

LEASE AGREEMENT

R.L. _____
Bay Delta Islands – Webb Tract
MWD Parcel No. BD5000180
APNs 026060003, 026060007,
026060008, 026060015, 026060016,
026060017, 026060018, 026060019,
026070001, 026070006, 026070010,
026070011, 026070012, 026070013,
026080004, 026080005, 026080006,
026080007, 026080008 & 026080009

This Lease Agreement (“Lease”) is effective on April 1, 2024 (“Effective Date”), between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation (“Lessor”), and _____ (“Lessee”), referred to collectively herein as the “Parties” and to each individually as a “Party.”

RECITALS

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the Parties agree as follows:

**ARTICLE I
PROPERTY**

1.1 DESCRIPTION OF PROPERTY. Lessor hereby leases to Lessee, on the terms and conditions set forth in this Lease that certain real property consisting of approximately 5,497 gross acres located in Contra Costa County, California, and more commonly known as a portion of Webb Tract (“Property”), subject to any existing encumbrances and property restrictions. The Property is identified as Assessor Parcel Numbers: 026060003, 026060007, 026060008, 026060015, 026060016, 026060017, 026060018, 026060019, 026070001, 026070006, 026070010, 026070011, 026070012, 026070013, 026080004, 026080005, 026080006, 026080007, 026080008 and 026080009 and are further described in Exhibits _____. The Property is made up in part of approximately 4,861 acres of land that can be used for growing crops and grazing livestock (that part referred to herein as “Farmable Acreage”). The Property does not include any rights to export or transfer surface water or groundwater off of the Property or any benefits arising from water fallowing, nor does it include any mineral or other subsurface rights. The Property leased to Lessee does not include the following, which may be referred to collectively herein as the “Excluded Property”: (i) any mineral or other subsurface rights; (ii) levees and related drainage, pumping and other improvements which are maintained by Reclamation District No. 2026 (“Reclamation District”); (iii) improvements, fixtures and land areas described in Exhibits ____ and ____; and (iv) any other improvements, property or areas described in the main body text of this Lease as being outside of the leasehold granted to Lessee.

1.2 “AS IS” CONDITION. Lessee accepts the Property in its present, “as is” condition. Lessee acknowledges that neither Lessor nor any of Lessor’s agents, representatives, or employees has made any representation or warranty regarding the quality or condition of the soil or suitability or fitness of the Property for the uses authorized under this Lease. Lessor makes no representation or warranty concerning the quality, condition, or suitability of the soil or facilities on the Property and does not warrant the environmental condition of the Property or the compatibility of Lessee’s proposed agricultural use of the Property with any laws concerning land use or zoning. This Lease is subject to all existing easements, licenses and other encumbrances of record.

1.3 ALLOWED USES OF PROPERTY AND PERMITTED CROPS. Under this Lease, Lessor leases the Property to the Lessee solely for the limited use of agricultural activities in the form of the planting, growing, and harvesting from the Property crops and livestock within the maximum and minimum acreage specified herein. Such crop and livestock activities are permitted under this Lease so long as (1) the crop growing or grazing does not result in any violation or failure to comply with any rules or regulations promulgated by any governmental agency (e.g., the State Water Resources Control Board or Department of Water Resources) with respect to the following, (2) Lessee continues to maintain all Farmable Acreage in good farming condition, and (3) Lessee does not permit any portion of the Property to go to waste and abates all weeds and nuisances from the Property. Upon the commencement of the term of this Lease, Lessee shall enter into possession of the Property, and thereafter and throughout the term of this Lease shall farm all, or such portions as Lessee elects to plant and are required below, of the tillable and arable acreage of the Property, to said crop or crops within the maximum and minimum ranges set forth below, and no other crop or crops shall be planted or grown on the Property, shall be made by Lessee, without the written consent of Lessor. Any consent for a change in use by Lessee shall specify the alternative usage requested by Lessee, the alternative crop or crops proposed to be grown by Lessee hereunder, the acreage to be planted of each and the rental to be paid therefor, all of which shall be subject to the prior written approval of Lessor. .

Lease Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u> <u>End of Lease</u>
Minimum Rice Acres Crop Required					
Maximum Other , non-rice, crop Acres					

Grazing (Subject to increase or decrease at mutual discretion of parties)					
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Failure to reach and maintain minimum annual, prepped rice acreage will constitute a breach of contract and grounds for termination of this Lease. Notwithstanding the foregoing, Lessee shall not be obligated to prepare or maintain rice acreage in the event of unforeseen circumstances such as market conditions, adverse weather, or any other factors beyond the tenant's control that prevent the planting and maintenance of the minimum annual, prepped rice acreage, Lessor agrees to work collaboratively with the Lessee to explore alternative solutions. It is understood that failure to meet the minimum acreage requirements shall not be considered grounds for immediate termination of the Lease, when events outside control of the tenant are the primary factors and both parties will endeavor to find mutually agreeable adjustments to accommodate such situations.

1.4 CROP PLANS AND CROP VERIFICATION.

Lessee shall also submit annual documentation to Lessor of prepared and harvested acreage and grazing acreage. Lessor shall review such submissions to ensure Lessee compliance with required minimum rice planting acreage and maximum allowed acreage of any specific crops. Crop acreage and grazing acreage shall be reviewed and adjusted according to the timelines and documentation below, as well as being subject to Lessor physical inspections and surveys, as deemed appropriate by the Lessor.

- (a) Along with the executed Lease, Lessee shall also submit a plan setting forth all crops to be grown and livestock to be raised on the Property (“Crop Plan”) for the first year of the Lease. (An example Crop Plan is attached hereto as Exhibit ___) For all subsequent years, Lessee shall submit a Crop Plan by February 1 of each year of the Lease. In the Crop Plan, each field or portion thereof devoted to crops (“Crop Land”) and each grazing area or portion thereof (“Grazing Land”) shall be listed separately with a designation of the crop growing in a given the field. Upon the harvest of any rice or other flexible rent crop, the Lessee shall also submit a report on the amount harvested (in hundredweight (CWT) or other metric applicable to the given crop) (“Harvest Report”) by December 1 of each year of the Lease.
- (b) If Lessee participates in USDA or other programs requiring the submission of copies of USDA FSA-578 Reports or their equivalent reflecting farmed and unfarmed acreage in a given year, Lessee shall provide official copies of any such reports and materials to Lessor by June 1 of each year of the Lease.
- (c) Lessor shall have the right under this Lease to independently audit such Crop Plans, Harvest Reports and other submissions by Lessee to Lessor in order to ensure compliance with Lease obligations and Rent calculation purposes.

- 1.5** LESSEE'S LIMITED RIGHTS TO USE FERRY LANDING AREA. Notwithstanding any other provision herein, Lessee shall have the non-exclusive and limited right to use the ferry land area identified in Exhibits ___ and ___ and listed as Excluded Property for the purposes of transporting workers and supplies. Lessee shall cooperate with Lessor and its licensees and invitees in connection with the use of such improvements and areas.
- 1.6** JOINT USE WITH LESSOR. Lessor reserves the non-exclusive right to enter and use and to permit others to enter and use portions of the Property, including all roads and pathways, from time to time to conduct routine operation and maintenance activities, mapping, surveying, biological studies, and other similar studies, tests, or assessments. Lessor agrees to reimburse Lessee for any actual damage suffered for crops destroyed by these activities. Lessor shall provide at least a 72-hour notice to Lessee in advance of such access and/or activities.
- 1.7** RIGHT TO REDUCE LEASED PROPERTY. Lessor reserves the right to reduce the size and acreage of the Crop Land, Grazing Land or the Property at any time, as determined by the Lessor in its sole and absolute discretion, by removing a portion of the Property described in Exhibits ___ and ___. The removed portion of the leased Property may be put to any legally allowed use by Lessor, such as for science or research projects. Rent will be reduced in proportion to the reduction of the Crop Land and Grazing Land as set forth in Section 3.1 (RENT). Lessor will further reimburse Lessee for loss of crops already planted at the market value Lessee would have received at the time of sale, which if not determined by mutual agreement, shall be as determined by an experienced, independent, state certified and licensed agricultural appraiser. The appraisal process, in said event, shall be conducted in accordance with the appraisal process and timelines set forth in Section 3.2 for the periodic reappraisal of base rental rates. For multiyear crops planted during the Term, Lessor will also reimburse Lessee for the cost of land preparation and seeding incurred on the land area taken out of service by Lessor. Lessor shall provide at least sixty (60) days written notice to Lessee in advance of a reduction of the Property.
- (a) Waiver of Just Compensation. Lessee hereby waives all rights to compensation under the California and United States Constitutions arising out of Lessor's decisions to reduce the size of the Property, including for the taking of property interests, just compensation, leasehold value, loss of business goodwill and relocation assistance.
- 1.8** RIGHT TO TAKE EARTH, ETC. TO MAINTAIN LEVEES AND OTHER IMPROVEMENTS. Lessor hereby reserves for its officials, employees, agents, contractors or the appropriate local Reclamation District (RD) and the RD's officials, employees, agents or contractors the right to enter upon said Property and every part thereof, and to take earth and material therefrom for the purpose of construction, repair and maintenance of any and all roads, canals, ditches, head gates, sloughs, pipelines, pumping plants, telegraph and telephone lines, electric lines, stations, landings, dikes, levees or other reclamation or irrigation infrastructure, and to pass freely over and to remain upon, said Property for said purposes, and shall have the right to use the property for transporting, storing or employing equipment and emergency response supplies. Lessee shall not be

entitled to any damages resulting therefrom which may be suffered by Lessee as a result of actions taken by Lessor or the local Reclamation District under this Paragraph, except that Lessee shall be reimbursed for fair value crop losses suffered by Lessee as a result of such work. The Property is a part of Reclamation District No. 2026 (the "Reclamation District"), and as such, is subject to certain rules, regulations, plans and systems of reclamation, irrigation and drainage as duly promulgated by the Reclamation District. Lessee acknowledges and agrees that it will coordinate, comply with and follow said rules, regulations, plans and systems where applicable to the Property.

- 1.9** WATER SUPPLY. Lessor does not warrant, covenant or guarantee the water quality or existence of water supply to the Property. Lessee accepts the risk and is fully aware of the condition of the water supply system serving the Property. Lessee understands that there are or there may be, in the future, legal restraints or constraints upon the sources and amounts of water made available to the Property.
- 1.9** POSSIBILITY OF WATER SHORTAGES. Lessee accepts the risk of a shortage or reduction in water supply which may arise from failures of wells, lack of legal authority to divert or deliver water and agrees to waive any and all claims against Lessor for damages, loss or reduction in crop yield or any other nature of damage or expense which may arise from water unavailability, fluctuations or degradation of the quality of water.

ARTICLE II TERM

- 2.1.** TERM. The base term ("Base Term") of this Lease shall be ten (10) years commencing on _____ and expiring on _____, subject to the termination provisions in this Lease. One five-year extension term ("Extension Term") is available upon mutual agreement, commencing on _____ and expiring on _____. The exercise of the option to extend must be initiated by at least one-year written notice from either party prior to the end of the Base Term. The counterparty shall make good faith efforts to respond within 30 days of a proposal to exercise the mutual option to extend and to enter into an Extension Term.
- 2.2.** TERMINATION WITH CAUSE. Violation of any term or condition of this Lease, including violations of Article III (RENT AND OTHER MONETARY OBLIGATIONS), shall be cause for termination of the Lease, unless corrected within thirty (30) days after Lessor's written notice of the violation to Lessee. In the event of a termination for cause, Lessee shall have no right to compensation for any planted, growing or harvested crops that remain on the Property at the time of termination and any possessory rights provided by this Lease shall not apply.
- 2.3.** TERMINATION WITHOUT CAUSE. Lessor or Lessee may terminate the Lease without cause upon a five (5) year written notice to the other Party during the Base Term. Lessor or Lessee may terminate the Lease without cause upon a three (3) year written notice to the other Party during any Extension Term.

- 2.4. ENVIRONMENTAL AUDIT ON TERMINATION. Lessor shall have the right to have an environmental audit conducted upon expiration or earlier termination of this Lease at Lessee’s expense. Said audit shall be conducted by a person or entity approved by Lessor. The results of any such audit (including any reports, documents or test results) shall be provided to Lessee, in part, to provide Lessee with an opportunity to cure issues, if any.
- 2.5. REMOVAL OF IMPROVEMENTS AND PERSONAL PROPERTY. All structures and/or other improvements and personal property placed on the Property by Lessee shall be the personal property of Lessee and shall be removed by Lessee from the Property by the last day of the Lease to the Lessor’s satisfaction; provided, further, Lessor may keep, or dispose of at Lessee’s sole expense, any improvements or personal property not so removed unless otherwise agreed to between Lessor and Lessee. This provision shall apply regardless of whether Lessor terminates this Lease with cause under Section 2.3 (TERMINATION WITH CAUSE) or the parties reach the natural end of the Lease.
- 2.6. VACATING THE PROPERTY. At the expiration of the Lease, or at any sooner termination of the Lease, Lessee shall quit and surrender possession of the Property to Lessor in as good order and condition as the Property was delivered to Lessee, except reasonable wear and tear.
- 2.7. NO RELOCATION ASSISTANCE. Lessee acknowledges that it is not entitled to relocation assistance upon termination.

**ARTICLE III
RENT AND OTHER MONETARY OBLIGATIONS**

- 3.1. AMOUNT AND PAYMENT OF RENT. Lessee agrees to pay rent (“Rent”) to the Lessor throughout the term of this Lease to use the Property. The Rent shall be due and payable according to the following formulae and dates associated with each allowed crop or grazing activity.

Cash rent for the following fixed rent crops and activities shall be paid in semi-annual installments on April 15 and October 15 for every year that it is planted:

- a. Corn or other, non-rice crop..... \$ ____ per acre
- b. Grazing..... \$ ____ per acre
- c. Other, non-rice Fixed Cash Rent Crops.... Market rate per acre for the given crop in the Sacramento-San Joaquin Delta area, as determined by mutual agreement of the Parties or, if mutual agreement cannot be made, according to the appraisal process and timelines set forth in Section 3.2 for the periodic reappraisal of base rental rates.

Rent for rice and other flexible rent crops shall be paid in the amounts determined by the following flexible rent lease formula (Base Rent plus a Percentage Share Rent payment)

- a. Base rent (“Base Rent”) of \$ ___ per acre of land for rice and other flexible rent crops that is planned to be prepared in any part of a lease year, payable in advance in two semi-annual installments on April 15 and October 15 of each year. The acreage applied to determine base rent shall include any and all acreage that is planned to be prepared in a given lease year, without proration.

Notwithstanding the foregoing, the Base Rent obligation in Year 1 of the Lease is excused in recognition of the initial start up and preparation costs to be incurred by Lessee. To remove any possibility of doubt, while the Lessee may start preparing land for rice crop in Year 1 of the Lease, the obligation to pay Base Rent for total acres of rice crop shall not begin until Year 2.

- b. Percentage share rent (“Percentage Share Rent”) for rice and other flexible rent crops for the previous lease year shall be paid no later than April 15 of the following year.

Percentage Share Rent shall be as follows:

- Years 1 – 5: ___% of Effective Proceeds
- Years 6 – 11 and beyond: ___% of Effective Proceeds

For purposes of this Lease, Effective Gross Proceeds are defined as Gross Proceeds minus Government Assessments. Gross Proceeds shall be the total cash receipts from the Lessee’s sale of harvested rice and other flexible rent crops to the crop processor or other intermediary and any payments from crop insurers and the United States Department of Agricultural or other entities for any crop losses, subsidies or other crop and livestock-related financial assistance or losses related thereto. Government Assessments shall be defined as any State of California mandated assessment collected from rice and other crop growers according to crop yield.

Percentage Share Rent shall be paid by no later than April 15 of each lease year. The Base Rent for rice shall be deducted from the Percentage Share Rent payment of a given lease year.

As an example to illustrate the accounting, invoicing and reporting of information related to cash rent for non-rice crops and grazing and Base Rent and Percentage Share Rent for rice and other flexible rent crops are set forth below. Note that the figures for minimum rice acreage and in other areas are for illustrative purposes only and actually prepared and planted acreage, above contract required minimums, may be prepared and subject to the appropriate rent payment amounts according to the formulae set forth in this Lease.

LEASE YEAR	HYPOTHETICAL TOTAL ACRES OF CROP AND GRAZING LAND PREPARED BY END OF LEASE YEAR	REPORTING AND CONFIRMATION OF PREPARED ACREAGE OF RICE AND NON-RICE CROPS AND PAYMENT OF BASE RENT FOR RICE AND FIXED CASH RENT FOR NON-RICE CROPS AND GRAZING	REPORTING OF RICE HARVEST AND PROCESSING AND PAYMENT OF PERCENTAGE SHARE RENT FOR RICE
Year 1 (2025-26)	<p>____ acres of land for rice minimum ()</p> <p>____ acres of land for non-rice crop</p> <p>____ acres of land for grazing</p>	<p><u>April 1, 2025:</u></p> <ol style="list-style-type: none"> Effective Date of Lease Submission of 2025-26 Crop Plan [Planned preparation of both rice acreage and non-rice crop acreage and grazing acreage] Lessee pays Rent Payment No. 1 for Year 1 [Half payment of Cash Rent for rice crop acreage (____ acres of rice x \$____ per acre) Half payment of Cash Rent for non-rice crop acreage (____ acres of corn x \$____ per acre) and grazing acreage (____ acres of grazing x \$____ per acre)] <p><u>Jun-Aug 2025</u></p> <ol style="list-style-type: none"> Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres <p><u>September 1, 2025</u></p> <ol style="list-style-type: none"> Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage) <p><u>October 15, 2025</u></p> <ol style="list-style-type: none"> Lessee pays Rent Payment No. 2 Rent for Year 1 [Half payment of Cash Rent for rice crop acreage (____ acres of rice x \$____ per acre) for non-rice crop acreage (____ acres of non-rice x \$____ per acre) and grazing acreage (____ acres of grazing x \$____ per acre), plus all “true up” amounts owed for actually prepared land] 	No activity

<p>Year 2 (2026-27)</p>	<p>500 acres of land for rice minimum</p> <p>____ acres of land for non-rice crop</p> <p>____ acres of land for grazing</p>	<p><u>February 1, 2026</u></p> <p>1. Submission of 2026-27 Crop Plan [Planned acreage for rice, non-rice crop and grazing.</p> <p><u>March 15, 2026</u></p> <p>1. Invoice for Base Rent Payment No. 1 for Year 2 sent.</p> <p><u>April 15, 2026</u></p> <p>1. Lessee pays Rent Payment No. 1 for Year 2 [Half payment of Base Rent for Rice (____ acres or greater of rice x \$____ per acre) and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$____ per acre) and grazing acreage (____ acres of grazing x \$____ per acre)]</p> <p><u>June 1, 2026</u></p> <p>1. Lessee submits copies of USDA FSA-578 Report or their equivalent reflecting farmed and unfarmed acreage in a given year (if Lessee opts to participate)</p> <p><u>June-August 2026</u></p> <p>1. Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres</p> <p><u>September 1, 2026</u></p> <p>1. Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage)</p> <p><u>October 15, 2026</u></p> <p>1. Lessee pays Rent Payment No. 2 Rent for Year 2 [Half payment of Base Rent for Rice (____ acres of prepared land for rice x \$____ per acre) and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$____ per acre) and grazing acreage (____ acres of grazing x \$____ per acre), plus all “true up” amounts owed for actually prepared land]</p>	<p><u>Sept-Oct 2026</u></p> <p>1. Harvest of rice crop</p> <p><u>Dec 1, 2026</u></p> <p>1. Harvest Report for rice is submitted by Lessee to Lessor</p> <p><u>February 28, 2027</u></p> <p>1. Rice Processor Receipt(s) and Government Assessment amounts submitted by Lessee to Lessor</p> <p><u>March 15, 2027</u></p> <p>1. Lessor sends invoice for Percentage Share Rent for Year 2 (minus Year 2 Base Rent credits if applicable)</p>
<p>Year 3 (2027-28)</p>	<p>500 acres of land for rice minimum</p>	<p><u>February 1, 2027</u></p> <p>1. Submission of 2027-28 Crop Plan [Planned acreage for rice, non-rice crop and grazing.</p>	<p><u>April 15, 2027</u></p> <p>1. Full Percentage Share Rent payment due from Lessee for Year</p>

	<p>___ acres of land for non-rice crop</p> <p>___ acres of land for grazing</p>	<p><u>March 15, 2027</u></p> <p>1. Invoice for Base Rent Payment No. 1 for Year 3 sent.</p> <p><u>April 15, 2027</u></p> <p>1. Lessee pays Rent Payment No. 1 for Year 3 [Half payment of Base Rent for Rice (___ acres of rice x \$___ per acre) and Half payment of Cash Rent for non-rice crop acreage (___ acres of non-rice crop x \$___ per acre) and grazing acreage (___ acres of grazing x \$___ per acre)]</p> <p><u>June 1, 2027</u></p> <p>1. Lessee submits copies of USDA FSA-578 Report or their equivalent reflecting farmed and unfarmed acreage in a given year (if Lessee opts to participate)</p> <p><u>June-August 2027</u></p> <p>1. Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres</p> <p><u>September 1, 2027</u></p> <p>1. Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage) for Year 3.</p> <p><u>October 15, 2027</u></p> <p>1. Lessee pays Rent Payment No. 2 Rent for Year 3 [Half payment of Base Rent for Rice (___ acres of rice x \$___ per acre) and Half payment of Cash Rent for non-rice crop acreage (___ acres of non-rice crop x \$___ per acre) and grazing acreage (___ acres of grazing x \$___ per acre), plus all “true up” amounts owed for actually prepared land]</p>	<p>2 harvest</p> <p><u>Sept-Oct 2027</u></p> <p>1. Harvest of rice crop</p> <p><u>Dec 1, 2027</u></p> <p>1. Harvest Report for rice is submitted by Lessee to Lessor</p> <p><u>February 28, 2028</u></p> <p>1. Rice Processor Receipt(s) and Government Assessment amounts submitted by Lessee to Lessor</p> <p><u>March 15, 2028</u></p> <p>1. Lessor sends invoice for Percentage Share Rent for Year 3 (minus Year 3 Base Rent credits if applicable)</p>
<p>Year 4 (2028-29)</p>	<p>1,361 acres of land for rice minimum</p> <p>___ acres of land for non-rice crop</p>	<p><u>February 1, 2028</u></p> <p>1. Submission of 2028-29 Crop Plan [Planned acreage for rice, non-rice crop and grazing.]</p>	<p><u>April 15, 2028</u></p> <p>1. Percentage Share Rent payment due from Lessee for Year 3 harvest</p>

	<p>____ acres of land for grazing</p>	<p><u>March 15, 2028</u></p> <ol style="list-style-type: none"> 1. Invoice for Base Rent Payment No. 1 for Year 4 sent. <p><u>April 15, 2028</u></p> <ol style="list-style-type: none"> 1. Lessee pays Rent Payment No. 1 for Year 4 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$____ per acre) and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$____ per acre) and grazing acreage (____ acres of grazing x \$__ per acre)]] <p><u>June 1, 2028</u></p> <ol style="list-style-type: none"> 1. Lessee submits copies of USDA FSA-578 Report or their equivalent reflecting farmed and unfarmed acreage in a given year (if Lessee opts to participate) <p><u>June-August 2028</u></p> <ol style="list-style-type: none"> 1. Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres <p><u>September 1, 2028</u></p> <ol style="list-style-type: none"> 1. Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage) for Year 4. <p><u>October 15, 2028</u></p> <ol style="list-style-type: none"> 1. Lessee pays Rent Payment No. 2 Rent for Year 4 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$__ per acre), and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$__ per acre) and grazing acreage (____ acres of grazing x \$__ per acre) plus all “true up” amounts owed for actually prepared land] 	<p><u>Sept-Oct 2028</u></p> <ol style="list-style-type: none"> 1. Harvest of rice crop <p><u>Dec 1, 2028</u></p> <ol style="list-style-type: none"> 1. Harvest Report for rice is submitted by Lessee to Lessor <p><u>February 28, 2029</u></p> <ol style="list-style-type: none"> 1. Rice Processor Receipt(s) and Government Assessment amounts submitted by Lessee to Lessor <p><u>March 15, 2029</u></p> <ol style="list-style-type: none"> 1. Lessor sends invoice for Percentage Share Rent for Year 4 (minus Year 4 Base Rent credits if applicable)
<p>Year 5 (2029-30)</p>	<p>1,361 acres of land for rice minimum</p> <p>____ acres of land for non-rice crop</p> <p>____ acres of land for grazing</p>	<p><u>February 1, 2029</u></p> <ol style="list-style-type: none"> 1. Submission of 2029-30 Crop Plan [Planned acreage for rice, non-rice crop and grazing.] <p><u>March 15, 2029</u></p> <ol style="list-style-type: none"> 1. Invoice for Base Rent Payment No. 1 for Year 5 sent. 	<p><u>April 15, 2029</u></p> <ol style="list-style-type: none"> 1. Percentage Share Rent payment due from Lessee for Year 4 harvest <p><u>Sept-Oct 2029</u></p> <ol style="list-style-type: none"> 1. Harvest of rice crop

		<p><u>April 15, 2029</u></p> <ol style="list-style-type: none"> 1. Lessee pays Rent Payment No. 1 for Year 5 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$___ per acre) and Half payment of Cash Rent for non-rice crop acreage (___ acres of non-rice crop x \$___ per acre) and grazing acreage (___ acres of grazing x \$___ per acre)] <p><u>June 1, 2029</u></p> <ol style="list-style-type: none"> 1. Lessee submits copies of USDA FSA-578 Report or their equivalent reflecting farmed and unfarmed acreage in a given year (if Lessee opts to participate) <p><u>June-August 2029</u></p> <ol style="list-style-type: none"> 1. Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres <p><u>September 1, 2029</u></p> <ol style="list-style-type: none"> 1. Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage) for Year 5. <p><u>October 15, 2029</u></p> <ol style="list-style-type: none"> 1. Lessee pays Rent Payment No. 2 Rent for Year 5 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$___ per acre), and Half payment of Cash Rent for non-rice crop acreage (___ acres of non-rice crop x \$___ per acre) and grazing acreage (___ acres of grazing x \$___ per acre) plus all “true up” amounts owed for actually prepared land] <p>Rent Reappraisal for non-rice crops and grazing completed according to Section 3.2 of the Lease in Year 5. Notice of Increased Rent for non-rice crops and grazing is then issued at least 30 days prior to the first rental installment payment date in Year 6.</p>	<p><u>Dec 1, 2029</u></p> <ol style="list-style-type: none"> 1. Harvest Report for rice is submitted by Lessee to Lessor <p><u>February 28, 2030</u></p> <ol style="list-style-type: none"> 1. Rice Processor Receipt(s) and Government Assessment amounts submitted by Lessee to Lessor <p><u>March 15, 2030</u></p> <ol style="list-style-type: none"> 1. Lessor sends invoice for Percentage Share Rent for Year 5 (minus Year 5 Base Rent credits if applicable)
Year 6 (2030-31)	1,361 acres of land for rice minimum ___ acres of land for non-rice crop	<p><u>February 1, 2030</u></p> <ol style="list-style-type: none"> 1. Submission of 2030-31 Crop Plan [Planned acreage for rice, non-rice crop and grazing.] <p><u>March 15, 2030</u></p>	<p><u>April 15, 2030</u></p> <ol style="list-style-type: none"> 1. Percentage Share Rent payment due from Lessee for Year 5 harvest

	<p>____ acres of land for grazing</p>	<p>1. Invoice for Base Rent Payment No. 1 for Year 6 sent.</p> <p><u>April 15, 2030</u></p> <p>1. Lessee pays Rent Payment No. 1 for Year 6 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$____ per acre) and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$____ per acre) and Half payment of Cash Rent for grazing acreage (____ acres of grazing x \$____ per acre)]</p> <p><u>June 1, 2030</u></p> <p>1. Lessee submits copies of USDA FSA-578 Report or their equivalent reflecting farmed and unfarmed acreage in a given year (if Lessee opts to participate)</p> <p><u>June-August 2030</u></p> <p>1. Lessor reconciles variances (if any) for actual prepared acres minus proposed prepared acres</p> <p><u>September 1, 2030</u></p> <p>1. Lessor issues Rent Payment No. 2 invoice (based on actual prepared or planted acreage) for Year 6.</p> <p><u>October 15, 2030</u></p> <p>1. Lessee pays Rent Payment No. 2 Rent for Year 6 [Half payment of Base Rent for Rice (1,361 acres of prepared land for rice x \$____ per acre) and Half payment of Cash Rent for non-rice crop acreage (____ acres of non-rice crop x \$____ per acre) and Half payment of Cash Rent for grazing acreage (____ acres of grazing x \$____ per acre), plus all “true up” amounts owed for actually prepared land]</p>	<p><u>Sept-Oct 2030</u></p> <p>1. Harvest of rice crop</p> <p><u>Dec 1, 2030</u></p> <p>1. Harvest Report for rice is submitted by Lessee to Lessor</p> <p><u>February 28, 2031</u></p> <p>1. Rice Processor Receipt(s) and Government Assessment amounts submitted by Lessee to Lessor</p> <p><u>March 15, 2031</u></p> <p>1. Lessor sends invoice for Percentage Share Rent for Year 6 (minus Year 6 Base Rent credits if applicable)</p> <p><u>April 15, 2030</u></p> <p>1. Percentage Share Rent payment due from Lessee</p>
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No Rent shall be owed by Lessee for the use of livestock on portions of the Property outside of designated Grazing Land solely for weed abatement purposes.

3.2. Reappraisal of Cash Rent for Non-Rice Crops and Grazing. The Cash Rent for non-rice crops and grazing shall be reappraised for possible Rent increases according to

the procedures set forth below and going into effect in Year 6 (2030-31) and Year 11 (2035-36).

- a. Not less than ninety (90) days prior to each scheduled reappraisal rent adjustment, Lessor shall provide Lessee with a list consisting of three (3) State of California Certified General Real Estate Appraisers. Within ten (10) days of receipt of Lessor's list, Lessee and Lessor shall cooperate in good faith selecting one (1) appraiser from the list to be appointed as the sole appraiser. Lessee will be provided the opportunity to communicate with the selected appraiser during the appraisal process. In the event that no agreement can be reached, the Lessor shall have the unilateral right to appoint an appraiser from the list. The appraisal provided by such appraiser will be final and binding on both Parties. The cost of the appraisal will be paid by Lessor.
- b. If Lessor elects to reappraise the Property pursuant to this Section, and the annual Rent increases based on the reappraisal of the Property, Lessor shall provide written notice to Lessee of the new rental amounts and rent tiers no later than thirty (30) days prior to the applicable semi-annual rent installment payment date. In the event that the reappraisal indicates a possible downward trend, the contractual rental rate shall remain the same.

3.3. ADDITIONAL RENT. Lessee shall make timely payments of: (a) all personal property taxes assessed against Lessee's personal property or improvements on the Property directly to the assessing or taxing authority; and (b) all other taxes, charges, assessments, fees, and penalties not specifically provided to be paid by Lessor herein. Payment of all rental obligations, personal property taxes, charges, assessments, fees and other obligations shall be Lessee's sole responsibility under this Lease and shall be paid without abatement or offset and irrespective of any claims, and this covenant shall be deemed independent of any other terms, conditions or covenants of this Lease. In the event, Lessor makes payments for any assessments, taxes, repairs or utilities due to Lessee's failure to make the required payments for the aforementioned items, then Lessee shall be required to reimburse Lessor for such items as additional rent, within 30 days of receipt of an invoice from Lessor.

3.4. RENTAL PAYMENTS. The rental payments due under this Article III and any other payments owing to Metropolitan under this Lease shall be made by wire transfer payable to The Metropolitan Water District of Southern California, paid into the following account:

Financial Institution:	Bank of America
BA Routing Number:	026-009-593
Account Number:	14593-50937
Account Type:	Checking

Payment can also be made by check and should be mailed to Lessor with the Revenue Lease Number (R.L. _____) noted on the check and on the face of the envelope. Checks should be mailed to Accounts Receivable Section,

The Metropolitan Water District of Southern California, and P.O. Box 54153,
Los Angeles, California 90054-0153.

3.5. OTHER MONETARY OBLIGATIONS.

- (a) Utilities. Lessee shall, at Lessee's own expense, obtain and directly pay for all utility services supplied to the Property. Payment of utility and maintenance costs as described in Section 4.5 (MAINTENANCE) shall be Lessee's sole responsibility without abatement or offset and irrespective of any claims, and this covenant shall be deemed independent of any other covenants of this Lease.
- (b) Taxes and Assessments. Lessor shall be responsible for real property taxes, assessments, fees and charges levied against the Property not otherwise assigned to Lessee herein.

3.6. LATE PAYMENT CHARGES AND NON-PAYMENT.

- (a) Late Payment Charge. Lessee hereby acknowledges that late payment and non-payment by Lessee to Lessor of rent and other monetary obligations due under this Lease will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. If any installment of rent or any other monetary obligation due from Lessee is not received by Lessor within five (5) days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to one-and-a-half-percent (1.5%) of such overdue amount per month. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted by law or this Lease.
- (b) Collateral. Lessee hereby also pledges to Lessor, as collateral for non-payment of rent and other non-rent monetary obligations owing, all crops grown or growing, or planted within one year from the date of this Lease, all farm supplies owned by Lessee, existing on the date of this Lease or after-acquired, as well as all accessories, parts, and equipment attached to or used in connection with the equipment; and all receivables, including proceeds from insurance policies, of Lessee arising out of Lessee's use of the Property. Lessee hereby grants an Agricultural Lien, as defined in Article 9 of the Uniform Commercial Code, to Lessor in and to the collateral and to any proceeds derived from the sale or distribution of the collateral pursuant to Civil Code section 2884. The Agricultural Lien granted under this section shall become effective immediately upon default by Lessee in the payment of any portion of the rental payments owed by Lessor pursuant to this Article III (RENT AND OTHER MONETARY OBLIGATIONS). At the request of Lessor, Lessee shall also undertake all commercially reasonable effort to aid

Lessor in the perfection of the collateral rights provided herein and the provision of notice thereof.

- (c) Upon Termination. Any termination, whether occurring under Section 2.3 (TERMINATION WITH CAUSE) or upon the natural expiration of this Lease, shall not release or discharge Lessee's liability for rent and other monetary obligations due and payable under this Lease.
- (d) Late Check Fee. Lessee shall pay to Lessor a fee of one-hundred dollars (\$100) for any check returned, together with any and all other fees incurred as a result of such return. If Lessee has two returned checks within any twenty-four (24) month period, Lessor shall not accept personal checks for any current or future payments due under the Lease. In this event, acceptable payment shall be in the form of wire transfer, cashier's check, money order, or cash delivered in person to Lessor's Accounts Receivable Section located at 700 North Alameda Street, Los Angeles, CA 90012-2944.

- 3.7. FAILURE TO PAY RENT OR OTHER MONETARY**. In the event Lessee fails to pay rent or any other financial obligation under this Lease or Lessee fails to comply with or to perform any of the terms, conditions, and covenants of this Lease, and Lessor then carries out or performs such terms, conditions, and covenants at the expense of Lessor, Lessor, in addition to the other remedies set forth in this Lease, shall be entitled to the remedies set forth at Civil Code section 1951.2 for the failure to fully or timely make payments for rent, including the late payment charges set forth above in Section 3.6 (LATE PAYMENT CHARGES AND NON-PAYMENT) and including other non-rent monetary obligations set forth in Section 3.5 (OTHER MONETARY OBLIGATIONS). Lessee shall remain liable for damages provided for by law and under this Lease and for all costs and reasonable attorney's fees incurred by Lessor as a result of Lessee's default.

ARTICLE IV AUTHORIZED USES

- 4.1. AUTHORIZED USE**. Except as otherwise expressly set forth in this Article, Lessee shall use the Property solely for agricultural purposes consisting of the growing and harvesting of crops, grazing, and related activities. Lessee may use any fixtures and structures located on the Property, except those certain improvements, fixtures and land areas identified in Exhibits ___ and ___ and elsewhere in this Lease as being outside of the leasehold provided to Lessee herein as Excluded Property and reserved for use by Lessor or its designees and designated third parties. Lessee is expected to utilize fixtures and improvements included in the Property with care and subject to the maintenance responsibilities as set forth in Article 4.5 herein. Lessee shall have no maintenance or care obligations to the Excluded Property.

- 4.2. PROHIBITED USES.** Lessee is prohibited from using the Property for any use other than the uses authorized by Section 4.1 (AUTHORIZED USE). Cultivation and growth of medicinal herbs or psychoactive plants prohibited by federal law, as well as non- agricultural uses, and those prohibited uses described in Article VI (AGRICULTURAL PRACTICES) are strictly prohibited. Agricultural purposes authorized by Section 4.1 (AUTHORIZED USE) shall not include the breeding or housing of poultry. Agricultural purposes authorized by Section 4.1 (AUTHORIZED USE) shall not include any fallowing, change in cropping patterns, or transfer, delivery, or forbearance of any surface water or groundwater, undertaken on the Property for compensation or consideration paid by a party other than Lessor. Agricultural purposes authorized by Section 4.1 (AUTHORIZED USE) also shall not include use of the land for delivery or conveyance of water to any lands other than those leased from Lessor unless authorized in writing by Lessor.
- 4.3. COMPLIANCE WITH LAWS.** Lessee's use of the Property shall be in compliance with all applicable federal, state and local laws, regulations and enactments; local laws, ordinances, rules and regulations; and the requirements of any other duly authorized governmental agency. In addition, Lessee shall comply with all applicable local, state and federal occupational safety and health acts and regulations. Lessee shall file any and all reports as required by federal, state, and local law. Lessee shall assume responsibility for and payment of any fines or penalties levied on either Lessor or Lessee arising from inaccurate reporting or non-compliance. In addition, Lessee shall assume responsibility for and payment of any future fees imposed by federal, state, or local government agencies related to regulatory requirements. The provisions of this section shall survive the expiration or termination of this Lease Agreement.
- 4.4. IMPROVEMENTS.** Lessee shall not construct or make any modifications to any existing improvements beyond routine maintenance and necessary upgrades to ditches, without prior written consent of Lessor. Any temporary improvements installed by Lessee shall be removed to Lessor's satisfaction and at the sole expense of the Lessee upon the expiration of the term of this Lease in accordance with Section 2.4 (REMOVAL OF IMPROVEMENTS AND PERSONAL PROPERTY). The status of any authorized permanent improvements and rights of Lessee regarding permanent improvements shall be established in advance and agreed upon by Lessor and Lessee when Lessee seeks the consent of Lessor to the improvements. Lessor's consent is contingent upon Lessee's compliance with all applicable laws, including Labor Code Section 1720.
- 4.5. MAINTENANCE.** Lessee shall keep the Property free of noxious weeds, trash, garbage, inoperable equipment and waste and maintain the Property, including any improvements, in as good condition as at the beginning of the Lease, excluding normal wear and tear. Lessor may, from time to time, inspect the Property to ensure acceptable maintenance for proper weed abatement that could require the use of

livestock to eliminate weeds, discing, mowing, spraying or other methods. Lessee is expected to assist the respective Reclamation District with the maintenance of levees, canals, ditches, and emergency response situations. Lessee shall dedicate the following equipment on the leased premises at all times, 24 hours a day, 7 days a week, for the purposes of land maintenance and land protection. Lessee shall maintain the following equipment on the Property in good working order:

- a. Long-reach excavator
- b. Loader
- c. Water Truck
- d. Backhoe
- e. Grader
- f. Bulldozer
- g. Dump Truck
- h. Pickup Truck

In addition to having the above referenced, specific equipment on-site, the selected lessee shall have a dedicated staff person tasked with working closely with the Reclamation District on levee patrols and compensation for such work will be established with the Reclamation District. Additionally, the selected lessee shall have a dedicated staff person available for functions described above which may require being available on the lease premises on a 24-hour, 7-days a week basis which may be accommodated in the on-site living trailer. Maintenance of the duck club house, living trailer, maintenance and storage facilities shall be the selected lessee's sole responsibility.

ARTICLE V LIABILITY AND INSURANCE

- 5.1. ASSUMPTION OF RISK AND INDEMNITY.** Lessee assumes all risk of loss to itself, which in any manner may arise out of the use of the Property under this Lease. Further, Lessee hereby agrees to indemnify, defend, and hold harmless Lessor and its directors, officers, and employees against any and all liability and expense, including the reasonable expense of legal representation whether by special counsel or by Lessor's staff attorneys, resulting from injury to or death of any person, or damage to any property, including property of Lessor, or damage to any other interest of Lessor, including, but not limited to, suit alleging noncompliance with any statute or regulation which in any manner may arise out of (1) the issuing of any Lease entered into between the proponent and Metropolitan; (2) Lessee's use, maintenance, presence on, or occupancy of the Property; (3) the presence of any improvements, equipment, crops, or other material placed on the Property by Lessee; (4) acts or omissions of Lessee, its employees, agents, contractors, or licensees on or related to the Property; (5) the failure of Lessee to comply with any provision of the Lease. Lessee's assumption of risk and indemnity obligations under this Paragraph shall include, but not be limited to, any action brought against Lessor that includes an allegation of the dangerous condition of property as a specific cause of action.

5.2. LIABILITY INSURANCE. Lessee shall furnish insurance coverage prior to execution of the Lease, and those Certificate(s) of Insurance shall be attached hereto as Exhibit _____. A review of the insurance coverage will be made every year and Lessor shall have the right to require an adjustment of the coverage commensurate with the appropriate insurance coverage existing for similar type leaseholds at the time of review. Failure to maintain current Certificate(s) of Insurance on file with Lessor evidencing such insurance shall be cause for termination. Insurance coverage shall remain in effect throughout the term of the Lease and throughout any renewals.

(a) Such insurance shall meet the following requirements:

1. General liability in the amount of \$1,000,000 with a \$2,000,000 aggregate;
2. Workers' compensation coverage with California statutory limits, and employer's liability in the amount of \$1,000,000; and
3. Auto liability in the amount of \$1,000,000 each accident.

(b) Insurance coverage shall have the following endorsements:

1. Name Lessor as additional insured on the general liability and automobile liability;
2. Shall obligate the insurance carrier to provide to Lessor not less than a 30-day notice of cancellation or material change affecting the coverage of the policies;
3. The workers' compensation policy endorsed with a waiver of subrogation in favor of Lessor; and
4. The Lessee's insurance is primary to any self-insurance or insurance of Lessor.

Lessor shall have no liability to Lessee or to any insurer, by way of subrogation or otherwise, on account of any loss or damage to Lessee's personal property or improvements located on the Property, regardless of whether such loss or damage is caused by the negligence of Lessor or Lessee, arising out of any of the perils or casualties insured against by the liability insurance policies carried. The insurance policies obtained by Lessee pursuant to this Lease shall permit waivers of subrogation that the insurer may otherwise have against the non-insuring Party. All carriers must be admitted to doing business in California and have an AM Best rating of not less than A: VII. A non-admitted carrier may be used with authorization by Lessor with an AM Best rating of at least A: X. The exception to these ratings is for the State Compensation Fund (Workers' Compensation), which is unrated.

ARTICLE VI
AGRICULTURAL PRACTICES

6.1. HAZARDOUS MATERIALS.

- (a) Hazardous Materials. The Property shall not be used for the storage of any hazardous materials except those incidentals, normal and routine to Lessee's use of the Property and then only in reasonable quantities and stored in accordance with all applicable laws, regulations and ordinances. Lessee's use of the Property shall comply with all federal, state and local laws concerning agricultural chemicals, pesticides, hazardous materials, and fuels incidental, or normally and routinely used in to agricultural operations (hereinafter "agricultural chemical laws"), including, but not limited to, the following, as amended from time to time:
1. Clean Water Act, 33 U.S.C. § 1251 et seq.;
 2. Resources Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.;
 3. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq.;
 4. Hazardous Materials Transportation Improvement Safety Act, 49 U.S.C. § 5101 et seq.;
 5. California Porter-Cologne Water Quality Control Act, Water Code § 13000 et seq.;
 6. Hazardous Waste Control Act, Health and Safety Code § 25100 et seq.;
 7. Hazardous Waste Management Act, Health and Safety Code § 25170 et seq.;
 8. Hazardous Substance Account Act (HSAA), Health and Safety Code § 25330 et seq.;
 9. Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code § 25249.5 et seq.;
 10. Underground Storage of Hazardous Substances, Health and Safety Code § 25280 et seq.;
 11. Hazardous Materials Release Response Plans and Inventory, Health and Safety Code § 25500 et seq.; and
 12. Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.

- (b) Removal and Disposal. Notwithstanding any termination or cessation of operations, Lessee shall continue to be liable under this Lease for the removal and disposal of all hazardous materials, and any equipment or improvements that could be contaminated by such materials that Lessee introduced to the Property during the term of this Lease. Lessee shall also be responsible for mitigating any and all any and all damages related to such materials.
- (c) Indemnity. Lessee shall defend, indemnify and hold Lessor and its directors, officers, employees, and agents harmless from any claims, liability, injury, damage, costs, or expenses (including, without limitation, the cost of attorneys' and expert witnesses' fees) arising as a result of the presence or use of any hazardous materials introduced by Lessee to the Property during the Lease term in violation of any agricultural chemical laws. The foregoing indemnity is intended to operate as an agreement pursuant to CERCLA § 107(e) and HSAA § 25364, to insure, protect, hold harmless, and indemnify Lessor from any liability created by Lessee pursuant to such sections.
- (d) Notice. Lessee commits to immediately notify Lessor in writing when Lessee knows or has reason to know that Lessee, or any of its employees, or agents, are not in compliance with any agricultural chemical or natural resource laws, or when Lessee receives a notice of violation or noncompliance from a governmental agency, whichever is earlier. In particular, in addition to complying with all applicable reporting requirements in accordance with Section 6.1 (HAZARDOUS MATERIALS), Lessee shall notify Lessor immediately in the event of such any emergency involving a legally reportable quantity or significant amount of hazardous materials being released into the environment on or about the Property in an uncontrolled manner. Lessee shall also supply to Lessor, and Lessor shall also supply to Lessee, as promptly as possible, and in any event within ten (10) business days after the other first receives or sends the same, copies of all claims, reports, complaints, notices or warning, or asserted violations relating in any way to the Leased Property or the other's use thereof.
- (e) Compliance Costs. Lessee shall be responsible for any and all fines and penalties levied on either Lessor or Lessee by any governmental authority for violations of any agricultural, chemical, or natural resource laws caused by Lessee's use of the Property.
- (f) Best Use Practices. Lessee shall exercise best use practices, such as proper labeling, storage, spill containment, and emergency planning, and shall exercise due diligence to prevent the improper and wrongful application, disposal, release and discharge of agricultural chemicals, pesticides, hazardous materials, and fuels described throughout this Article VI (AGRICULTURAL PRACTICES).

- (g) Farm Service Agency Report. Lessee shall submit the Farm Service Agency (FSA) Report of Commodities to the Lessor each year and cooperate with the USDA National Agricultural statistics service in the Five-Year USDA Agricultural Census.

6.2. CHEMICALS AND OTHER SUBSTANCES. No fertilizer, pesticide, chemical, or other foreign substance, except those substances (and quantities) approved by the United States Department of Agriculture, by the California Department of Food and Agriculture and by any other applicable governmental agency (“Approved Substances”), shall be stored upon or applied by Lessee to the Property or crops growing thereon or otherwise be used by Lessee. The use of Approved Substances by Lessee shall be in strict conformity with all applicable laws, rules, and regulations and with the manufacturer’s instructions respecting the manner and timing of application. Approved Substances used by Lessee shall not be used in such a fashion as to impact any property other than the Leased Property. Lessee shall maintain records in accordance with sound business practices and all pertinent governmental regulations respecting the time, place, quality, quantity, kind, and method of application of all such substances as may be utilized by Lessee and shall furnish to Lessor, upon request, true and correct copies thereof. Lessee shall store all chemicals in suitable non-leak containers and place them in secure enclosed locations.

6.3. GOOD HUSBANDRY.

- (a) Waste and Poor Husbandry; Prevention. Lessee shall cultivate the Property in accordance with the rules of good husbandry and within the generally accepted theory of what constitutes good husbandry, such as soil conservation, fencing, and proper storage of crops, and shall not commit, or permit employees, agents, contractors, invitees, licensees, or others to commit, any act on the Property that would constitute waste or poor husbandry, nor shall Lessee allow any nuisance to exist.
- (b) Hunting. Hunting of mammals and birds on the Property is prohibited without the prior written approval of Lessor.
- (c) Care of Ditches and Levees. Lessee agrees that it will not obstruct, cut, dig, or in any manner injure any road, bridge, levee or any reclamation facilities on the Property, or obstruct or injure any dam, ditch, canal or waterway on the Property; that it will, to the satisfaction of Lessor, keep open, in good condition and clean, to a suitable depth, any and all permanent ditches now upon or bordering the Property for the purposes of irrigation or drainage, except Reclamation District drainage ditches. Lessee further agrees that it will keep the banks of all irrigation and drainage ditches and canals that may lie within or along the boundary of the Property reasonably free and clear of any weeds and foreign growth, consistent with existing cultural practices. Lessor does not guarantee or warrant the present or future condition of the irrigation or drainage systems and shall not be liable or responsible in any way for

the failure of either or both to properly operate. Lessor shall not be responsible to Lessee for any damage by reason of any salt intrusion into the irrigation water or by reason of the intrusion of any other substances, minerals or materials, into said water from any cause whatsoever, which may render said water unfit for irrigation. Lessor shall not be obligated to furnish water for domestic use or otherwise or any additional pumping equipment for irrigation or drainage facilities.

- (d) Foul Seed, Plant and Roots. Lessee shall take reasonable precautions to assure that no inferior, defective or diseased seed, plants or roots shall be sown or planted upon the Property or any part thereof.
- (e) Removal of Culls. Lessee agrees to remove from the Property or to haul to a location on the Property approved by Lessor all culls created by the crop or crops to be grown under this Lease.
- (f) Lessee to Disc Land at End of Lease. At the termination or expiration of this Lease, Lessee agrees to disc all farmable acreage of the Property that had not been withdrawn from the Property at the time of termination or expiration, such discing to be done twice, once each way, unless agreed to otherwise between Lessor and Lessee.
- (g) Aid during High Water or Other Community Emergency Events. If the Property or any of the levees, dikes or other reclamation works relating thereto shall be in danger from high water, fire or other cause, Lessee shall assist Lessor and/or the Reclamation District in protecting the Property and in repairing the said levees, dikes or other reclamation works or extinguishing the fire, and shall continue such assistance as long as the danger exists. Lessee shall be reimbursed for its actual and reasonable third-party costs paid in providing such assistance, by way of separate contract or other separate arrangement.

6.4. PROTECTED NATURAL RESOURCES.

- (a) Lessee's Compliance with Environmental Laws.
 - 1. California Environmental Quality Act (CEQA). Lessee shall inform Lessor in writing in advance of any actions initiated by Lessee or any third party on the Property requiring review under CEQA, and shall immediately notify Lessor upon learning of any actions on the Property requiring review of CEQA documentation by Lessor as the CEQA Responsible Agency or Trustee Agency under Public Resources Code Sections 21069 and 21070, respectively. Lessor shall be notified at least thirty (30) days prior to any environmental field surveys or inspections of the Property being conducted for purposes of CEQA environmental analysis or other land use entitlement. Lessor may accompany Lessee or Lessee's designee or agent on such surveys

and inspections. Lessee shall submit to Lessor all applications, notices, survey and inspection data and reports, and all communications conducted with or required by the CEQA Lead Agency under Public Resources Code Section 21067, including with any consultants retained for the purposes of pursuing CEQA approvals or land use entitlements. Lessee shall not release any survey and or inspection data to any third party including the Lead Agency without Lessor's prior written permission. Lessee shall provide Lessor with copies of and any Lead Agency analysis and approvals prior to commencing actions on the Property.

2. Environmental Laws. Lessee shall, at all times and in all respects, comply with all environmental laws and any amendments thereto affecting Lessee's use of and operation on the Leased Property, including all federal, state and local laws, ordinances and regulations relating to endangered, threatened and other sensitive species. Without limiting the generality of the foregoing, reference is made to the provisions set forth in the California Endangered Species Act (Fish and Game Code § 2050 et seq.); the Federal Endangered Species Act (16 U.S.C. §§ 1531 – 1543); the Federal Migratory Bird Treaty Act (16 U.S.C. §§ 703-712); and state protections for migratory birds, birds of prey, and bird nests and eggs (Fish and Game Code § 3500 et seq.).

Lessee shall assume responsibility for and payment of any fines or penalties levied on Lessor or Lessee by any applicable local, state, or federal authority (hereinafter "Authority") for breaches by Lessee of the Authority's environmental regulation. Lessee agrees to be solely liable for the payment of all fines and penalties resulting from Lessee's breach of Authority's environmental regulations.

In addition, Lessee understands and acknowledges that, during the term of this Lease Agreement, the environmental regulations implemented or imposed by the Authority on Lessee may change and Lessee specifically agrees to comply with any future applicable environmental regulations implemented or imposed by the Authority on Lessor or Lessee. The provisions of this section shall survive the expiration or termination of this Lease Agreement.

- (b) Avoidance and Minimization. Lessee shall at all times engage in appropriate avoidance and minimization measures to prevent the unlawful take, possession, or destruction of any protected species.
- (c) Protection of Cultural Resources. Cultural resources may include, but are not limited to: prehistoric artifacts, grave goods, funerary objects, human remains, historic can scatters, building foundations, historic buildings,

structures, objects, and fossils. If any cultural resources are encountered during any activities, all activities shall be suspended, and the Lessor contact listed in Section 9.6 (NOTICES) shall be immediately notified. At that time, Lessor will coordinate any necessary investigation of the find with appropriate specialists as needed. The Lessee shall be required to implement any measures deemed necessary for the protection of cultural resources. In the event that human remains are discovered, Health and Safety Code Section 7050.5, CEQA Guidelines Section 15064.5(e), and Public Resources Code Section 5097.98 will apply. The Lessee shall notify Lessor and the County Coroner and cease all activities until Lessor provides written authorization to continue the activities. To the extent that the discovery of cultural resources frustrates the purpose of this Lease and the performance of the obligations set forth in this Lease, the parties shall negotiate the amendment or termination of the Lease on mutually agreed upon terms.

ARTICLE VII MISCELLANEOUS

- 7.1** ASSIGNMENT OR SUBLETTING. Lessee shall not assign this Lease, nor sublet the Property, without the prior written consent of Lessor, and consent by Lessor to one assignment shall not be deemed to be consent to any subsequent assignment or subletting. Any assignment or subletting without the written consent of Lessor shall be void and shall, at the option of Lessor, terminate this Lease. Any such approved assignment or subletting for agricultural use for which Lessee charges or gains sums in the assignment or sublease in excess of the annual Rent paid to Lessor shall require a fifty percent (50%) payment of such proceeds be paid to Lessor by Lessee. Any such approved assignment or sublease for recreational use, including hunting, for which Lessee charges or gains sums in the assignment or sublease shall require fifty percent (50%) of such proceeds be paid to Lessor by Lessee. Any such assignment or sublease shall be prepared as an Amendment to this Agreement with a copy of the executed assignment or sublease attached.
- 7.2** ENTRY BY LESSOR. Lessee shall permit Lessor to enter upon the Property at any reasonable time for the inspection thereof, to verify Lessee's compliance with this Lease, surveying, or at any time in connection with any work that may be required thereon, including work necessitated by emergency, and Lessor shall not be liable for any damage to Lessee's personal property or improvements in the course thereof, except to the extent caused by the negligent acts or omissions of Lessor or its agents, employees, or contractors.
- 7.3** TITLE TO THE PROPERTY. Fee title to the Property is and shall remain vested in Lessor. Nothing contained in this Lease and no action or inaction by Lessor shall be deemed or construed as the grant to Lessee of any right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance upon the estate of Lessor in the Property including all Property Infrastructure.

- 7.4 MECHANICS LIENS. Lessee shall keep the Property free from any liens arising out of any work performed, material furnished, or obligations incurred by Lessee, or any tenant or subtenant thereof, and shall do no acts or make any agreements which may create any title, right, interest, charge, or other encumbrance upon the Property or affecting Lessor’s fee title to the Property.

- 7.5 FORCE MAJEURE EVENTS. Lack of performance by any Party shall not be deemed to be a breach of this Lease, where delays or defaults are due to acts of God, or the elements, casualty, strikes, lockouts, or other labor disturbances, acts of the public enemy, orders or inaction of any kind from the government of the United States, the State of California, or any other governmental, military or civil authority (other than Metropolitan, or another party to this Lease), war, insurrections, riots, epidemics, landslides, lightning, droughts, floods, fires, earthquakes, civil disturbances, freight embargoes, or any other inability of any Party, whether similar or dissimilar to those enumerated or otherwise, which are not within the control of the Party claiming such inability or disability, which such Party could not have avoided by exercising due diligence and care and with respect to which such Party shall use all reasonable efforts that are practically available to it in order to correct such condition (such conditions being herein referred to as "Force Majeure Events").

- 7.6 WAIVER. The waiver by Lessor of any breach of any term or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other terms or conditions contained herein.

- 7.7 AMENDMENTS. The provisions of this Lease may be amended only by the mutual written agreement of the Parties.

- 7.8 NOTICES. All notices given under this Lease shall conspicuously bear the legend “NOTICE UNDER REVENUE LEASE NO. R.L. _____” on the notice itself and on the envelope containing the notice, and shall, until contrary instructions are given in writing, be given to the other Party when delivered by hand or mailed by registered or certified mail, return receipt requested, to the other Party at the following addresses, any such notice being effective only upon receipt:

To Lessor at:	To Lessee at:
<p>The Metropolitan Water District of Southern California</p> <p>Attention: Group Manager Real Property Group Post Office Box 54153 Los Angeles, CA 90054-0153</p>	

Electronic mail may be used for notices and approvals only upon the express

agreement of both Parties and shall include a transmitted acknowledgment of receipt.

- 7.9** AUTHORITY. Each person executing this Lease on behalf of the Lessee warrants that the Lessee has the right and authority to enter into this Lease, and that each person signing on behalf of the company is authorized to sign on its behalf and no additional approvals or consents of any person or entity are necessary to bind Lessee to the obligations of this Lease.
- 7.10** GOVERNING LAW AND VENUE. This Lease shall be governed by the laws of the State of California. Notwithstanding Code of Civil Procedure section 394, Lessor and Lessee agree that venue for any action commenced by a Party to this Lease shall be in the County of Los Angeles.
- 7.11** RESTRICTIONS AND REGULATIONS. This Lease Agreement, and the rights herein granted, shall be subject to any and all applicable federal, state and local rules, regulations, orders and restrictions which are now in force or which may hereafter be adopted by any duly authorized governmental agency with respect to Lessee's operation.
- 7.12** INTERPRETATION. It is agreed and acknowledged that the provisions of this Lease have been arrived at through negotiation and that each party has had a full and fair opportunity to seek revision of the provisions and to have such provisions reviewed by legal counsel. The normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing and interpreting this Lease.
- 7.13** COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original, and such counterpart shall constitute but one and the same instrument.
- 7.14** NEGATION OF PARTNERSHIP. Nothing in this Lease shall be construed to render Lessor in any way or for any purpose, a partner, joint venture or associate in any relationship with Lessee. Lessee is not an employee or agent of Lessor by reason of this Lease or otherwise.
- 7.15** SUPERSEDES. This Lease supersedes and cancels all oral negotiations or previously executed agreements between Lessor and Lessee pertaining to the subject Property.
- 7.16** ATTORNEY FEES. The substantially prevailing party in any legal action or lawsuit arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

7.17 TIME. Time is of the essence of this Lease.

EXHIBITS.

Exhibit A Legal Description of Property

Exhibit B Site and Field Map of Property

Exhibit C1. List of Excluded Property Improvements, Fixtures and Land Areas

Exhibit C2. Map of Excluded Property Improvements, Fixtures and Land Areas

Exhibit D Certificate of Insurance

Exhibit E Sample Crop Plan

Both Parties have carefully read and reviewed this Lease and each term and provisions contained herein, and by execution of this Lease, demonstrate their informed and voluntary consent thereto. The Parties hereby agree that at the time that this Lease is executed, the terms of this Lease are commercially reasonable and effectuate the intent and purpose of Lessor and Lessee with respect to the Property.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease.

Lessor's Mailing Address:
Post Office Box 54153 – Terminal Annex
Los Angeles, CA 90054-0153
Attention: Real Estate Services
Telephone: (213) 217-7750
Email: RealEstateServices@mwdh2o.com

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Adel Hagekhalil
General Manager

By: _____

Elizabeth Crosson
Chief, Sustainability, Resilience and
Innovation Officer

Lessor

Date Executed: _____

Lessee's Mailing Address:

LESSEE

By: _____

Lessee

Date Executed: _____

SAMPLE