable, in whole or in part, thereby threatening the Mendocino Land Trust's ability to protect the Conservation Values for public benefit.

- Mendocino Land Trust may also authorize amendments to resolve a good faith disputes over the meaning of easement terms, provided that no such amendments may compromise or diminish protection of the conservation values.

**3. Amendments Consistent with Conservation Purpose or that Enhance Conservation Values.** Mendocino Land Trust may authorize amendments to a conservation easement provided that the amendments are consistent with the original land conservation intentions of Mendocino Land Trust and the grantor as articulated in the statements of purpose in the easements, and further provided that the amendments enhance, or have no adverse effect on, the conservation purposes of the easement. Amendment requests will not be granted under any circumstances if Mendocino Land Trust determines, in its sole discretion that an amendment would affect the conservation easement's perpetual duration or would afford less protection to the Conservation Values protected by the original conservation easement.

Examples of acceptable amendments that are consistent with, or enhance, conservation values include amendments to:

- *Relinquish residential developments rights that were reserved to landowners in the original conservation easement;*
- *Add new conservation purposes to easements that enhance public benefits; or*
- *Include more lands under the terms of the original conservation easement.*

**4. Administrative Amendments.** Mendocino Land Trust may amend conservation easements to update language and thereby to bring the easement into conformance with current conservation easement drafting standards.

#### **IV. Procedures for Review of Amendment Requests**

With respect to all amendment requests except those that are acceptable pursuant to prior agreement (addressed in #9 below):

1. If a party seeks an amendment to a conservation easement, that party must present to Mendocino Land Trust a request in writing, stating the change in conservation easement terms sought and the specific reasons why the change may be needed or warranted. The request shall be accompanied by appropriate maps and other documentation required by Mendocino Land Trust to properly evaluate the request.
2. If Mendocino Land Trust receives such a request, Mendocino Land Trust will hold an initial consultation meeting with the party who requests the amendment. During this initial consultation meeting, costs to review and process the request and payment arrangements will be discussed and agreed upon. A cost agreement will be developed and signed before proceeding and a deposit for estimated costs will be requested.
3. Mendocino Land Trust staff shall review all requests and, where appropriate, a representative of Mendocino Land Trust will conduct site visits.
4. Evaluation of requests shall include consultation with third parties, when appropriate, including:
  - Reasonable efforts to discuss the proposed amendment with the principal parties to the original transaction, including the landowner who granted the restrictions;
  - Funders, if any, of the original easement;
  - Public agencies if necessary under funding agreements, co-holding or other arrangements, or pursuant to Section 76-6-206, M.C.A.; and

- Additional third parties, public or private, whose opinions or expertise Mendocino Land Trust determines may be helpful to its evaluation of the amendment request.

Mendocino Land Trust shall have no obligation to confer with third parties who do not have specific rights embedded in the conservation easement (e.g., funding partners, third-party enforcement right holders, named back-up grantees, etc.), and, if Mendocino Land Trust does consult third parties, any third party opinions about the propriety of granting or denying an amendment request shall be advisory only. Mendocino Land Trust retains exclusive authority to grant or deny amendment requests, within the constraints of funding requirements, the terms of the original conservation easement, and applicable laws, ordinances and regulations.

5. After Mendocino Land Trust staff compiles information and fully reviews and evaluates the request for amendment according to this Policy, staff shall make a recommendation to the Board of Trustees (the Board). If the Board finds that the amendment is legally permissible, consistent with the terms of this policy, and clearly warranted by the circumstances, the Board will make a determination at its next regularly scheduled meeting.

6. The Board may approve, reject, or approve with modifications the request. Approval shall require a 2/3 majority vote of the full Board.

7. For all amendments that are approved by the Board, the staff will perform all due diligence steps (title investigation, baseline updates, etc) as needed to ensure the soundness of the amended easement.

8. All easement amendments that are approved by the Board must be made in writing, signed by both parties, and must be recorded in the land title records of the local jurisdiction in which the affected property is located.

9. Amendments to conservation easements that were anticipated in the original conservation easement were approved by the Board when the original conservation easement was accepted. Mendocino Land Trust Staff shall be authorized to pursue such amendments to conservation easements, provided that the Board shall review such amendments to verify that they have been completed in accordance with the provisions of the original conservation easement and in accordance with the other provisions of this Policy.

## **V. Policy Review**

This amendment policy is to be reviewed and revised, as needed, by the Board at least every three years.



**GARLAND &  
ASSOCIATES**  
REAL PROPERTY ECONOMICS ANALYSTS & APPRAISERS

Ronald G. Garland, MAI, SRA  
Steve Salmon, MAI

July 30, 2017

Mr. Douglas Kern, Director of Conservation  
Mendocino Land Trust  
330 N Franklin St., Suite 7  
Fort Bragg CA 95437

Subject: Lovers Lane CE - Preliminary Appraisal

Dear Mr. Kern:

The following report summarizes my preliminary appraisal of the diminution in the market value of the fee interest in 133.5 ± acres of the Lovers Lane Vineyard property in Mendocino County, California, caused by imposing the proposed conservation easement.

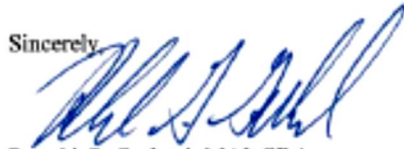
The purpose of this appraisal was to form preliminary opinions of the Market Value of the fee interest, and the fee interest as if encumbered by the proposed conservation easement. This appraisal is intended to be in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Please refer to the end of the report for the Assumptions and Limiting Conditions and Appraisal Scope, which limit this report.

My preliminary opinion of market value of the subject property as of July 10, 2017 is:

Fee Simple Interest Subject to a Hypothetical assumed condition that the adjacent 23.6 ± acres has been approved for urban/suburban residential development	\$5,000,000
Fee Interest as Hypothetically assumed to be encumbered by the proposed conservation easement	\$3,500,000
Diminution in Value Due to Imposing the Proposed Conservation Easement	\$1,500,000

This letter must remain attached to this report which contains 36 pages in order for the value opinion set forth to be considered valid.

Sincerely,



Ronald G. Garland, MAI, SRA  
CA #AG001662

2333 Courage Drive, Suite H-2, Fairfield, California, 94533 ♦ Phone 707/429-8660

### Lovers Lane Vineyard Hypothetical Assumed Conservation Easement Encumbered

Area	Acres	\$/AC Low	Total \$ Low	\$/AC High	Total \$ High
Mature Vineyard	100.2	\$28,000	\$2,805,600	\$32,000	\$3,206,400
New Plant	10.0	\$18,000	\$180,000	\$22,000	\$220,000
Old Carignane	6.0	\$10,000	\$60,000	\$12,000	\$72,000
Other	17.3	\$10,000	\$173,000	\$12,000	\$207,600
Total	133.5		\$3,218,600		\$3,706,000

With a calculated value range of approximately \$3.2 million to \$3.7 million a final value opinion of \$3,500,000 is reasonable.

My *preliminary* opinion of market value of the subject property as of July 10, 2017 is:

Fee Simple Interest Subject to a Hypothetical assumed condition that the adjacent 23.6 ± acres has been approved for urban/suburban residential development	\$5,000,000
Fee Interest as Hypothetically assumed to be encumbered by the proposed conservation easement	\$3,500,000
Diminution in Value Due to Imposing the Proposed Conservation Easement	\$1,500,000

Attachment 16: Detailed Characteristics of the Conservation Easement: Draft Land Conservation Plan Used As Template for Conservation Easement

**A. Summary of Property Information**

1. Owner: Mendo Farming Company, LLC  
Address: 5431 Old River Road, Ukiah, California 95482
2. Property location: 610 Lovers Lane, Ukiah, CA
3. Assessor's Parcel Numbers: 170-010-05, 170-020-07, 170-020-08, 170-020-11, 170-030-03, 170-030-05, 170-040-03, 170-040-04
4. Size: 130.5 acres total; 108 acres irrigated
5. Zoning: AG-40
6. Legal Parcels: 5
7. Structures/improvements:
  - Pump house . 100 sq. ft.
  - Farm storage area . 1 acre (+/-)
  - Compost storage area . 2 acres (+/-)
  - Pond . 49-acre feet
  - Fences
  - Roads
  - Utilities
8. Mortgage held by American Farm Credit

**B. Conservation Values of the Property**

1. Active agricultural production
2. Highly-productive agricultural soils
  - Prime: 27 acres
  - Statewide importance: 101.6 acres
  - *Unique*: 1.9 acres
3. Open space
4. Limited public recreation (hiking) by neighborhood with landowners' permission

**C. Landowners' Goals**

1. Protect land in perpetuity via an agricultural conservation easement

**D. Landowner's Reserved Rights Under the Proposed Conservation Easement**

1. Maintain and replace existing structures
2. Unrestricted agricultural production, including the use of soil amendments, herbicide, pesticide based on Best Management Practices
3. Storage of compost within the 2-acre area identified in the Baseline Report
4. Storage of agricultural equipment, including containers used for storage, within the 1-acre area identified in the Baseline Report
5. The storage of agricultural products and byproducts produced on the Property and materials reasonably required for agricultural production on the Property, including Hazardous Materials, is permitted as long as it is done in accordance with all applicable laws and regulations.
6. Construction of unpaved farm roads required for agricultural operations
7. Sale of carbon storage rights

8. Non-commercial recreation and maintenance, construction, and reconstruction of hiking trails
9. Placement of reasonably-sized signs associated with management of property (e.g., ~~No~~ Trespassing+signs)
10. Install solar-powered electrical generation structures primarily for use on property.
11. Right to sell excess power to public utilities
12. Leasing property for uses not otherwise restricted
13. Sale of conserved property

*E. Third-Party Reserved Rights - None*

*F. Prohibited Uses Under the Proposed Conservation Easement*

1. Subdivision, partition, or transfer of development rights
2. Construction of new structures
3. Mineral extraction using any surface-mining method
4. Dumping or disposal of wastes, except for the storage of non-hazardous biodegradable material originating from the Property Operation of motorized off-road vehicles, except for management of property
5. Any commercial or industrial use or activity other than those reserved by the Landowner
6. Any activity that would diminish or impair the agricultural productive capacity and open space character of the Property
7. Paving of any area of the Property except for designated areas, unless required by regulation

*G. Conserving Organization's Rights Under the Proposed Conservation Easement*

1. To monitor property (with prior notice to Landowner)
2. To legally enforce provisions of Conservation Easement in order to protect Conservation Values identified by Landowner and conserving organization

*H. Other Pertinent Information*

1. Williamson Act contract is officially terminated.
2. Mortgage held by American Ag Credit.
3. The property lies within the current and proposed City of Ukiah Sphere of Influence.

\*\*\*\*\*

Attachment 17: Land Trust Alliance Certification

# LAND TRUST ACCREDITATION COMMISSION



An independent program of the Land Trust Alliance

FEB 21 2017

February 15, 2017

Ann Cole  
Mendocino Land Trust  
PO Box 1094  
Mendocino, CA 95460

Re: Accreditation Awarded and Summary of Findings

Dear Ann:

Congratulations! It is my great pleasure to let you know that Mendocino Land Trust has been awarded accreditation by the Land Trust Accreditation Commission. Accreditation is a mark of distinction, recognizing land trusts that meet the national quality standards established by the land conservation community. Your term of accreditation runs from February 16, 2017 through February 15, 2022.

Enclosed you will find a Summary of Findings relative to your application as well as a license agreement. The license agreement grants Mendocino Land Trust the right to use the trademarked accreditation seal. Please sign both of these documents and return them on or before March 16, 2017.

When we receive the signed license agreement, we will send you materials for promoting your accredited status and your accreditation award certificate. We look forward to celebrating your success, and that of all of the groups awarded accreditation since last fall, at Rally 2017: The National Land Conservation Conference in Denver, CO.

We respectfully ask that you refrain from publicizing your accredited status, keeping the news internal to your board and staff, until February 22, 2017 so that we may have time to notify all applicants and announce all newly accredited land trusts at the same time.

Congratulations on this achievement. I know everyone at Mendocino Land Trust has worked hard to earn this honor. Thank you for helping to promote excellence, trust and permanence in land conservation.

Sincerely,

Heather M. Richards  
Chair



The accreditation seal is awarded to land trusts meeting the highest national standards for excellence and conservation permanence.

36 Phila Street, Suite 2  
Saratoga Springs, NY 12866-3302  
518.587.3143 [www.landtrustaccreditation.org](http://www.landtrustaccreditation.org)



## Attachment 18: Implementation Schedule

Project Title **Lovers Lane Vineyard Conservation Easement**

Project Term **November 2017 – ~~April~~ May 2019**

<b>TASK</b>	<b>TERM</b> (beginning and end dates of expected work period)
Newspaper public notice of project	November 2017
Secure formal Option to Purchase . assuming funding is approved	December 2017
Neighboring landowner notification	January 2018
Board of Supervisors Resolution of Support	February 2018
Prepare conservation easement drafts (3-4). All parties reach agreement on final language (MLT, landowners, Department of Conservation)	April - August 2018
Obtain subordination agreement from American Ag Credit	August 2018
Final appraisal of conservation easement. Approval of purchase price by all parties	September 2018 . December 2018
Draft baseline report; review by all parties	January 2019
Update Title Report	February 2019
Final version of Baseline Report prepared	February 2019
Escrow: escrow instructions; Master Settlement Agreement; Pro Forma title policy; final conservation easement and subordination agreement	March 2019
Closing. Title Company records easement and subordination agreement at County Recorder's office. Recorded documents and Baseline Report sent to DOC	April 2019
Press release on conservation of property. On-site celebration with all parties.	May 2019

Attachment 19: Letters of Support

COMMITTEES  
APPROPRIATIONS  
BUSINESS AND PROFESSIONS  
HEALTH  
NATURAL RESOURCES  
RULES

SELECT COMMITTEES  
CHAIR: DIGITAL DIVIDE IN RURAL  
CALIFORNIA  
CAREER TECHNICAL EDUCATION AND  
BUILDING A 21<sup>ST</sup> CENTURY WORKFORCE  
WINE

Assembly  
California Legislature



JIM WOOD  
ASSEMBLYMEMBER, SECOND DISTRICT

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0002  
(916) 319-2000  
FAX (916) 319-2102

DISTRICT OFFICES  
55 D STREET, SUITE 450  
SANTA ROSA, CA 95404  
(707) 576-2528  
FAX (707) 576-2257

719 E STREET, SUITE 150  
EUREKA, CA 95501  
(707) 445-7014  
FAX (707) 455-8807

200 S SCHOOL STREET, SUITE D  
UKIAH, CA 95482  
(707) 462-5775  
FAX (707) 463-5773

August 8, 2017

Ms. Kathryn Lyddan  
Director, Division of Land Resource Protection  
California Department of Conservation  
801 K Street, MS 14-15  
Sacramento, California 95814-3528

RE: Mendocino Land Trust SALC Program Grant Request: Lovers Lane and Ghianda Rose  
Vineyards

Dear Ms. Lyddan:

I am writing to urge your agency's support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on 133.5 acres of actively-farmed vineyard on the Lovers Lane property in Ukiah, California.

Ninety-five percent of this land is classified as prime agland soil or soil of statewide importance agriculturally, and its permanent conservation is important economically and because it will protect important open space. The property is large enough to sustain commercial agricultural production, and it is located in an area that possesses the necessary market, infrastructure, and agricultural support services. Notably, almost no permanent farmland conservation has occurred in the Ukiah Valley, and this project may help to motivate other farmers to seriously explore the conservation of their land.

Importantly, the purchase of a conservation easement at the Lovers Lane Vineyard will also result in the donation of a conservation easement on the 80.5-acre Ghianda Rose Vineyard in Hopland, thereby permanently conserving additional farmland that is in active production.

Lastly, the permanent conservation of the Lovers Lane property is consistent with the County's long-term commitment to agricultural land conservation and the specific goals, objectives, policies, and implementation measures of the Mendocino County General Plan.

For all the above reasons, I urge you to support the Mendocino Land Trust, the Mendo Farming Company and the Gobbi Street Vineyards in their efforts to conserve these properties.

Thank you very much for your attention.

Sincerely,

JIM WOOD  
Assemblymember, 2<sup>nd</sup> District

**JARED HUFFMAN**  
2ND DISTRICT, CALIFORNIA

**COMMITTEE ON  
NATURAL RESOURCES**  
WATER, POWER, AND OCEANS – RANKING MEMBER  
FEDERAL LANDS  
**COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE**  
HIGHWAYS AND TRANSIT  
WATER RESOURCES AND ENVIRONMENT

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0502**

**WASHINGTON OFFICE**  
1406 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-5161  
FAX: (202) 225-5163  
WEBSITE: [huffman.house.gov](http://huffman.house.gov)

August 7, 2017

Ms. Kathryn Lyddan  
Director, Division of Land Resource Protection  
California Department of Conservation  
801 K Street, MS 14-15  
Sacramento, California 95814-3528

Dear Ms. Lyddan:

I am writing in support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on 133.5 acres of actively-farmed vineyards on the Lovers Lane property in Ukiah, California.

Ninety-five percent of this land is classified as prime agricultural soil or soil of statewide importance. Its permanent conservation is important economically and will protect open space in the Ukiah Valley. The property is large enough for commercial agricultural production, and it is located in an area that possesses the necessary market, infrastructure, and agricultural support services.

In addition to the purchase of a conservation easement at the Lovers Lane Vineyard, the landowner will also donate a conservation easement on the 80.5-acre Ghianda Rose Vineyard in Hopland, which will significantly increase the total farmland that would be permanently conserved for active agricultural production.

Thank you for your serious consideration of the Mendocino Land Trust's proposal.

Sincerely,

  
**JARED HUFFMAN**  
Member of Congress

**SAN RAFAEL**  
888 FIFTH AVENUE, SUITE 290  
SAN RAFAEL, CA 94901  
PHONE: (415) 258-0857  
FAX: (415) 258-0913

**PETALUMA**  
206 G STREET, #3  
PETALUMA, CA 94952  
PHONE: (707) 981-8967  
FAX: (415) 258-9913

**UKIAH**  
559 LOW GAP ROAD  
UKIAH, CA 95482  
PHONE & FAX: (707) 671-7449

**FORT BRAGG**  
430 NORTH FRANKLIN STREET  
P.O. Box 2208  
FORT BRAGG, CA 95437  
PHONE: (707) 962-0933  
FAX: (707) 962-0905

**EUREKA**  
317 THIRD STREET, SUITE 1  
EUREKA, CA 95501  
PHONE: (707) 407-3585  
FAX: (707) 407-3559

PRINTED ON RECYCLED PAPER





August 10, 2017

Ms. Kathryn Lyddan  
Director, Division of Land Resource Protection  
California Department of Conservation  
801 K Street, MS 14-15  
Sacramento, CA 95814

Dear Ms. Lyddan:

I am writing to express my support of the Mendocino Land Trust's grant request to the Sustainable Agricultural Land Conservation Program to purchase a conservation easement on the Lovers Lane property in Ukiah.

This property is 133.5 acres of actively farmed vineyard, 95% of which has been classified as prime agricultural land soil or soil of statewide importance agriculturally. Almost no permanent farmland conservation has taken place in the Ukiah Valley and it is believed that this project may motivate local farmers to explore conservation of their land.

Another important benefit is that the purchase of the conservation easement at the Lovers Lane Vineyard will result in the donation of a conservation easement on 80.5 acres of Ghianda Rose Vineyard in Hopland, permanently conserving additional farmland that is in active production.

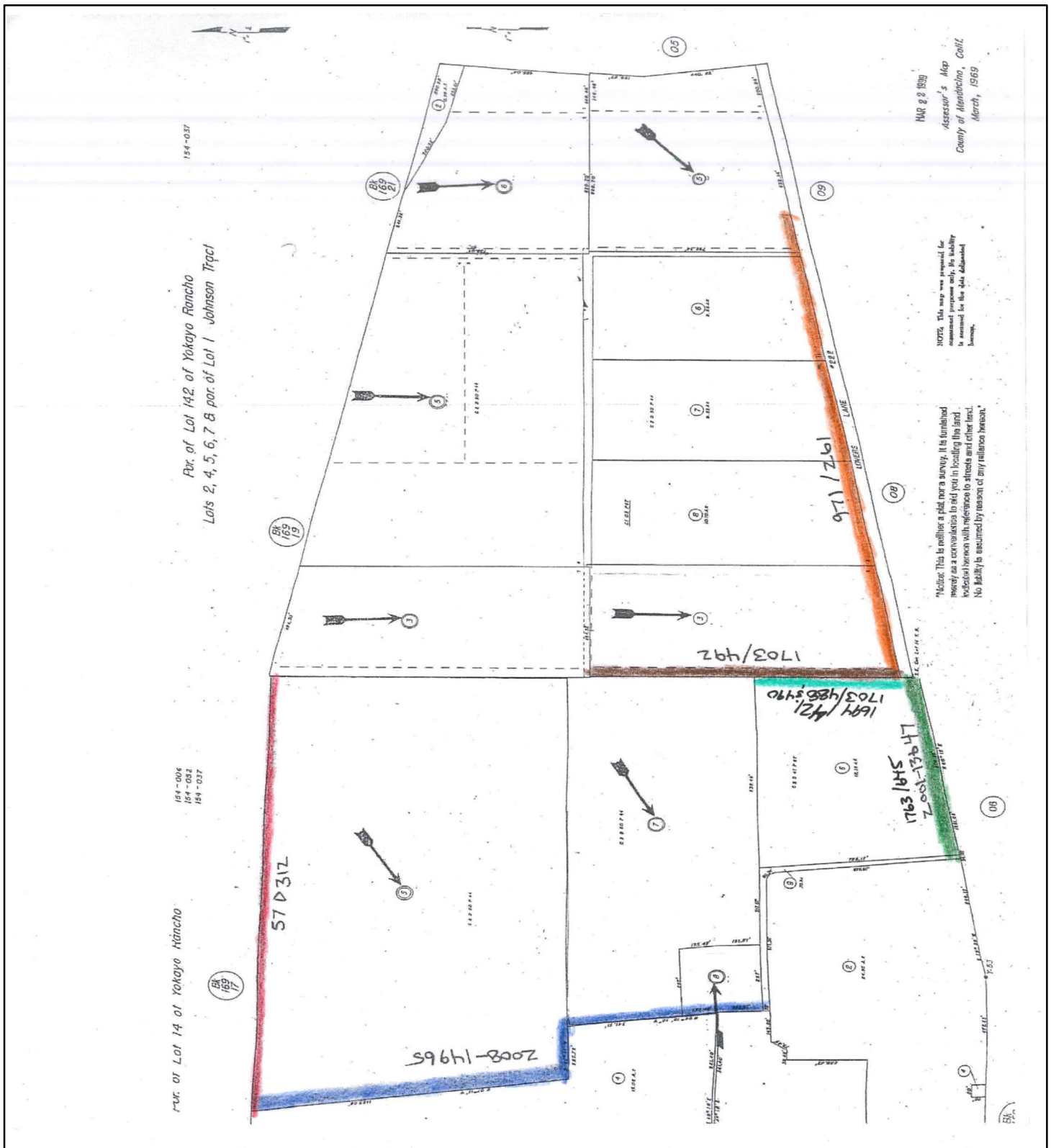
The permanent conservation of the Lovers Lane project fits in with the County's long-term commitment to agricultural land conservation. I urge you to give the Mendocino Land Trust's grant application your full consideration.

Warmest regards,

A handwritten signature in black ink, appearing to be "Mike McGuire", is written above the printed name.

MIKE MCGUIRE  
Senator

SALC Program Agricultural Conservation Easement Grants  
Attachment 20: Platted Easements Map . Redwood Empire Title Company . 8-9-17





Attachment 21: Preliminary Title Report and Underlying Documents: *Sent via separate email and on CD with hard copy of application.*

*End of Application*