

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager

SUBJECT: **Salinas River Parkway Grant – Land Management Plan**

DATE: June 15, 2010

Needs: For the City Council to receive and approve a Land Management Plan for newly acquired Salinas River corridor property.

Facts:

1. The community has embraced a redefined vision for the Salinas River Corridor that has become the catalyst for recent civic, conservation and recreational accomplishments.
2. The Salinas River Vision includes preservation of river habitat and key vistas, enhanced recreational trail systems and public access, improved educational and public art opportunities connected to the River's habitat and history, and a redeveloped urban edge along Paso Robles Street with long term future connections to the Downtown core.
3. The State Water Resources Control Board has designated the Salinas River and its tributaries as one of the most critical watersheds in the State of California.
4. The City recently completed the purchase of 153.9 acres of land within the river corridor using funds from a multi-million dollar State Water Resources Board Grant (Salinas River Parkway Grant).
5. A requirement of the Grant Contract is to provide a Land Management Plan describing how the City will steward the property (herein described as the Salinas River Parkway Preserve or SRPP).
6. The Land Conservancy of San Luis Obispo County was contracted to prepare the Land Management Plan due to their conservation planning expertise and familiarity with the Grant project.
7. The stated purpose of the Salinas River Parkway Grant is: to protect, restore and enhance the water quality, riparian habitat, flood control and groundwater recharge values of property along the upper Salinas River.
8. The public acquisition of river corridor accomplishes the Grant's goal by enabling the City to put in place land management techniques for the property.
9. The Land Management Plan is designed to guide the City's actions for the property by identifying:

- Existing important natural features that should be protected;
 - Physical and social issues that degrade water quality and need to be resolved.
10. A key tool of the Management Plan is “conservation” (i.e. protection) of natural resources that consist of over 1-1/2 linear miles of river corridor with soils and drainage patterns that support natural vegetation important for the protection and enhancement of water quality, flood control and groundwater recharge.
11. The Management Plan also identifies issues that negatively impact the health of the watershed and will require resolution. These include:
- Erosion conditions associated with sand mining, off-road vehicle use and livestock and farming operations;
 - Illegal trash and dumping;
 - Homeless encampments;
 - Presence of non-native plant species.
12. The main corrective tools identified with the Land Management Plan are:
- Public outreach and education;
 - Identification and improvement/repair to degraded areas;
 - Controlled public access through trail corridor and physical improvements.
13. The Land Management Plan identifies a suggested timeline (from now through the next 10 years) to accomplish recommended actions steps. Actual time to accomplish these steps will be driven by availability of resources and funding.

**Analysis &
Conclusion:**

The recent act of acquiring the property brings new opportunity and stewardship responsibility to the City. The Land Management plan provides the framework to identify and prioritize water quality enhancement actions over the next ten years as funding can be made available.

The plan prescribes additional study, planning, outreach programs, and physical enhancements that will support the goal to improve the health of the Salinas River watershed. Each effort is interconnected and can cumulatively assist not only in water quality improvement, but in groundwater recharge and flood protection as well.

The main tools to resolve negative impacts to the watershed are public outreach and education, along with planning for appropriate public use. The introduction of passive recreation will provide an opportunity for the positive influence of responsible public users. Having such an increased “presence” makes it less desirable for those who would use the property for degrading uses such as illegal dumping or camping.

Although there are limited financial resources available at this time, some short term steps and programs can be accomplished. These include the continued preservation of the corridor in its natural state, and development of action and outreach plans to protect and enhance the Salinas River Parkway Preserve over time.

Policy

Reference: General Plan and City Council Adopted Goals
June 6, 2006 Council Authorization to file State Water Resources Grant
California Water Board Grant Agreement 06-163-553-1
City Council Resolution 09-151 authorizing Purchase and Sale Agreement

Fiscal Impact: The Land Management Plan does not bind the City to a budget to implement restoration or enhancement steps. Funding methods will be pursued.

Options:

1. For the City Council to adopt the attached resolution 10-XXX to receive and approve the Land Management Plan for the Salinas River Parkway Preserve; or
2. Amend, modify, or reject the forgoing option.

Attachments:

1. Resolution 10-XXX approving the Land Management Plan for the Salinas River Parkway Preserve
2. Land Management Plan for the Salinas River Parkway Preserve (Exhibit A to resolution)

RESOLUTION NO. 10-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
TO RECEIVE AND APPROVE A LAND MANAGEMENT PLAN FOR THE SALINAS RIVER
PARKWAY PRESERVE ACQUIRED UNDER THE STATE WATER RESOURCES BOARD
SALINAS RIVER PARKWAY GRANT

WHEREAS, the community has embraced a redefined vision for the Salinas River Corridor that has become the catalyst for recent civic, conservation and recreational accomplishments; and

WHEREAS, the Salinas River Vision includes preservation of river habitat and key vistas, enhanced recreational trail systems and public access, improved educational and public art opportunities connected to the River's habitat and history, and a redeveloped urban edge along Paso Robles Street with long term future connections to the Downtown core; and

WHEREAS, the State Water Resources Control Board has designated the Salinas River and its tributaries as one of the most critical watersheds in the State of California; and

WHEREAS, the City recently completed the purchase of 153.9 acres of land within the river corridor using funds from a multi-million dollar State Water Resources Board Grant (Salinas River Parkway Grant); and

WHEREAS, a requirement of the Grant Contract is to provide a Land Management Plan describing how the City will steward the property (herein described as the Salinas River Parkway Preserve or SRPP); and

WHEREAS, the Land Conservancy of San Luis Obispo County was contracted to prepare the Land Management Plan due to their conservation planning expertise and familiarity with the Grant project; and

WHEREAS, the stated purpose of the Salinas River Parkway Grant is: to protect, restore and enhance the water quality, riparian habitat, flood control and groundwater recharge values of property along the upper Salinas River; and

WHEREAS, the public acquisition of river corridor accomplishes the Grant's goal by enabling the City to put in place land management techniques for the property (SRPP); and

WHEREAS, the Land Management Plan is designed to guide the City's actions for the property by identifying existing important natural features that should be protected and physical and social issues that degrade water quality and need to be resolved; and

WHEREAS, the Land Management Plan identifies a suggested timeline (from now through the next 10 years) to accomplish recommended actions steps, but where actual time to accomplish these steps will be driven by availability of resources and funding.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles to receive and approve the Land Management Plan for the Salinas River Parkway Preserve attached as Exhibit A.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 15th day of June 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Duane Picanco, Mayor

ATTEST:

Lonnie Dolan, Deputy City Clerk

***The Salinas River Parkway
Management Plan for
Triple P LLC Property Acquisition***



Prepared for:

Central Coast Regional Water Quality Control Board

Mr. Howard E. Kolb, Grant Manager

Prepared by:

The Land Conservancy of San Luis Obispo County

On Behalf of:

The City of Paso Robles

Ms. Meg Williamson, Assistant City Manager



June 2010

The Salinas River Parkway

Management Plan for Triple P LLC Property Acquisition

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Executive Summary

Scope and Purpose of the Management Plan

This Management Plan details the background, existing conditions, goals, and recommendations for the Triple P LLC addition to the Salinas River Parkway, to be referred to throughout this document as the Salinas River Parkway Preserve (SRPP).

In 2003 the City of Paso Robles received a grant from the National Park Service *Rivers, Trails, and Conservation Assistance Program*, which provided the resources to develop a community based plan for the Salinas River Corridor. Part of this plan was to acquire properties along the Salinas River corridor as it passes through the City for long term management by the City of Paso Robles. With generous grant funding from the State Water Resource Control Board, the acquisition of the SRPP adds 153.9 acres of river corridor at the southerly extent of the City's Salinas River Corridor project adjacent to Highway 101 and Larry Moore Park. In consideration of the State grant, the overarching purpose for the acquisition of the SRPP and this conservation Management Plan is the protection and enhancement of water quality.

Important Natural Features

The SRPP contains important natural resources for conservation purposes. The SRPP contains nearly 2 linear miles of river corridor, and is fed by a major tributary and four storm water drainages. Its soil and hydrology support riparian vegetation that is especially important for the protection and enhancement of water quality. Following the purchase of the SRPP, the conservation of these natural resources will be the dominant consideration in this Management Plan.

Management Issues and Concerns

While the SRPP offers outstanding opportunities for passive recreation, education, and most importantly, protection and enhancement of natural resources, it does also exhibit evidence of prior deleterious land use and other human impacts.

Management issues facing the SRPP include: Addressing erosion problems associated with impacts from sand mining, Off Highway Vehicle (OHV) trails, potential runoff of sediment and contamination from adjacent intensive livestock and farming operations; determining the proper level of public access and use level for recreation; addressing illegal trash and refuse dumping and homeless encampments; the protection and enhancement of native and sensitive species and habitats located along the river; controlling the proliferation of non-native vegetation; and public outreach, education and participation of activities promoting the protection of water quality and passive recreation activities.

How the Management Plan Addresses These Issues

The public acquisition and conservation of the SRPP was the critical first step to addressing management issues. This Management Plan will provide recommendations to accomplish the SRPP's primary goal of protection and enhancement of water quality.

The main activities in the Management Plan include:

- Overview of the current conditions with photographs and text.
- Recommendations for the City of Paso Robles to protect water quality by restoring/enhancing riparian vegetation; to identify sensitive and invasive species to insure the protection of plants and wildlife; to identify degraded areas for restoration; to identify areas appropriate for public access and public structures for compatible recreational use; to identify opportunities for outreach and education to promote participation and prevent deleterious uses.
- Priorities and timelines for the City of Paso Robles regarding the management of the SRPP.

1. Introduction

1.1 Goals

The goal is to meet the Salinas River Parkway Grant purpose which is to “protect, restore, and enhance the water quality, riparian habitat, flood control and groundwater recharge values of property along the Upper Salinas River”. The dominant consideration when considering protecting the natural environment and recreational uses will be the preservation and enhancement of water quality. The City of Paso Robles would like to “provide increased opportunities for citizens to engage the river” with compatible and safe recreational use along with interpretive education.

1.2 History and Use

Known as the “Upside Down River” the Salinas River flows northward toward Monterey Bay from its headwaters in a small canyon in the Garcia Mountain region south of Pozo. Approximately 170 miles long, the Salinas River drains a watershed of over 4,000 square miles.

The SRPP property is located in the “Upper Salinas” the 14-mile portion of the river beginning from Santa Margarita Lake, and has been used informally for many years by residents for hiking, dog walking, horseback riding, and off-road vehicle riding. There are several tributaries flowing into the Upper Salinas. The Santa Margarita dam was built in 1941 to provide water to Camp San Luis and now provides water for the City of San Luis Obispo.

The Salinas River first appears on an American Map as the Rio Salinas in 1858, and is identified during Portola's 1769 expedition. The river valley provided the route of El Camino Real, the principal overland north/south route, used by early Spanish explorers and missionaries, including portions of the Juan Bautista de Anza National Historic Trail.

The Salinas River has historically been a vital water source for the City of Paso Robles, and a critical source of irrigation water to support local agriculture. The Salinas River's surface flow is shallow and occurs only during wet years in the winter and spring; with much of the flow remaining subsurface the rest of the year.

1.3 Background

According to the Upper Salinas-Las Tablas Resource Conservation District (US-LT RCD) Upper Salinas Watershed Action Plan (WAP, 2004), portions the Upper Salinas River area have degraded significantly, habitat has been altered, riparian vegetation lost, and water quality deteriorated. In recent years, both the City of Paso Robles and San Luis Obispo County have placed greater emphasis on restoring the Salinas River corridor (WAP, 2004).

A Coordinated Resource Management & Planning Project (CRMP) was created with the mission to ensure the health and integrity of the Upper Salinas River as a "vital lifeline in our economic livelihood, the natural environment, and our communities" (WAP, 2004). The CRMP also established a "river watch" program out of concerns about OHV use, dumping, vandalism and other illegal and harmful activities. The CRMP group eventually formed the Upper Salinas Watershed Coalition, which included the California Department of Fish and Game (CDFG), Natural Resource Conservation Service (NRCS), Regional Water Quality Control Board (RWQCB), Atascadero Mutual Water Company, US-LT RCD, County of San Luis Obispo, Civilian Conservation Corp (CCC), Audubon Society and The Nature Conservancy.

The US-LT RCD with the help of other agencies and organizations initiated the planning process for the preparation of the Watershed Action Plan for the Upper Salinas River (WAP, 2004). In addition to evaluating water quality, the plan also has strategies to solve problems related to social, economic, wildlife, and land use issues as well as erosion and the use of fertilizer and chemicals. The WAP 2004 plan provides a valuable reference for the City of Paso Robles in the management of the SRPP.

Results of the WAP, 2004 found that water quality is deteriorating, stream flows are dwindling, and OHV use and trash in the river channel damaging habitat. Habitat for fish and wildlife has been adversely impacted by loss of riparian vegetation, reduction of stream flow, degraded water quality and encroachment of urban development and agriculture into wildlife corridors. In addition, the Salinas River corridor is an underused resource for passive recreation and education.

The State Water Resources Control Board has designated the Salinas River and its tributaries as one of the most critical watersheds in the State of California. With generous grant funding from the State Water Resource Control Board, the City of Paso Robles completed a purchase of the SRPP from Triple P LLC to acquire 153.9 acres of river corridor at the southerly extent of the City's jurisdiction adjacent to Highway 101.

The development of this Management Plan meets a requirement (item 9 in Grant Agreement no. 06-163-553-0) in the grant agreement from the State Water Resource Control Board. In consideration of the State grant, the overarching purpose for the acquisition of the SRPP and this Management Plan is the protection and enhancement of water quality.

1.4 Legal Agreements

There are certain legal agreements and obligations which affect management activities and use of the SRPP.

A 99 year license agreement for sand removal and storage affects the southerly portion of the property. Please refer to the document located in Appendix as item 6.4.

In addition, all activities within the SRPP should comply with local, state and federal laws.

2. Inventory

2.1 Property Summary

- Current Owner: City of Paso Robles, contact: Office of the Paso Robles City Manager
- 153.9 acres river of corridor and floodplain land almost entirely located within the historic 100 year floodplain.
- Portion of four assessor parcels: 009-631-003, 009-631-004, 009-811-004, 009-302-and 001.
- Property Boundaries: please see Appendix 6.1.2.
- Miles of waterway: nearly 2 linear miles of river corridor
- Adjacent land uses: The SRPP is almost entirely within the City boundaries. To the west of the SRPP property are Union Pacific railroad tracks and farmland acreage that is currently used for dryland farming. Immediately south of the SRPP property are City of Paso Robles' water wells. Along the eastern border are a shopping center, residential subdivision and Larry Moore City Park. South of Larry Moore Park are several small ranchettes riverbank with livestock pens and access to the river.
- In holding for sand mining with 99 year license with Cal Portland Cement, please see Appendix 6.4.
- Access points: Motor vehicle access is currently limited to two private railroad crossings off of Ramada Drive. OHV can access the SRPP from adjacent property

along the river on the south east side of SRPP, from locations on both sides of the river through private roads, and from the south by coming up the riverbed.

- Zoning: Planned Industrial Manufacturing and Parks and Open Space (PM/POS)

2.2 General Property Description

The Salinas River periodically varies from a dry sandy riverbed during the summer, to a shallow northbound river during the wet winter and spring months.

The SRPP contains nearly 2 linear miles of river corridor almost completely within the 100 year floodplain, with water inflows from four storm water drainages and one tributary.

The northern section of the SRPP property adjacent to the Niblick Bridge has a narrow defined river channel and exhibits excellent riparian habitat, mature plants and resident and migratory aquatic and non-aquatic wildlife.



The southern upstream SRPP area contains a broad river floodplain with a braided river channel containing open sandy areas and hummocky “islands” anchored by sparse riparian vegetation. There is also an “in-holding” area of land within the SRPP operated by Cal-Portland Cement for sand and gravel mining and material storage. This area also includes a large degraded area with elaborate OHV trails.

A variety of natural and manmade factors can influence the type and amount of vegetation exhibited in the northern and southern sections of the SRPP. Natural factors include the river channel formation caused by underlying geological influences causing a narrower river channel (please see Topo Map in Appendix 6.1.5), and the location of aquifers. Manmade influences include changes to the river channel by sand mining and impacts to the soil and vegetation by OHV recreational use and sand mining.

2.3 Infrastructure

There is a sewer pipeline across the Salinas River owned by the City of Paso Robles.

2.4 Soils

Soils are a mix of sand, gravel and loam associated with water deposition. The majority of the SRPP area contains two soil types: Metz-Tujunga Complex and Riverwash. The Metz-Tujunga Complex soil will support riparian vegetation that would provide excellent food and cover for wildlife.

Soil Descriptions (please see Appendix 6.1.4)

LINNE-CALODO COMPLEX) 9-30 percent slopes: This complex consists of moderately steep soils on hills. The Linne soil is a moderately deep, well drained soil that formed in material weathered from calcareous sandstone and shale.

LOCKWOOD SHALY LOAM, 2-9 percent slopes: This complex consists of undulating to gently rolling soils on terraces. This complex is about 35 percent Lockwood shaly loam and 25 percent Concepcion sandy loam. Lockwood soils are on the slightly higher terrace-like areas and low parts of old meandering drainageways.

METZ LOAMY SAND 0-5 percent slopes: This very deep, nearly level to gently sloping, somewhat excessively drained soil formed in alluvium derived from mixed rocks. It is on floodplains. This soil is subject to rare flooding under abnormal conditions. Typically, the surface layer is pale brown loamy sand about 9 inches thick. The underlying material is stratified layers of very pale brown and pale brown loamy sand, and very fine loamy sand. A few areas are gravelly loamy sand throughout.

METZ-TUJUNGA COMPLEX, occasionally flooded, 0-5 percent slopes: This complex consists of nearly level to gently sloping soils on flood plains. The Metz soil is a very deep, somewhat excessively drained soil that formed in alluvium derived from mixed rocks. Typically, the surface layer is pale brown loamy sand about 9 inches thick. The underlying material is stratified layers of very pale brown loamy sand, sand, and very fine sandy loam.

MOCHO CLAY LOAM, 0-2 percent slopes: This very deep, nearly level, well drained soil formed in calcareous alluvium derived from sedimentary rocks. It is on alluvial plains. Typically, the surface layer is grayish brown clay loam about 19 inches thick. The underlying material is stratified layers of light brownish gray and light gray clay loam, loam, and silt loam. This soil is calcareous throughout.

RIVERWASH: Alluvial material in stream beds and flood channels subject to erosion and deposition.

2.5 Water

The river's surface flow is normally shallow and occurs only during the winter and spring of wet years; with much of the flow below the surface provided by underground aquifers. Within the SRPP area are inflows from four storm water drainages and one tributary.

The average maximum annual peak flow on the Salinas River in the Paso Robles area is 6,026 cubic feet per second, although during the 1969 and 1995 flood stages 28,000 cubic feet per second was measured at the 13th Street Bridge (WAP, 2004).

2.6 Habitat Types

A field survey by The Land Conservancy of San Luis Obispo County, conducted in December 2009 revealed three distinct vegetative communities within the SRPP. These communities are riverine, riparian, and disturbed annual grassland. Each of these community types is described in greater detail below.

2.6.1 Riverine

Riverine habitat is found in areas where a flowing channel of water existed on the Salinas River. Given the flashy hydrology and sandy soils of the Salinas River, very little riverine habitat was observed despite recent rain events. A very small area of live flow was located along the eastern edge of the SRPP (December 2009). This area of flow had a total area of approximately 1000 cubic feet and supported zero aquatic vegetation.

2.6.2 Riparian

Riparian communities are often quite varied and difficult to categorize. The valley riparian community found within the SRPP is comprised of two distinct types of vegetation; riparian shrubland, and riparian woodland.

Riparian shrubland is found along the river bottom and along river margins in areas where live flow occurs infrequently and where persistent live flow or pooling is uncommon or short-lived. The dominant riparian shrub species observed within the SRPP is Mule Fat (*Baccharis salicifolia*), with sparse arroyo willow (*Salix lasiolepis*), mugwort (*Artemisia douglasiana*), bur clover (*Medicago polymorpha*), and telegraph weed (*Heterotheca grandiflora*).

Riparian woodland communities are characterized as tall, open, broad-leaved, winter-deciduous forests that occur along frequently inundated rivers and streams, or in areas where the water table is at or near the ground surface (Holland 1986).

Riparian woodland communities are found on both the eastern and western edges of the SRPP. The overstory is dominated by valley oak (*Quercus lobata*), Box elder (*Acer negundo*), Fremont cottonwood (*Populus fremontii*) and Pacific willow (*Salix lucida ssp. lasiandra*). A small stand of California black walnut trees (*Juglans hindsii*) was identified along the western bank, as well. The understory was characterized by mugwort (*Artemisia douglasiana*), as well as dense patches of non-native forbs such as milk thistle (*Silybum marianum*) and poison hemlock (*Conium maculatum*) and non-native annual grasses.

2.6.3 Disturbed Annual Grassland

Portions of the western bank have significant patches of disturbed annual grassland which punctuate the dominant riparian woodland community. This disturbed annual

grassland community is dominated by non-native forbs and grammanoid species such as milk thistle, poison hemlock, perennial mustard (*Hirschfeldia incana*), red-stem filaree (*Erodium cicutarium*), wild oats (*Avena spp.*), and Brome (*Bromus spp.*)

2.7. Wildlife

Riparian zones provide diverse habitat for a wide array of aquatic, semi-aquatic, and terrestrial wildlife species. Furthermore, riparian zones often function as critical corridors linking large disjunct habitat patches. As the initial field visit was conducted in a single daytime event, detection of wildlife species was limited. Sightings or signs of mule deer (*Odocoileus hemionus*), Virginia opossum (*Didelphis virginiana*), California ground squirrel (*Spermophilus beecheyi*), and jack rabbit (*Lepus californicus*) were observed in the SRPP. Other wildlife species known or expected to occur in the SRPP include but are not limited to; gopher snake (*Pituophis melanoleucus*), common garter snake (*Thamnophis sirtalis*), western toad (*Bufo boreas*), Pacific chorus frog (*Hyla regilla*), bobcat (*Lynx rufus*), coyote (*Canis latrans*), long-tailed weasel (*Mustela frenata*), raccoon (*Procyon lotor*), and striped skunk (*Mephitis mephitis*), Botta's pocket gopher (*Thomomys bottae*), as well as myriad bat and avian species.

It is recommended that formal, protocol level, field surveys be conducted in the appropriate season to establish occupancy and/or usage.

2.8 Sensitive Species

Appendix 6.3 is a list all sensitive species identified by the California Natural Diversity Database (CNDDDB) as having a possibility of occurring within the Parkway parcels. cursory field visits failed to reveal any occurrences of these species; however, formal protocol level field surveys conducted in the appropriate season are necessary prior to making a sound determination.

3. Recommendations

3.1 Identify Sensitive Species

Identify sensitive species of plants and animals that may necessitate special consideration and protection. Develop priorities with next steps and timelines to protect sensitive or endangered animal and plant species and their habitats. As habitat and wildlife improves the biological surveys should be periodically updated.

3.2 Identify Degraded Areas and Corrective Steps

Degraded areas are areas exhibiting erosion; deleterious human impact (e.g OHV trails); lacking adequate riparian vegetation; and/or proliferation of non-native vegetation or invasive species.

Identify corrective steps, research possible funding sources. Prepare a plan with projected completion dates and perform annual monitoring.

3.3 Identify Issues with a Potentially Negative Impact on Water Quality and Corrective Steps

Water quality is threatened by a variety of factors such as changes in water flows, loss of riparian vegetation and subsequent water temperature elevation, erosion and increased sediment load (WAP, 2004). A report by the Regional Water Quality Control Board Watershed Management Initiative Chapter, January 2002 (RWQCB, 2002) identifies the Salinas River as a “highest priority watershed”, and the pollutants of concern as: nitrates, minerals, nutrients, pesticides, heavy metals and sedimentation. Factors effecting water quality include: over pumping of groundwater, agricultural activities, urban development and runoff, past mineral and gravel mining (RWQCB, 2002).

Active management of the SRPP will be required to facilitate appropriate activities while protecting natural resources. Issues and recommendations effecting water quality will be limited to the SRPP area in this Management Plan.

3.3.1 Runoff from Adjacent Properties – Urban and Agricultural Activities

Runoff from urban areas and livestock and farming on adjacent properties will be a potential water quality issue for the SRPP.

US-LT RCD along with other organizations such as the USDA NRCS, San Luis Obispo County Farm Bureau, Central Coast Agriculture Water Quality Coalition (www.agwaterquality.org) offer guidelines. The NRCS offers cost sharing financial incentives to livestock owners and farmers to help reduce the volume and contamination of runoff. Please see the WAP, 2004 for references and more information.

The City of Paso Robles should consider establishing an outreach and education program with adjacent landowners and neighborhoods regarding their role in protecting water quality in the Salinas River.

3.3.2 Loss of Riparian Vegetation

Identify areas that would benefit from the re-introduction or enhancement of riparian vegetation by passive or active restoration. Passive restoration refers to allowing riparian areas to naturally recover by stopping activities that cause degradation. Active restoration



refers to manipulating the ecosystem to re-establish the desired function (Kauffman et al. 1997).

Increasing the riparian vegetation would have the benefits of improving water quality, wildlife habitat, flood control along with health and economic benefits.

Areas upstream from Niblick Bridge are exhibiting up to 95-100 percent loss of riparian vegetation since 1949 (please see Appendix 6.1.3). In contrast, the area between Niblick Bridge and 13th Street



Southern section of SRPP

Bridge has well established riparian vegetation. There has been an almost 95 percent re-vegetation of this riparian areas (WAP, 2004), resulting in a shaded narrow stream channel and abundant wildlife. The City of Paso Robles has been successful in preventing illegal OHV access in these areas, and the riparian vegetation has recovered significantly in recent years.

The southern portion of SRPP without adequate riparian vegetation and increased width in channel cross-section length have increased amount of water surface exposed to sunlight. According to the EPA, warming of the stream especially during periods of low flow can be large and abrupt. Even short duration high temperatures can decimate salmonids if the water temperature exceeds the lethal limits (WAP, 2004).

Restoring habitat in the upstream locations may be more cost effective by allowing water flow and flooding to help passively replant areas downstream.

3.3.3 Illegal Trespass and Dumping

Vehicle access and adjacent land uses are a critical problem within the Upper Salinas River. Disturbances include creation of OHV trails, and crushing and trampling of vegetation. OHV's can ignite fires, increase soil compaction and cause fuel spills (WAP, 2004). There is evidence of adjacent landowners



Sand mining area with OHV trails

accessing the river bed for OHV and equestrian use. The use of equestrian patrols, appropriately named the Salinas River Mounted Patrol to report illegal dumping and trespass, along with well defined trails, and alternative OHV locations (not in riverbed areas) may be considered.

Illegal dumping and homeless encampments are also threats to water quality.

With the establishment of defined trails and Natural Areas (see below), along with public outreach and education with adjacent landowners, the public's perception and care of the SRPP should improve as demonstrated in the Salinas River Corridor north of the SRPP area.



3.3.4 Impact of Cal Portland Sand Mining

Sand Mining and subsequent erosion, alteration of the river channel and appropriate location of compatible activities (e.g. trail location), should all be considered. Consider developing a follow up plan to restore the area and incorporate appropriate public access if sand mining operations cease.

3.4 Designation of Public Access Areas

3.4.1 Natural Areas

Natural Areas will be designated to protect, enhance and restore existing wildlife habitat areas, protect sensitive species, and contain any degraded areas (from erosion or human impact) where restoration may be recommended or public access restricted. Bringing these areas back to a functioning riparian area, will protect and enhance water quality. A timeline should be established according to priorities and next steps to conserve, enhance, and restore plant and wildlife habitat.

In addition to biological surveys, a survey for pre-historic cultural resources within the proposed trail



corridor should be completed before the construction of trails or other physical improvements. If any evidence is found, this area should be included in the Natural Area, and not within the areas of public access.

3.4.2 Trail Corridor and Location of Physical Improvements

Improve and control public access to the river and limit recreational activities to passive recreation and educational purposes by the designation of areas appropriate for trails and physical improvements.

The City of Paso Robles has tentatively identified the location of a pedestrian bridge and location of trails in the SRPP (Uptown/Town Center Specific Plan).



The city should determine appropriate uses for education and passive recreation. These may include: Class I Bike Path, for bicycles and pedestrians, multi use trails to include equestrians; areas for bird watching, nature photography, individual picnic areas, nature study, viewing stations, and interpretive areas.

These specific areas identified for trails and physical improvements will provide the public with a safe and pleasing natural environment in which to pursue recreational and educational activities, while minimizing the impacts on wildlife and important habitat and reducing potentially deleterious activities. Restricting public access to areas with clearly defined trails for passive recreation has been very effective in protecting natural areas as seen in the Salinas River Corridor adjacent to the SRPP property.

3.5 Public Education and Outreach

Fostering public education and outreach will improve the community's appreciation for and participation in recreation opportunities within the cities limits. A clearly defined trail system will limit the amount of damage caused by limiting public access to the less sensitive areas of natural habitat.



The City of Paso Robles with the assistance of local organizations should develop a plan for education and outreach to the local neighborhoods, livestock owners, and farmers about protecting water quality and to address the potentially deleterious activities within and adjacent to the SRPP.

Any plan for public outreach and education should include the development of educational resources (trail maps, interpretive signs etc.) to develop public support for passive recreation.



Educational information for farmers is available from the San Luis Obispo Farm Bureau and Monterey County RCD which includes information about practices for improving water quality such as: cover crops, access roads, filter buffer strips, self-monitoring of farm or ranch, rock energy dissipaters, and grassed waterways.

4. Timelines

4.1 Time Critical

Public outreach to local neighborhoods and adjacent property owners and signage along property lines regarding new ownership and management of SRPP.

4.2 Short Term Goals (1-3 years)

Biological and cultural surveys and studies completed, signage in place, research funding opportunities for public access, habitat restoration and educational outreach regarding water quality preservation to adjacent landowners and neighborhoods. Coordinate with other organizations to provide volunteers and resources to help build or maintain trails and patrol area (e.g. Parks for Pups or equestrian patrol). Identify sources for ongoing land management and maintenance.

4.3 Long Term goals (4-10 years)

Restore designated Natural Areas, with active management in place to protect habitat and prevent deleterious uses.

Identify locations of public access areas for trails and location of structures (e.g. pedestrian bridge connecting east west trails).

4.4 Ongoing – Monitoring

Please see Appendix 6.1.6 the Monitoring Photo-Points Map, and the accompanying Baseline Photos documenting the current conditions. Annual photo monitoring is

recommended during the summer or fall months (for access reasons) to document changes within the SRPP.

4.5 Review and Updates to Goals/Plan/Surveys

Review Management Plan, monitoring protocols, biological surveys every 10 years. Revisit sand mining location if use permit lapses.

5. References

California Department of Fish and Game 2001. State and Federal endangered threatened and rare plants of California and listing dates. Sacramento, California

City of Paso Robles. 2007. Salinas River Parkway Grant, Power Point Presentation. www.prcity.com/government/department/ditymanager/salinasriver.asp

City of Paso Robles. 2002. Salinas River Corridor Vision, Power Point Presentation. http://www.prcity.com/government/departments/citymanager/pdf/SalinasRiver_OpenHouse.pdf

Holland, Robert F. 1986. *Preliminary Descriptions of the Terrestrial Natural Communities of California*. California Department of Fish and Game. Sacramento, California.

Kauffman, J. B., R. L. Beschta, N. Otting, and D. Lytjen. 1997. *An Ecological Perspective of Riparian and Stream Restoration in the Western United States*. Fisheries

Morro Group, Inc. 2002. Biological Assessment for the Thunderbird Pipeline Project, Paso Robles, California. Prepared for the City of Paso Robles

Regional Water Quality Control Board. 2002. Central Coast Region, Watershed Management Initiative

Greene, Dennis E. 2009. *Summary Appraisal Report of the Triple P Properties Adjacent to the Salinas River*. Prepared for the City of Paso Robles.

Upper Salinas Las Tablas Resource Conservation District. 2004. *Upper Salinas Watershed Action Plan*

6. Appendix

6.1 Maps

6.1.1 Watershed Map

6.1.2 Site Map

6.1.3 Loss of Riparian Vegetation Map (WAP, 2004)

6.1.4 Soil Map and USDA Soil Types

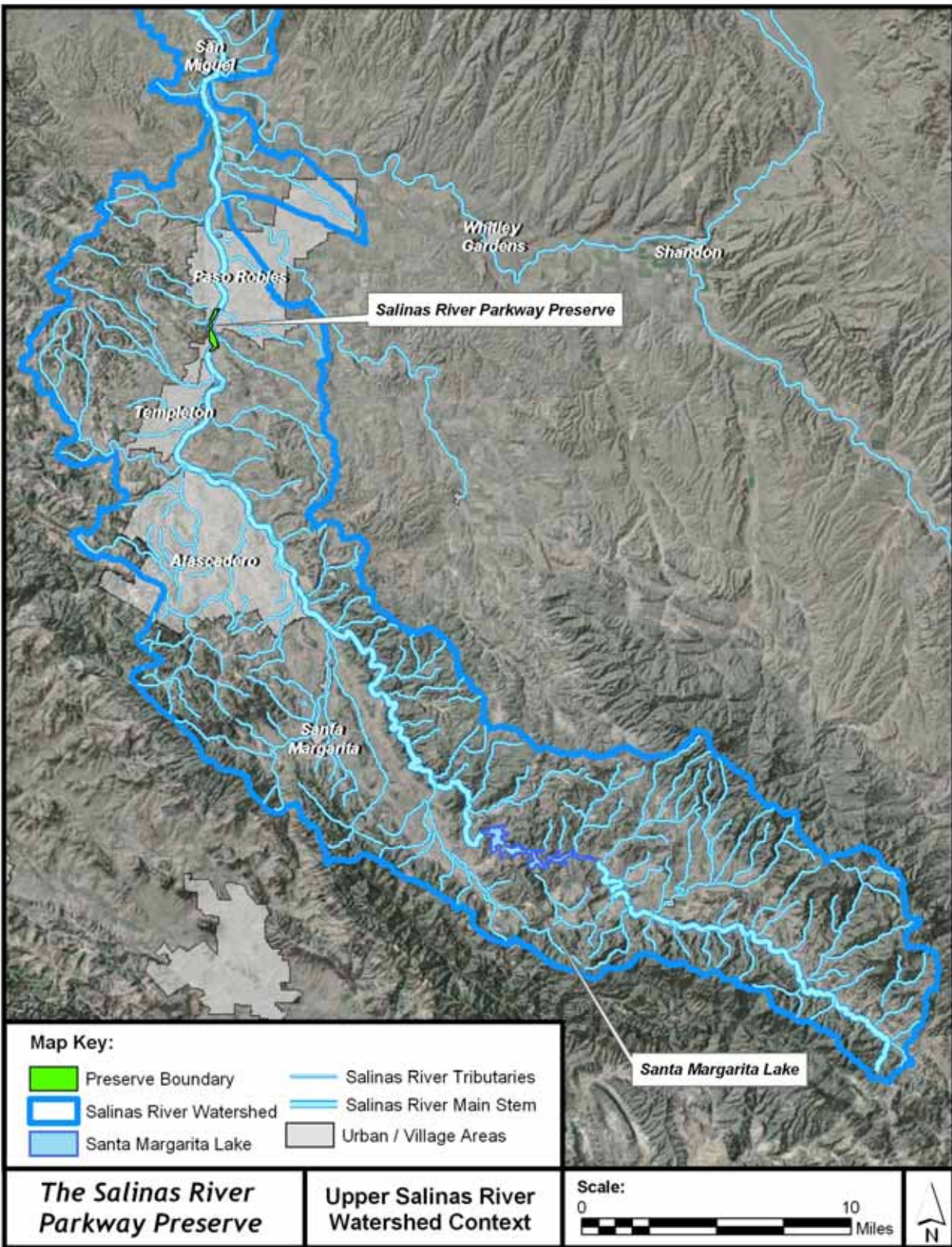
6.1.5 Topo Map – Section of USGS 7.5 minute Topographic Map

6.1.6 Monitoring Photo-Points Map

6.2 Baseline Photographs taken on May 20, 2010

6.3 List of Potential Sensitive Plant and Animal Species within SRPP Area

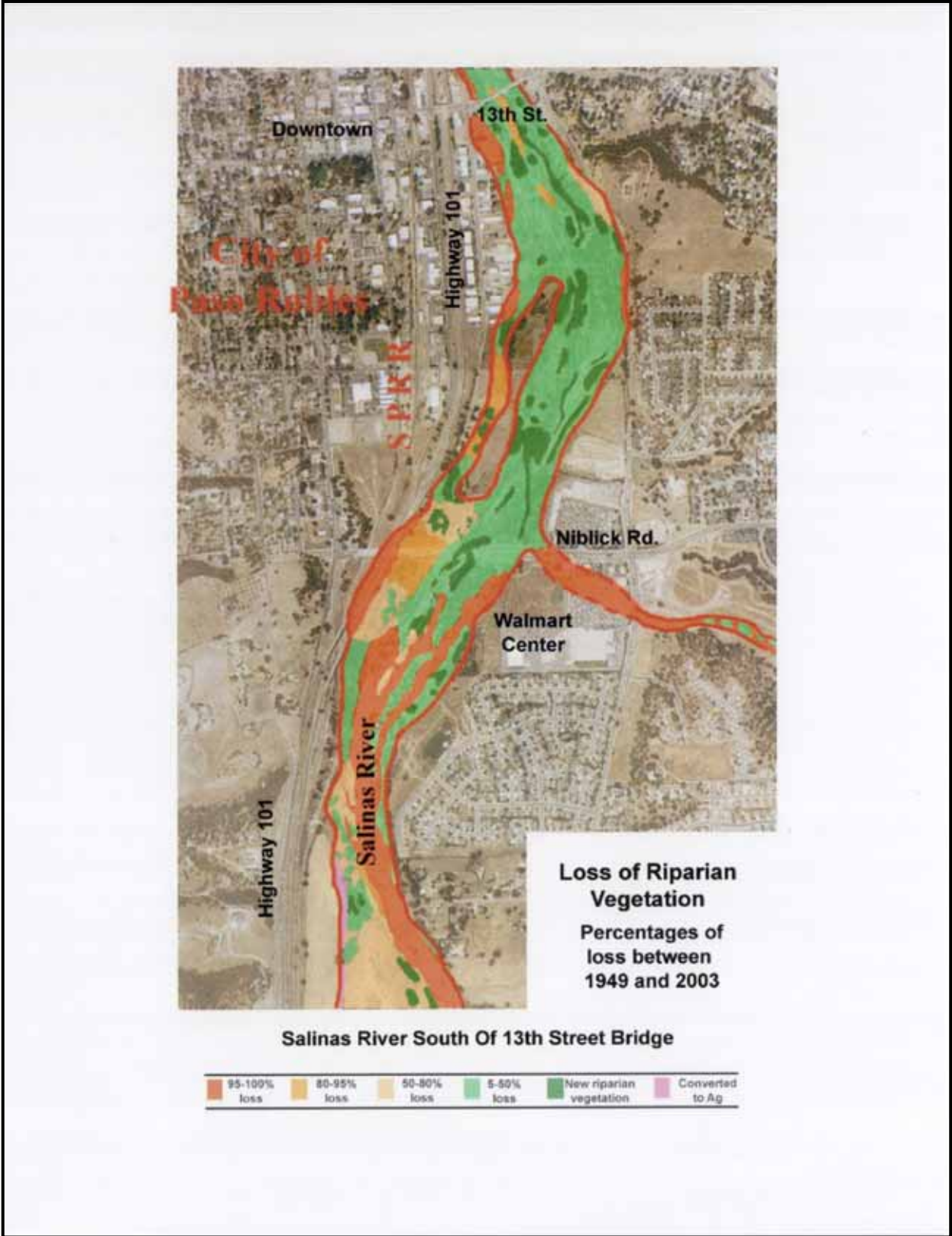
6.4 *Partial Assignment, Assumption, and Amendment of Irrevocable License Agreement*



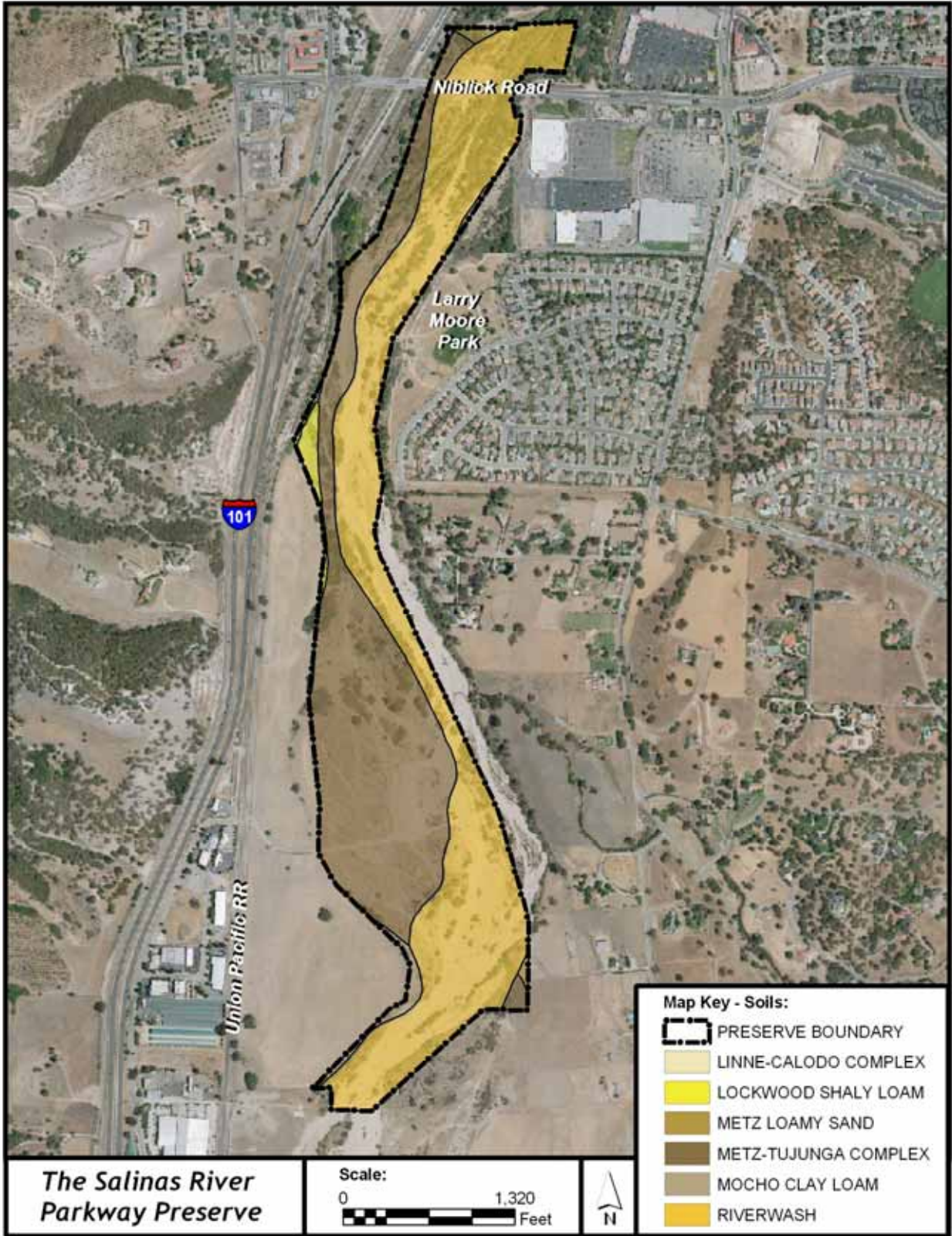
Appendix 6.1.1 Watershed Map



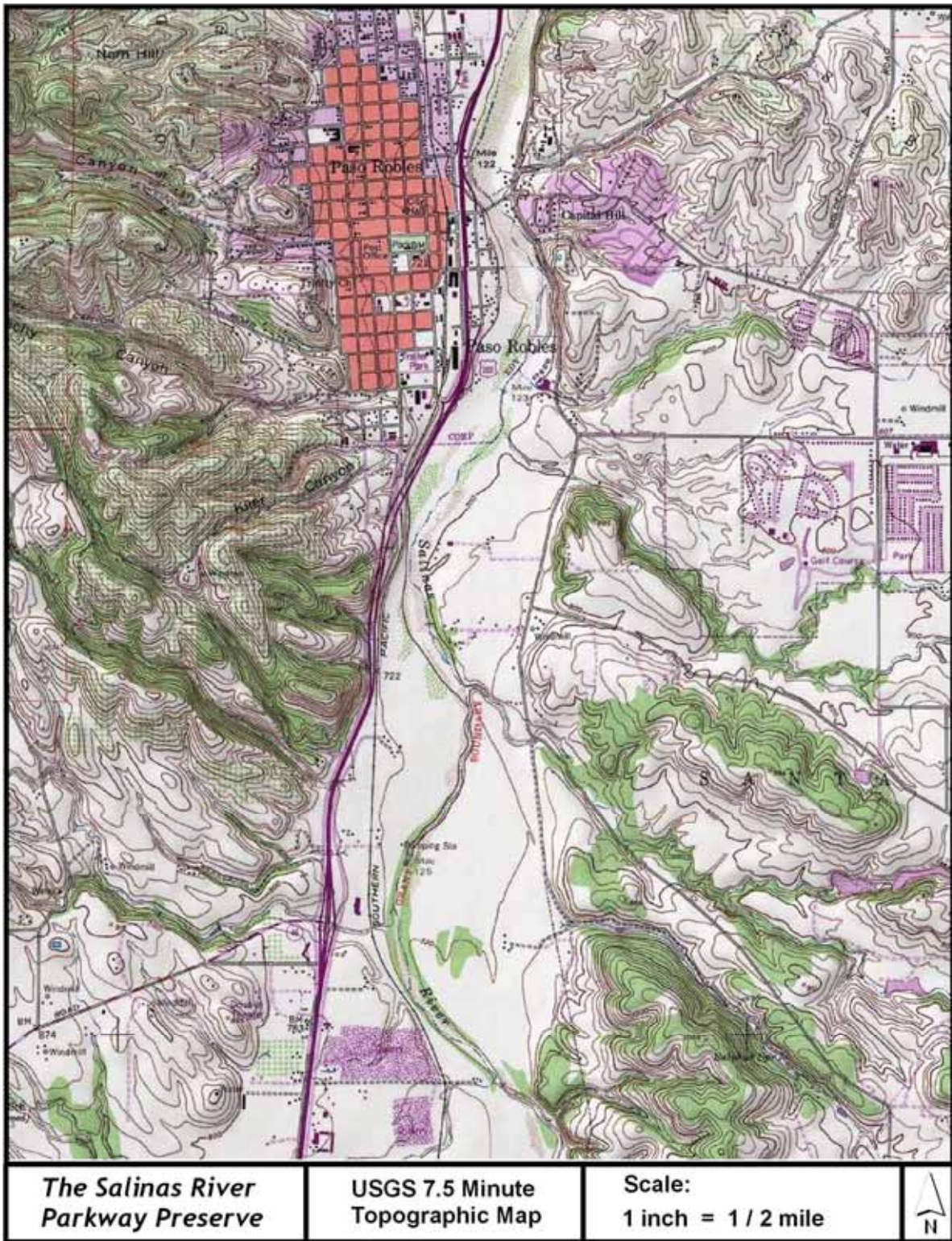
Appendix 6.1.2 Site Map



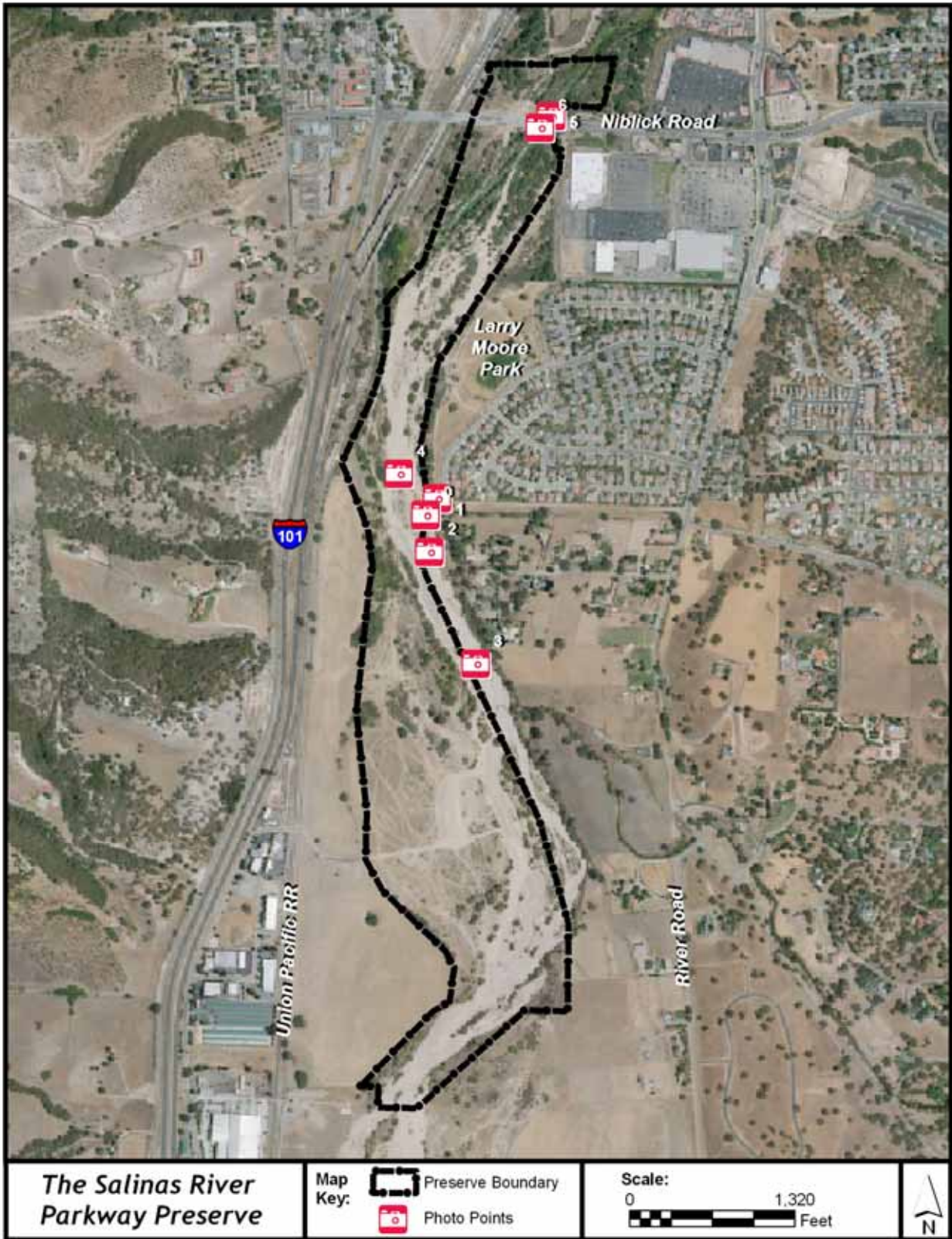
Appendix 6.1.3 – Loss of Riparian Vegetation Map (Source: USLTRCD WAP, 2004)



Appendix 6.1.4 Soil Map and USDA Soil Types



Appendix 6.1.5 Topo Map



Appendix 6.1.6 Monitoring Photo-Points Map



Photo Point 1 Description: Trail Access Direction: W GPS: N 35.36400 W 120.41213



Photo Point 2 Description: Pipeline Direction: SW GPS: N 35.36339 W 120.41325

Appendix 6.2 Baseline Photographs



Photo Point 3 Description: OHV Impact Direction: S GPS: N 35.36192 W 120.41245



Photo Point 4 Description: Riverbed Direction: N GPS: N 35.36441 W 120.41378

Appendix 6.2 Baseline Photographs



Photo Point 5 *Description: Bridge View* *Direction: N* *GPS: N 35.36912 W 120.41153*



Photo Point 6 *Description: Bridge View* *Direction: S* *GPS: N 35.36903 W 120.41164*

Appendix 6.2 Baseline Photographs

Salinas River Parkway Preserve: Sensitive Species		
Sensitive Botanical Species		
Scientific Name	Common Name	Legal Status Federal/State/CNPS Status & R-E-D Codes
<i>Chorizanthe rectispinai</i>	Straight-awned spineflower	--/--/1B/3-1-3
<i>Erodium macrophyllum</i>	Round-leaved filaree	--/--/2/2-3-1
<i>Lasthenia lepalea</i>	Salinas valley goldfields	--/--/4/1-1-3
<i>Navarretia nigelliformis ssp. radians</i>	Shining navarretia	--/--/1B/2-2-3
Status Codes		CNPS Rare-Endangerment-Distribution Codes
California Native Plant Society (CNPS)		
List 1B = rare, threatened, or endangered in California or elsewhere	Rare: 1) rare, but found in sufficient numbers and distribution widely enough that the potential for extinction is low at this time; 2) distributed in a limited number of occurrences, occasionally more if each occurrence is small; 3) distributed in one to several highly restricted occurrences, or present in such small numbers that it is seldom reported. Endangerment: 1) not endangered; 2) endangered in a portion of its range; 3) endangered throughout a portion of its range. Distribution: 1) more or less widespread outside California; 2) rare outside California; 3) endemic to California.	
List 2 = rare, threatened, or endangered in California, but common elsewhere		
List 4 = limited distribution		
Sensitive Wildlife Species		
Scientific Name	Common Name	Legal Status: Federal/State
<i>Oncorhynchus mykiss irideus</i>	Southern steelhead trout - South/Central California Coast ESU	FT/CSC
<i>Rana aurora draytonii</i>	California red-legged frog	FT/CSC/P
<i>Scaphiopus hammondii</i>	Western spadefoot (toad)	FSC/CSC
<i>Clemmys marmorata pallida</i>	Southwestern pond turtle	FSC/CSC/P
<i>Accipiter cooperi</i> (nesting)	Cooper's hawk	--/CSC
<i>Athene cunicularia</i> (burrowing sites)	Burrowing Owl	FSC/CSC
<i>Lanis ludovicianus</i>	Loggerhead shrike	FSC/CSC
<i>Vulpes macrotis mutica</i>	San Joaquin kit fox	FE/ST
Staus Codes		
Federal	State	
FE = Federally Endangered	ST = California Threatened	
FT = Federally Threatened	CSC = California Special Concern	
FSC = Federal Special Concern	P = CDFG Protected Species	

Appendix 6.3 List of Plant and Animal Species

Appendix 6.4

Partial Assignment, Assumption, and Amendment of Irrevocable License Agreement

(Following Page)

**PARTIAL ASSIGNMENT, ASSUMPTION AND
AMENDMENT OF IRREVOCABLE LICENSE AGREEMENT**

This Partial Assignment, Assumption and Amendment of Irrevocable License Agreement ("**Assignment**"), dated for reference purposes only as May 19, 2010, is entered into by and among Triple P, LLC, a California limited liability company ("**Assignor**"), successor in interest to EA UAI Properties, LLC, a California limited liability company ("**EA UAI**"), the City of El Paso de Robles, a municipal corporation ("**Assignee**"), and UAI Real Estate Acquisition, LLC, a California limited liability company ("**Licensee**"), and who agree as follows:

Recitals

A. EA UAI was the owner of certain real property, located in San Luis Obispo County, California, having Assessors Parcel Nos. 09-811-004, 09-631-003, 09-631-004 and 09-302-001, as more particularly described in Exhibit A to the License Agreement (as hereinafter defined) (collectively, the "**Property**").

B. EA UAI and Licensee entered into that certain Irrevocable License Agreement (Sand) ("**License Agreement**"), dated February 28, 2008, whereby EA UAI licensed to Licensee the right to remove rock, gravel and sand from that certain portion of the Property described in Exhibit B to the License Agreement (the "**Mining Property**"). The License Agreement is evidenced by a Memorandum of Irrevocable License Agreement (Sand), dated February 28, 2008, and recorded in the Official Records of San Luis Obispo County (the "**Official Records**") on February 29, 2008 as Document No. 2008009966. The License Agreement is attached hereto as Exhibit A.

C. Parties acknowledge that Licensee removes sand from the Mining Property pursuant to the License Agreement and subject to a variety of permits and approvals issued by the City of Paso Robles, the County of San Luis Obispo, and other governmental authorities which are described in Exhibit B, attached hereto (the "**Permits and Approvals**"). Licensee typically removes and stockpiles the maximum quantity of sand permitted under the Permits and Approvals within a six week period each year, and retrieves the stockpiled sand throughout the year. Licensee acknowledges it has the obligation to ensure that all mining operations comply with all local, State and Federal permitting requirements.

D. EA UAI quitclaimed all its interest in the Property to Assignor pursuant to that certain Quitclaim Deed, recorded in the Official Records on April 9, 2008, as Document No. 2008017944.

E. Pursuant to that certain Amended and Restated Agreement for Purchase and Sale ("**Purchase Agreement**"), dated December 9, 2009 by and between Assignor and Assignee, Assignee is to acquire a portion of the Property within and adjacent to the Salinas River, as more particularly described in Exhibit C attached hereto (the "**Acquisition Property**"), to implement certain policies within the City of El Paso de Robles' General Plan. The Acquisition Property consists of a portion of the Mining Property subject to the License Agreement, as more particularly shown in Exhibit D attached hereto (the "**Acquisition Mining Property**").

F. Assignor desires to partially assign to Assignee its right, title, and interest in, to, and under the License Agreement as it relates to the Acquisition Mining Property, and Assignee desires to accept such assignment on, and subject to, all of the terms and conditions in this Assignment. Further, as a condition to executing the partial assignment contemplated herein, Assignee and Licensee desire to amend the terms and conditions of the License Agreement as it pertains to the Acquisition Mining Property.

G. All capitalized terms used herein but not specifically defined in this Assignment shall have the meanings ascribed to such terms in the License Agreement. As used herein, Assignor, Assignee and Licensee shall be collectively referred to as, the "**Parties.**"

Agreement

1. Incorporation of Recitals. The Recitals set forth above, and all defined terms and exhibits set forth in such recitals and in the introductory paragraph preceding the Recitals, are hereby incorporated into this Assignment as if set forth in full.

2. Partial Assignment and Assumption of License Agreement.

2.1. Assignment and Assumption. Effective upon the close of escrow for the conveyance of the Acquisition Property from Assignor to Assignee, (the "**Effective Date**"), Assignor assigns to Assignee all of its right, title and interest in, to, and under the License Agreement as it relates to, and in connection with, the Acquisition Mining Property. Assignee accepts this assignment, assumes all of Assignor's obligations under the License Agreement as it relates to, and in connection with, the Acquisition Mining Property, and agrees to be bound by all of the provisions of the License Agreement, and to perform all such obligations of Assignor under the License Agreement as a direct obligation to Licensee from and after the Effective Date of this Assignment. The Parties hereby expressly acknowledge and agree that no assignment of the License Agreement is made hereunder that relates to, or is in connection with, property not constituting the Acquisition Mining Property ("**Remainder Property**") and that Assignee shall have no liability under, or become a party to, the License Agreement as it pertains to such property. For purposes of clarification, the parties further acknowledge and agree that (i) Assignor shall remain liable for all obligations and liabilities under the License Agreement relating to or burdening the Remainder Property, (ii) Assignor shall remain liable for all obligations and liabilities under the License Agreement relating to or burdening the Acquisition Mining Property and that arose or accrued prior to the Effective Date, and (iii) after the Effective Date, Assignor shall no longer have responsibility for obligations and liabilities under the License Agreement relating to or burdening the Acquisition Mining Property and that arise or accrue from or after the Effective Date (except that Assignor acknowledges and agrees that its obligations with respect to the Remainder Property are related to and supportive of Licensee's operations on the Acquisition Mining Property, and nothing herein is intended to nor shall release Assignor of any such obligations).

2.2. Licensee's Consent. Licensee hereby consents to the partial assignment and assumption of the License Agreement, as set forth in Section 2, pursuant to the terms and conditions set forth herein. Nothing herein shall be deemed to modify the License Agreement or

constitute a waiver of any of Licensee's rights under (or any of the provisions of) the License Agreement, except as expressly set forth herein.

3. Amendment to License Agreement.

3.1. Application. The Parties hereby expressly acknowledge that any and all amendments set forth under this Section 3 shall only apply to the License Agreement as partially assigned to Assignee under Section 2.1. The License Agreement, as it relates to, or in connection with, the Remainder Property, shall not be affected by or amended pursuant to this Section 3.

3.2. Insurance. Notwithstanding the insurance requirements set forth in Section 8 of the License Agreement (which Section 8 shall remain in full force and effect, subject to the following provisions which shall apply only to the City so long as the City owns the Mining Property). So long as the City owns the Mining Property, the insurance requirements set forth in Section 8 are modified in the following respects: General Liability under the California JPIA Pooled Self-Insurance program, insuring against claims for which Assignee is responsible, with loss coverage up to Five Million Dollars (\$5,000,000).

3.3. Access to Water. During the License Period, Licensee shall continue to have the right to utilize water from the well located on the Property more particularly described in Exhibit E attached hereto (the "Well") for the limited purposes of mitigating dust associated with the removal and storage of sand, which has been its historic use. Licensee shall have the sole responsibility for the maintenance, repair and operations of the Well and for all utility fees associated with operation of the Well. If applicable, Licensee shall be responsible for the timely filing of the annual State Water Resources Board Statement of Diversion.

3.4. Notice. The address for the purpose of service of notice under Section 18.5 of the License Agreement for Licensor is hereby deleted and replaced with as follows:

"City of El Paso de Robles
1000 Spring Street
Paso Robles, California 93446
Attn: City Manager"

3.5. Improvements By City. In the event City determines it wishes to install any improvements on the Mining Property, the City agrees that will do so at its own expense and shall first consult with Licensee so that such improvements, to the extent reasonably possible and in accordance with all applicable laws and regulations, will separate members of the public from and minimize interference with Licensee's mining and stockpile operations. Such improvements may include, at City's option, landscaping, fencing, signage or other barriers.

4. General Provisions.

4.1. Further Assurances. The Parties to this Assignment shall, at its own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Assignment.

4.2. License in Full Force. Except for those provisions which are inconsistent with this Assignment and those terms, covenants and conditions for which performance has been completed, all other terms, covenants and conditions of the License Agreement shall remain in full force and effect.

4.3. Governing Law. This Assignment shall be governed by, and construed in accordance with, California law.

4.4. Captions. Captions to the sections in this Assignment are included for convenience only and do not modify any of the terms of this Assignment.

4.5. Severability. If any term or provision of this Assignment is, to any extent, held to be invalid or unenforceable, the remainder of this Assignment shall not be affected, and each term or provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

4.6. Binding Effect. This Assignment shall be binding upon and inure to the benefit of Assignee, its successors and assigns and Licensee and its permitted successors and assigns.

4.7. Counterparts. This Assignment may be executed in one or more counterparts with the same effect as if the Parties executing several counterparts had executed one counterpart and all such executed counterparts shall together constitute one and the same instrument.

4.8. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs of suit.

4.9. Recordation of Memorandum Recordation. A Memorandum of this Partial Assignment, Assumption and Amendment to the Irrevocable License Agreement shall be recorded in a form consistent with Exhibit F.

4.10. Incorporation of Exhibits. The exhibits referenced herein are hereby incorporated into this Assignment as if set forth herein in full.

[Signatures to appear on the following page.]

NOW THEREFORE, the Parties hereto have executed this Assignment as of the Effective Date.

ASSIGNOR:

TRIPLE P, LLC, a California limited liability company

By: *Chris L Will*

Christopher L. Will
Non-Member Manager

ASSIGNEE:

CITY OF EL PASO DE ROBLES,
a municipal corporation

By: _____

James L. App
City Manager

APPROVED AS TO FORM:

By:

Iris P. Yang, City Attorney

ATTEST:

By:

Dennis Fansler, City Clerk

LICENSEE:

UAI REAL ESTATE ACQUISITION, LLC,
a California limited liability company

By: California Portland Cement Company,
a California corporation,
its sole member

Ronald E. Summers
Senior Vice President

NOW THEREFORE, the Parties hereto have executed this Assignment as of the Effective Date.

ASSIGNOR:

TRIPLE P, LLC, a California limited liability company

By: _____

Christopher L. Will
Non-Member Manager

ASSIGNEE:

CITY OF EL PASO DE ROBLES,
a municipal corporation

By: _____

James L. App
City Manager

APPROVED AS TO FORM:

By:

Iris P. Yang, City Attorney

ATTEST:

By:

Dennis Fansler, City Clerk

LICENSEE:

UAI REAL ESTATE ACQUISITION, LLC,
a California limited liability company

By: California Portland Cement Company,
a California corporation,
its sole member



Ronald E. Summers
Senior Vice President

NOW THEREFORE, the Parties hereto have executed this Assignment as of the Effective Date.

ASSIGNOR:

TRIPLE P, LLC, a California limited liability company

By: _____

Christopher L. Will
Non-Member Manager

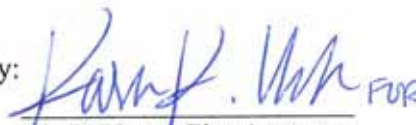
ASSIGNEE:

CITY OF EL PASO DE ROBLES,
a municipal corporation


By: 

James L. App
City Manager

APPROVED AS TO FORM:

By:  FOR
Iris P. Yang, City Attorney

ATTEST:

By: 
Dennis Fansler, City Clerk

LICENSEE:

UAI REAL ESTATE ACQUISITION, LLC,
a California limited liability company

By: California Portland Cement Company,
a California corporation,
its sole member

Ronald E. Summers
Senior Vice President

EXHIBIT A

IRREVOCABLE LICENSE AGREEMENT

(SAND)

This Irrevocable License Agreement (Sand) (this "Agreement") is made and entered into as of Feb. 20, 2008 by and between EA UAI PROPERTIES, LLC, a California limited liability company ("Licensor") and UAI REAL ESTATE ACQUISITION, LLC, a California limited liability company ("Licensee").

RECITALS

A. Licensor is the owner of that certain parcel of property, having Assessor Parcel No. 09-811-04, 09-631-003,004 and 09-302-001, situated in San Luis Obispo County, California, and more particularly described in Exhibit A attached hereto (the "Property").

B. Licensee desires to obtain from Licensor an irrevocable license for the purpose of removing rock, gravel and sand (collectively referred to herein as "sand") from the portion of the Property described in Exhibit B, attached hereto (the "Premises"), and Licensor desires to grant such an irrevocable license to Licensee for such purpose, subject to the terms and conditions set forth in this Agreement.

C. This Agreement is entered into as part of a larger transaction set forth in that certain Agreement and Plan of Merger dated as of February 19, 2008, by and among California Portland Cement Company, a California corporation ("CPC"), CPC UAI Holdings, Inc., a California corporation, Union Asphalt, Inc., a California corporation and certain shareholders thereof, Union Properties and Equipment Rental Limited Partnership, a California limited partnership, and Volpi Properties, LLC, a California limited liability company (the "Merger Agreement"). This Agreement is a condition of closing under the Merger Agreement, and is a material inducement for CPC and affiliates of CPC (including without limitation Licensee, which is wholly-owned by CPC) to enter into and carry out the transactions and to make the payments set forth in the Merger Agreement. This Agreement shall become effective immediately following the closing under the Merger Agreement.

D. The removal of sand from the Premises, and the reclamation of the Premises following completion of mining of sand, are subject to a variety of permits and approvals issued by the City of Paso Robles, the County of San Luis Obispo, and other governmental authorities which are described in Exhibit C, attached hereto (the "Permits and Approvals").

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Exhibit A - License Agreement dated 2/28/08

Page 1 of 37

1. LICENSE.

1.1 Grant of License. Licensor hereby grants to Licensee an irrevocable, exclusive license burdening the Premises for the permitted purposes specified in Section 3 below and subject to the terms of this Agreement, and Licensee hereby accepts such license and terms.

1.2 Priority of License. The license granted by, and the rights of Licensee under, this Agreement are subject to all liens, encumbrances, covenants, conditions, restrictions, easements and rights of way affecting the Property on the date hereof (the "Existing Exceptions"). Attached hereto as Exhibit D is a Pro Forma Title Policy prepared for the Property by Chicago Title Company. Licensor has no actual knowledge of any Existing Exceptions not reflected in the Pro Forma Title Policy. All future encumbrances upon the Premises shall automatically be subject and subordinate to Licensee's license and rights under this Agreement (subject to Section 18.12 below).

1.3 Rights of Licensor. The Premises constitute only a portion of the Property. Subject to the rights granted to Licensee hereunder, Licensor shall have the full and unfettered right to subdivide, develop, improve, and operate the Property. In the event that any such activity proposed by Licensor requires the relocation of internal private roads created pursuant to Section 3.2 hereof, Licensee agrees to reasonably cooperate with Licensor to relocate such roads which relocation shall be at Licensor's expense.

2. LICENSE PERIOD. This Agreement shall become effective and binding, commencing upon the date of the closing under the Merger Agreement and continuing until the first to occur of (i) the ninety-ninth (99th) anniversary thereof or (ii) completion of mining as contemplated by the Permits and Approvals (the "License Period"). Notwithstanding the foregoing, Licensee shall have the right, at any time, upon sixty (60) days written notice to Licensor, to cancel and terminate this Agreement, in which case Licensee shall deliver to Licensor a quitclaim deed.

3. USE.

3.1 Permitted Uses. During the License Period, Licensee shall have the sole and exclusive right to excavate and remove sand from the Premises, subject to the terms and conditions set forth in this Agreement. Licensee may install and operate any machinery, equipment or temporary improvements on the Premises as may be necessary or desirable in Licensee's sole discretion for such permitted purposes, which shall be removed by Licensee at its sole expense as part of reclamation as required under Section 9 below. Licensee shall also have the right to stockpile sand on the portion of the Property shown on Exhibit B, attached hereto, subject to such reasonable conditions and requirements as Licensor may establish from time to time.

3.2 Access. Licensee shall have access to the Premises via public roads. Licensee shall also have a non-exclusive right to use the railroad crossing created under the Private Roadway Easement dated November 28, 1998, as now or hereafter amended, between Southern Pacific Transportation Company and Schmidt Top Soil, to the extent of Licensor's rights thereunder (the "Private Roadway Agreement"). To the extent that public road access is

not available to any portion of the Premises, Licensor grants to Licensee an easement for ingress and egress over then existing private roads within the Property as reasonably necessary for Licensee to conduct its operations within the Premises. If neither public nor then existing private roads are then available, Licensor grants to Licensee an easement to construct dirt, gravel or paved (in Licensee's discretion) private roads over the portion of the Property as reasonably necessary for Licensee to conduct its operations within the Premises. The location of any such private roads shall be subject to Licensor's approval, which shall not be unreasonably withheld or delayed, and any disputes regarding the same shall be subject to resolution by binding arbitration pursuant to Section 18.10 below.

3.3 Permits and Approvals. Licensor hereby assigns to Licensee all of Licensor's rights under the Permits and Approvals to mine sand on the Property during the License Period.

4. CONSIDERATION.

4.1 No Rent or Fees Payable During License Period. No licensee fees, rent, royalties or other payments in the nature of fees or rent shall be owing to Licensor during the License Period or any Period, provided that the foregoing is not intended to and shall not negate any other obligations or payments specifically required of Licensee under the terms of this Agreement.

4.2 Acknowledgments. Licensor acknowledges and agrees that Licensor has received pre-paid, good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties hereto, including without limitation the facts and transactions described in the above recitals, the mutual covenants contained herein, the mutual covenants contained in the Merger Agreement and payments made pursuant to the Merger Agreement.

5. TAXES.

5.1 Licensee Obligations. Licensee shall be responsible to pay all taxes and assessments levied or assessed during the License Period against (i) all personal property of Licensee, (ii) any improvements or fixtures installed by Licensee on the Premises or the Property and owned by Licensee, and (iii) the sand interest in the Premises, including any excavated materials which Licensee stores on the Property.

5.2 Licensor Obligations. Licensor shall pay all other taxes and assessments levied or assessed against the Property during the License Period, except as provided above, and including any taxes allocable to any oil, gas or other hydrocarbons in the Property.

5.3 Allocation; Enforcement. Licensor and Licensee shall mutually reasonably allocate any taxes and assessments levied or assessed against the Property in the manner set forth above. In the event Licensee shall fail to pay its share of any taxes to be paid by it as provided for herein, Licensor may pay the same on or before the delinquent date thereof so as to avoid delinquency and penalties and Licensee shall thereafter reimburse Licensor the amount so paid together with interest thereon at the rate of ten percent (10%) per annum. In the event of any dispute under this Section 5.3, either party may initiate binding arbitration pursuant to Section 18.10 below to resolve such dispute.

Exhibit A - License Agreement dated 2/28/08

Page 3 of 37

6. COMPLIANCE WITH LAWS. Licensee agrees to and shall (i) at all times comply fully with all federal, state, county and municipal laws, regulations, the requirements of the Permits and Approvals and any other rules applicable to or governing the Property and/or Licensee's activities on the Premises and the Property, including but not limited to Licensee's removal of sand from the Premises, and (ii) prior to commencing any activities on the Premises, obtain all necessary waivers, permits, and consents required by applicable federal, state, county, and municipal laws, regulations and rules for the removal of sand and to maintain such waivers, permits and consents in full force and effect during the License Period. Upon request by Licensor, Licensee shall provide to Licensor copies of all waivers, permits and consents obtained authorizing Licensee to remove sand from the Premises. Licensee shall not amend or modify the Permits and Approvals relating to the Property without the prior written consent of Licensor, which shall not be unreasonably withheld (and in any event Licensor shall not withhold its consent to any extension, renewal or replacement of any existing Permits and Approvals to prevent them from expiring before the end of the License Period, so long as any changes to the pre-existing terms thereof are subject to Licensor's approval right as aforesaid). In the event the parties cannot agree on a requested amendment or modification, either party may invoke the procedures described in Section 18.10.

7. INDEMNIFICATION.

7.1 By Licensee. Licensee shall indemnify, defend and hold Licensor (and its directors, officers, employees, members and affiliates) harmless from and against any and all claims, suits, judgments, liabilities, losses, costs or expenses (including reasonable attorneys' fees and costs of suit of counsel reasonably approved by Licensee) arising from or related to (i) the occupancy or use of any portion of the Premises and the Property (including any off-site area covered by the Private Roadway Agreement) by Licensee, or its agents, contractors, employees, tenants, subtenants, licensees or invitees, (ii) any act or omission of Licensee, its agents, contractors, employees, subtenants, licensees or invitees, (iii) any required investigation, clean-up and/or remediation in accordance with Hazardous Materials Laws with respect to any releases of Hazardous Materials in, on or under the Premises and the Property to the extent that such releases are caused by the activities of Licensee, or Licensee's agents, contractors, employees, subtenants, licensees or invitees, or (iv) any breach by Licensee of its obligations under this Agreement. In no event, however, shall the foregoing indemnification obligation extend to the active negligence or intentional conduct of Licensor or its agents, contractors, employees, tenants, licensees or invitees.

7.2 By Licensor. Licensor shall indemnify, defend and hold Licensee (and its directors, officers, employees, members and affiliates) harmless from and against any and all claims, suits, judgments, liabilities, losses, costs or expenses (including reasonable attorneys' fees and costs of suit of counsel reasonably approved by Licensor) arising from or related to (i) the occupancy or use of any portion of the Property (including any off-site area covered by the Private Roadway Agreement) by Licensor, or its agents, contractors, employees, tenants, subtenants, licensees or invitees, (ii) any act or omission of Licensor, its agents, contractors, employees, subtenants, licensees or invitees, (iii) any required investigation, clean-up and/or remediation of the Property in accordance with Hazardous Materials Laws that is not Licensee's responsibility under Section 14 below, or (iv) any breach by Licensor of its obligations under this Agreement. In no event, however, shall the foregoing indemnification obligation extend to the

active negligence or intentional conduct of Licensee or its agents, contractors, employees, tenants, licensees or invitees.

8. LIABILITY INSURANCE.

8.1 By Licensee. Licensee agrees to and shall at all times during the term of the Agreement and any extensions hereof, at Licensee's sole cost and expense, obtain and keep in full force and effect a policy of commercial general liability insurance, insuring against claims for which Licensee is responsible under the indemnification provisions of Section 7.1 above, with a combined single limit of not less than Five Million Dollars (\$5,000,000.00). Such policy shall be issued in the name of Licensee, but shall name Licensor as an additional insured, and shall constitute primary coverage for any claims for which Licensee is responsible under the indemnification provisions of Section 7.1 above. A certificate or memorandum (in accordance with then current insurance industry standards) evidencing the required coverages shall be delivered to Licensor upon the execution hereof, and thereafter prior to expiration of any such policy. All such policies of insurance shall contain a provision (in accordance with then current insurance industry standards) for not less than thirty (30) days prior written notice to Licensor of any modification or cancellation thereof. If Licensee fails to provide reasonable evidence that it has the required insurance coverages described above within ten (10) business days following request by Licensor, then Licensor may itself obtain such coverage at Licensee's expense, and Licensee shall reimburse Licensor upon demand for the cost thereof, together with interest at the rate of ten percent (10%) interest per annum.

8.2 By Licensor. Licensor agrees to and shall at all times during the term of the Agreement and any extensions hereof, at Licensor's sole cost and expense, obtain and keep in full force and effect a policy of commercial general liability insurance, insuring against claims for which Licensor is responsible under the indemnification provisions of Section 7.2 above, with a combined single limit of not less than Five Million Dollars (\$5,000,000.00). Such policy shall be issued in the name of Licensor, but shall name Licensee as an additional insured, and shall constitute primary coverage for any claims for which Licensor is responsible under the indemnification provisions of Section 7.2 above. A certificate or memorandum (in accordance with then current insurance industry standards) evidencing the required coverages shall be delivered to Licensee upon the execution hereof, and thereafter prior to expiration of any such policy. All such policies of insurance shall contain a provision (in accordance with then current insurance industry standards) for not less than thirty (30) days prior written notice to Licensee of any modification or cancellation thereof. If Licensor fails to provide reasonable evidence that it has the required insurance coverages described above within ten (10) business days following request by Licensee, then Licensee may itself obtain such coverage at Licensor's expense, and Licensor shall reimburse Licensee upon demand for the cost thereof, together with interest at the rate of ten percent (10%) interest per annum.

9. RECLAMATION. Licensee shall complete, at its sole cost and expense, any required reclamation activities in accordance with the Permits and Approvals. Licensee shall complete reclamation promptly following Licensee's completion of its mining operations thereon, but in all cases not later than the last day of the License Period. Reclamation will conform to the performance standards set forth in the Permits and Approvals. Licensee's reclamation obligations shall also be deemed to include removal from the Premises, at Licensee's

sole cost, of all of Licensee's improvements, personal property and equipment. Except as may be required by the Permits and Approvals, Licensee shall not be required to return the Premises to its pre-existing condition, to import soil or to specially contour the land.

10. RESERVATION OF OIL, GAS AND HYDROCARBON RIGHTS. Licensor reserves for itself all rights to oil, gas or other hydrocarbons (excluding, however, all sand) existing in or under the Property. Licensor does further reserve all rights to any existing or future oil and gas leases affecting the Property. Notwithstanding the above, Licensor shall not exercise any rights of surface entry with respect to any portions of the Premises during the Period applicable thereto.

11. RIGHT OF ENTRY BY LICENSOR. Licensor shall at all reasonable times have the right and privilege of entering upon the Premises for the purpose of inspection and for the purpose of determining whether or not Licensee is complying with all of the terms, covenants and conditions of the Agreement and for the purpose of posting notices of non-responsibility.

12. ASSIGNMENT. Licensee may assign this Agreement without Licensor's consent, provided, however, that (i) any such assignment shall be subject to all of the terms and provisions herein, (ii) the assignee must assume in writing the obligations of the Licensee under this Agreement accruing from and after such assignment, and a copy of such assumption must be provided to Licensor, and (iii) no such assignment shall release Licensee of liability under this Agreement.

13. CONDEMNATION. In the event that the United States government, the State of California, or any political subdivision thereof or any other governmental authority shall for any purpose condemn the Premises or any portion thereof, and said condemnation or acquisition shall interfere with the current or future use of the Premises by Licensee, Licensee at its option shall have the right to terminate this Agreement. Whether or not Licensee so terminates this Agreement, Licensee shall be entitled to receive the portion of any condemnation award (or payment in lieu of such an award) that is equal to the value of the sand interest in the Premises, or to any improvements, fixtures or personal property installed at Licensee's expense or owned by Licensee, or for any loss of business or goodwill or severance damages suffered by Licensee. Licensor shall be entitled to receive the portion of any condemnation award (or payment in lieu of such award) that is equal to the value of the surface interest in the Premises, the value of the surface and minerals in the remainder of the Property or to any improvements, fixtures or personal property installed at Licensor's expense or owned by Licensor, or for any loss of business or good will or severance damages suffered by Licensor. Licensor's and Licensee's mutual approval shall be required to the allocation of any condemnation award (or payment in lieu of such an award) in accordance with the foregoing standards (and the parties shall not be bound by the method which the condemning authority uses to allocate or determine such award or payment). If the parties cannot agree on an allocation, each shall select an appraiser to assist in determination of the allocation of the award. In the event that the appraisers appointed by each cannot agree, the appraisers appointed by each party shall mutually agree on a third appraiser and each party shall submit to such third appraiser the allocation of the award proposed by such party. The third appraiser shall select the allocation of Licensor or Licensee that most closely approximates the determination of the third appraiser, whose decision shall be final. Each party shall bear the cost of any appraiser appointed by it. The cost of any third appraiser

shall be shared equally by the parties. During the pendency of any dispute or arbitration proceeding under this Section, any such payment or award shall be held in a neutral escrow mutually designated by the parties.

14. HAZARDOUS MATERIALS.

14.1. Definitions. As used herein: (a) "Hazardous Material(s)" means any substance, whether solid, liquid or gaseous: (i) which is listed, defined or regulated as a "hazardous substance," "hazardous waste," "solid waste," "toxin," "pollutant," or "contaminant," or which is otherwise classified as hazardous or toxic in any manner, in or pursuant to any Hazardous Materials Law; (ii) the presence of which requires or could require investigation, remediation, warning or disclosure under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; (iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; (iv) which is or which contains asbestos, radon, any polychlorinated biphenyl (PCB), urea formaldehyde foam insulation, explosive or radioactive material, gasoline, diesel fuel or other petroleum hydrocarbons; or (v) which causes or poses a threat to cause a contamination or nuisance on the Property or any adjacent property or a hazard to the environment or to the health or safety of persons on the Property; and (b) "Hazardous Materials Law(s)" means any federal, state or local law, statute, ordinance, code, rule, regulation, license, authorization, decision, order, injunction, action, decree, policy or common law, and any judicial interpretation of any of the foregoing, which pertains to health, safety, any Hazardous Material, or the environment (including ground or air or water or noise pollution or contamination, and underground or aboveground tanks) and shall include the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; California Health and Safety Code § 25100 et seq.; and any other state or federal environmental statutes, and all rules, regulations, orders and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

14.2 Licensee Obligations. Licensee shall conduct its activities on the Premises, including the use, storage and disposal of all Hazardous Materials utilized by Licensee on the Premises or the Property, in accordance with Hazardous Materials Laws. Licensee shall be responsible for at its sole expense, and Licensee shall indemnify Licensor from and against, all required investigation, clean-up and/or remediation in accordance with Hazardous Materials Laws with respect to any releases of Hazardous Materials in, on or under the Property to the extent that such releases are caused by the activities of Licensee, or Licensee's agents, contractors, employees, subtenants, licensees or invitees (collectively, "Licensee Parties"). Licensee does not hereby assume, and shall not have any liability under this Agreement for, any Hazardous Materials in or under the Property, or any violations of Hazardous Materials Laws affecting the Property, to the extent that they (i) are existing as of the date hereof, or (ii) migrate

to the Property from other properties and are not caused by Licensee or Licensee Parties, or (iii) are not caused by the activities of Licensee or Licensee Parties

15. DEFAULT.

15.1 Notice and Cure. Neither Licensee nor Licensor shall be in default under this Agreement unless and until the party claiming such default notifies the other in writing, and a period of thirty (30) days elapses after such notice is given without such default having been cured; provided, however, that if more than thirty (30) days is reasonably necessary to cure such default and the party receiving such notice commences a cure within such thirty (30) day period and thereafter diligently and in good faith pursues such cure until completion, such thirty (30) day cure period shall be extended for such period of time as may be reasonably necessary to effectuate a cure of such default.

15.2 Remedies. Upon the occurrence of a default, and the giving of notice and expiration of any applicable cure period provided for above, each party shall be entitled to all rights and remedies available to it at law or in equity (subject to the provisions of this Agreement).

16. INTENTIONALLY OMITTED.

17. INTENTIONALLY OMITTED.

18. MISCELLANEOUS PROVISIONS.

18.1 Waiver. Any delay by a party in exercising or enforcing, and any failure by a party in exercising or enforcing, any rights or remedies available to such party under this Agreement or at law or equity, shall not be construed as a waiver of such party's right to exercise or enforce such rights or remedies at a later time or with respect to subsequent defaults.

18.2 Binding on Successors and Assigns; Runs With Land. This Agreement, and the license granted to Licensee herein, (i) shall apply to and be binding upon Licensor and Licensee and their respective successors and assigns (subject to any restrictions on assignment provided herein), (ii) shall be appurtenant to and shall run with the Property and each portion thereof and shall bind all successor owners thereof, and (iii) shall constitute equitable servitudes burdening the Property and each portion thereof.

18.3 Time of Essence. Time is of the essence of this Agreement with respect to each party's performance of its covenants hereunder.

18.4 Rules of Construction. Words used in this Agreement in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular in this Agreement and the other Loan Documents shall apply to such words when used in the plural where the context so permits and vice versa. When used in this Agreement, "include" means "include but are not limited to", "includes" means "includes but is not limited to" and "including" means "including, but not limited to." When used in this Agreement, "sole discretion" means "sole and absolute discretion." All titles or headings to articles, sections, subsections or other divisions of this Agreement or the exhibits hereto are for

convenience only and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions.

18.5 Notices. Any notice required or permitted to be given pursuant to this Agreement shall be in writing, and shall be addressed to the intended recipient at the applicable address(es) specified in this Section, and delivered to such address(es) either by (i) personal delivery, (ii) a reputable commercial courier or messenger, with receipt of delivery, or (iii) U.S. registered or certified mail, return receipt requested, postage prepaid. Notice shall be deemed given when delivered to the applicable address(es) required by this Section by any of the delivery methods specified above and otherwise in accordance with the requirements of this Section; provided that if any party refuses delivery of any notice, such notice shall conclusively be deemed to have been given upon such refusal of delivery. No party may require more than two addresses for notice purposes at any given time. Any party may change its address for notice purposes by giving notice thereof to the other party in accordance with the requirements of this Section. The initial addresses of the parties for the purpose of service notice shall be as follows:

Licensor:

EA UAI PROPERTIES, LLC
c/o Barbich, Longier, Hooper & King Accountancy
Corporation
1010 South Broadway, Suite I
Santa Maria, California 93454
Attn: Chris Will

Licensee:

UAI REAL ESTATE ACQUISITION, LLC
c/o California Portland Cement Company
2025 E. Financial Way
Glendora, CA 91741
Attention: General Counsel

18.6 Attorneys' Fees. In the event any action or proceeding is commenced by either party to enforce the terms and provisions of this Agreement, each party shall bear its own attorneys' fees and costs.

18.7 Entire Agreement; Amendments. This Agreement (including all exhibits hereto which are incorporated herein by this reference) and any recorded memorandum hereof constitute the entire agreement between the parties with respect to the subject matter hereof. Any Possession Notice given by Licensee pursuant to this Agreement shall be deemed a part of this Agreement. Any amendment to this Agreement must be in writing and signed by all parties hereto in order to be effective. If any provision of this Agreement is found to be unenforceable, the remaining provisions shall remain in full force and effect.

Exhibit A - License Agreement dated 2/28/08

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18.8 Counterparts. This Agreement may be executed in counterparts, which together shall constitute one agreement. Further, original counterpart signature pages may be compiled together in one or more original documents.

18.9 Recorded Memorandum. Promptly following the execution and delivery of this Agreement, Licensor and Licensee shall execute, notarize and record a memorandum or short form of this Agreement in the Official Records of Santa Barbara County, California.

18.10 Dispute Resolution. Whenever this Agreement provides that a dispute shall be governed by this Section, the following provisions shall apply.

(a) The party invoking the procedures set forth by this section shall give written notice to the other party specifying the area of dispute. Each party shall promptly designate a representative who shall have authority to conduct all negotiations and settle all issues on behalf of such party. The parties shall promptly exchange all non privileged information which is relevant to the subject matter of the dispute. All information exchanged shall be treated as confidential and may be delivered pursuant to a confidentiality agreement. Following the exchange of information the designated representatives shall meet, confer and conduct good faith negotiations in an attempt to settle the disputed matter.

(b) In the event that the designated representatives are unable to reach an agreement after thirty (30) days, either party may elect binding arbitration by giving written notice to the other party. Within fifteen (15) days of the date of such notice, each party shall select a knowledgeable and qualified person having at least 10 years experience in real estate matters, including property similar to the Property with mining operations, and give written notice to the other party of the arbitrator so selected. The selected arbitrators shall, within thirty (30) days thereafter, jointly appoint a third, independent arbitrator of comparable qualifications. The arbitration shall be conducted informally, without any specific rules of evidence or discovery. For purposes of the arbitration, the arbitrator shall be guided by the principal that Licensee is to enjoy mining rights as to rock, sand and gravel as presently approved under the Permits and Approvals, with reasonable ability to seek a modification of those Permits and Approvals, balancing, however, those rights against the Licensor's ownership and development, improvement and operation of the Property. The economic and business interests of the parties shall be balanced in a way to maximize both. The decision of the arbitrators shall be binding, final and non-appealable and may be entered in any court of competent jurisdiction. Each party shall bear the fees, costs and expenses of the arbitrator selected by it. The parties shall jointly bear the fees, costs and expenses of the third arbitrator.

18.11 Estoppel. Within ten (10) days following written request by either party (the "requesting party") to the other (the "certifying party") in accordance with Section 18.5, the certifying party shall execute and deliver to the requesting party an estoppel certificate addressed to a prospective purchaser or encumbrancer of the Property or portion thereof, certifying (a) that this Agreement is unmodified and in full force and effect (or stating any modifications that are claimed or any claims that this Agreement is not in full force and effect), (b) that there are not, to the actual knowledge of the certifying party without any duty to

investigate, any uncured defaults on the part of either party hereunder (or specifying such defaults if any are known), and (c) such other factual certifications regarding the status of this Agreement as may be reasonably requested by the requesting party (all to the actual knowledge of the certifying party without any duty to investigate). Any such estoppel certificate may be relied upon by the prospective purchaser or encumbrancer as an estoppel, but shall not create any affirmative liability on the part of the certifying party nor any duties or obligations not set forth in this Agreement, and shall not amend or modify the terms of this Agreement. If the certifying party fails to return a statement conforming to the above requirements within such ten (10) day period, the requesting party may make a second written request (which shall contain a statement that the estoppel will be deemed approved pursuant to this Section 18.11 if not returned within two (2) business days following receipt), and if the certifying party fails to deliver an estoppel certificate within two (2) business days following its receipt of the second request, the certifying party shall be deemed to have executed and delivered the requested certificate (to the extent such requested certificate complies with the requirements of this Section).

18.12 Fee Mortgages. Nothing herein shall prevent Licensor from hereafter encumbering its fee interest in the Property with a mortgage or deed of trust (a "Fee Mortgage"), and no default by either party under this Agreement or exercise of remedies under this Agreement shall affect or impair the lien or rights of any holder of a Fee Mortgage, provided that any holder of a Fee Mortgage or other party who acquires title to the Property or any portion thereof pursuant to foreclosure or deed in lieu of foreclosure or other exercise of remedies under a Fee Mortgage shall take title subject to this Agreement. Licensor has not encumbered the Property with any existing Fee Mortgage, and to Licensor's actual knowledge no Fee Mortgage currently encumbers the Property or any portion thereof.

{Signatures on following pages}

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first stated above.

"Licensor"

EA UAI PROPERTIES, LLC,
a California limited liability company

By: Andrew C. Hernandez
Name: Andrew C. Hernandez
Title: Manager

By: George Hamill
Name: GEORGE HAMILL
Title: MANAGER

[Signatures continue on next page]

"Licensee"

UAI REAL ESTATE ACQUISITION, LLC,
a California limited liability company

By: California Portland Cement Company,
a California corporation,
its sole member

By: 

Name: Ronald E. Summers

Title: Senior Vice President