

**LEASE OF REAL PROPERTY**

THIS AGREEMENT, made and entered into as of this \_\_\_ day of December, 2022, by and between **BIOLA COMMUNITY SERVICES DISTRICT** (hereinafter "Lessor") a public agency within the County of Fresno, State of California, and **KERI SALWASSER**, (hereinafter "Lessee"), of the County of Fresno, State of California.

**WITNESSETH**

This Lease supersedes and replaces any previous lease agreements between the parties. As such, Lessor, for and in consideration of the terms, covenants and agreements hereinafter set forth and which are required to be performed by Lessee, and in further consideration of the rental hereinafter mentioned, to be paid by Lessee to Lessor, at the time and in the manner hereinafter mentioned, hereby leases to Lessee for the term hereinafter specified, only that portion of the following described real property planted in grape vines consisting of approximately 5.0 acres of vineyard situated in the County of Fresno, State of California, a description of which is attached hereto as Exhibit A and incorporated herein by this reference.

WHEREAS THE PARTIES HERETO, EACH TO THE OTHER EXPRESSLY COVENANT, PROMISE AND AGREE AS FOLLOWS:

1. **TERM.** Lessor leases to Lessee the real property described above (the "demised premises" or the "leased premises") for the term of one (1) year period, commencing on the 15<sup>th</sup> day of December, 2022, and terminating on the 14<sup>th</sup> day of December, 2023.
2. **MANAGEMENT.** For the entirety of said demised real property, which is in bearing grape vines, Lessee shall, for each growing season covered by this Lease, at the proper time and in the proper manner prune and tie said vines. Following said pruning and tying, Lessee shall cultivate the said vines in the accepted manner, as well as irrigate and cultivate said vineyard that number of times requisite and necessary to produce a maximum crop. Lessee shall make the land productive and shall farm the demised premises in accordance with the accepted practices of husbandry in the area, not permitting or suffering any waste thereof.
3. **CONSULTATION AND INSPECTION BY LESSOR; LESSOR'S RIGHTS TO USE FOR PUBLIC PURPOSES.** In addition to any other duties imposed on Lessor under the provisions of this Lease, Lessor or Lessor's designated agent or employee shall consult with Lessee regarding the maintenance and operation of the demised premises and shall inspect the operations of Lessee upon the demised premises at least quarterly to assure Lessee is operating the farm in accordance with the provisions of this Lease and the best practices of viticulture and farming practiced in the community surrounding the demised premises.

Lessor, solely at its own discretion, shall have the right to deliver water to the leased premises at any time for dispersion. Lessor's rights to deliver water to the leased premises shall not be based upon any standard, nor limited by Lessee's use of the leased premises, provided however that Lessor shall not deliver water except in cases of emergency or

imminent danger to the public health, safety or welfare. If Lessor's delivery of water to the leased premises results in damage to Lessee's crop, Lessor shall pay Lessee for any costs incurred in the production of the crop but shall not be liable for expected profits or incidental or consequential losses or damages.

4. **RENT.** The rent for the Lease term shall be a sum equal to ten (10) percent of the gross cash proceeds. Gross cash proceeds shall mean to be the gross proceeds from the sale of all crops grown on the leased premises or recovery of insurance or other compensation received for damage to and loss or destruction of any crops in connection with leased premises, together with patronage dividends, payments from revolving funds, reserve credits, rebates or other disbursements by cooperatives and other marketing agencies.

Rent shall be paid to Lessor within thirty (30) days of the receipt of the gross cash proceeds by Lessee. All rent shall be paid in lawful money of the United States of America without deduction or offset, except as expressly provided herein, at such place as may be designated from time to time by Lessor.

5. **PURPOSE.** This being an agricultural lease, Lessee shall use the demised premises solely for farming purposes as the same are outlined herein and shall make no alterations to the vineyard except as contemplated by the terms of this Lease unless the written consent of Lessor is first obtained. Lessee shall not bring onto or store upon the demised premises any debris, garbage, inoperable vehicles or equipment not used for the farming operation.
6. **EXPENSES.** Lessee shall pay any personal or other property taxes assessed on, or any portion of such taxes directly attributable to Lessee's activities in connection with this Lease. Lessor does not currently pay any real property taxes or other fees and assessments attributable to the Property. As such, any tax or other fee in connection with this Lease shall be paid by Lessee, **unless agreed otherwise between the parties**. Any interest in real property which exists as a result of possession, exclusive use, or a right to possession or exclusive use of any real property (land or improvements located therein or thereon) which is owned by Lessor may be a taxable possessory interest under California Revenue & Taxation Code Section 107.6. With regard to any possessory interest to be acquired by Lessee under this Lease, Lessee, by its signature hereunto affixed, warrants, stipulates, confirms, acknowledges and agrees that prior to its executing this Lease, Lessee either took a copy of this Lease to the Office of the Fresno County Tax Assessor or by some other appropriate means independent of Lessor or any employee, agent, or representative of Lessor determined, to Lessee's full and complete satisfaction, how much Lessee will be taxed, if at all. Lessee shall be responsible to timely pay any possessory interest tax or other tax or assessment relating to Lessee's use of the premises. Lessee shall pay all taxes and assessments levied on the demised premises by the irrigation district delivering water to the demised premises.

Lessee shall pay the cost of any fertilizer and shall provide the application of the same. Any agriculture implements or equipment, including the use of any motor vehicles and land leveling or grading equipment, and including any and all costs of repair and maintenance to said implements or equipment, necessary for the proper farming of the demised premises

shall be furnished by Lessee. Lessee is not required to carry crop insurance. Lessee shall pay all of the costs and expenses of farming the demised premises and cultivating, growing, irrigating, harvesting, producing, and delivering and selling of the crops produced thereon, and likewise Lessee shall furnish all of the labor, equipment and materials required thereby.

7. **IRRIGATION.** Lessee shall have use for irrigation purposes of any ditch water that may be located on or accessible to the demised premises. Likewise, Lessee shall have the use of any well and pump that may be situated on the demised premises for irrigation purposes. Lessee shall be responsible for the proper repair, maintenance and operating capacity of any such well and pump during the term of this Lease, unless the same shall be in disrepair by reason of the negligent or willful act or omission of Lessor, in which the latter event Lessor shall be responsible therefor. Lessee shall be responsible for the costs and expenses of all power or fuel for irrigation purposes.
8. **ASSIGNMENT.** Lessee may not assign this Lease or sublet any portion of the demised premises, without the prior written consent of Lessor, which consent shall not be unreasonably withheld.
9. **ENTRY AND POSSESSION.** Lessor shall have the right of entry upon said demised premises at reasonable times during the term hereof, either in person or by nominee, for the purposed of inspecting said real property and ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and at the expiration of the term of this Lease or any prior termination hereof, Lessee agrees to surrender possession of said demised real property to Lessor in as good condition as they shall have received the same, normal wear and tear and loss by casualty expected, and with the land in a neat and clean condition. Lessor agrees that if Lessee pays the rental for said demised real property as herein provided and faithfully performs the covenants, conditions and agreements herein contained on their part to be kept, observed and performed, that Lessee shall have peaceful possession of the demised premises during the term hereof without hindrance or interference by Lessor.
10. **BREACH OR ABANDONMENT.** All of the agreements, covenants and conditions of this Lease shall be deemed material. In the event that Lessee shall breach or fail to perform any of the same, after ten (10) days written notice to comply has been served on them by Lessor, Lessor shall have the right, in addition to any other remedy it may have, to terminate this Lease, in which event Lessee shall have no further right, title or interest therein. Should Lessee abandon said demised premises or the crop growing thereon before said crop shall have reached maturity, or before the harvest, Lessor shall have the right, at Lessor's option, to enter upon said demised premises and care for said crop and harvest the same, and all rights of Lessee in said leased property and to the crop growing and standing thereon shall in such event be terminated and at an end.
11. **CROP WAIVER.** It is understood that Lessee will probably finance the growing of the crop on the demised premises by crop loan, and in this connection if the lender to Lessee shall require a waiver by Lessor with respect to the crop growing on said property, to be

mortgaged as security for such crop loan, Lessor agrees that it will execute and deliver said waiver.

12. **INSURANCE**. Lessee shall indemnify and hold Lessor harmless from liability or expense arising out of death or injury to any person upon the demised premises during the term of this Lease, and Lessee shall carry public liability insurance for this purpose in reasonable amounts, naming as insured thereon both Lessor and Lessee. Likewise, Lessee shall indemnify and hold Lessor harmless from liability or expense arising out of the death or injury to any employee of Lessee working on or in connection with the demised premises, and Lessee shall carry workers' compensation insurance for this purpose. Copies of said insurance policies or certificates thereof shall be furnished to Lessor by Lessee, on request.
13. **SERVICE OF NOTICE**. Any notice to be given hereunder may be served personally or may be served by registered or certified mail return receipt in which latter event the mailing shall be to the following addresses of the respective parties until or unless changed by written notice.
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| <b>Lessor:</b> | Biola Community Services District<br>P.O. Box 57<br>Biola, CA 93606 | <b>Lessee:</b> | Keri Salvasser<br>16614 W. Gettysburg<br>Kerman, CA 93630 |
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14. **WAIVER**. No waiver of the breach of any of the covenants of this Lease shall be construed or held to be a waiver of any other breach or waiver, or acquiescence in or consent to any further succeeding breach of the same covenant.
15. **BINDING EFFECT**. This Agreement is binding on the heirs, successors and assigns of the respective parties hereto.
16. **ATTORNEY FEES**. If either party brings any action or proceeding, including an arbitration, to enforce, protect, or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorney's fees and costs of enforcement at arbitration, trial and appeal.
17. **HAZARDOUS MATERIALS**. Lessee shall not improperly store, maintain, introduce, or permit the improper storing, maintenance or introduction of any hazardous material or hazardous waste upon the premises. Lessee shall indemnify, defend and hold harmless Lessor against any claim, loss, liability, damages or demand arising in connection with the presence, introduction or maintenance of any hazardous material or hazardous waste if such presence, introduction or maintenance occurred during Lessee's possession of the demised premises. The indemnification provided hereby includes, but is not limited to, expenses for investigation, clean-up or remediation, and for defense of all claims or charges arising in connection with such hazardous materials. This Section shall survive the termination or expiration of this Lease.
18. **COMPLIANCE WITH LAWS**. Lessee shall not do, or suffer to be done in, on or about said premises anything that would or does violate or conflict with any applicable law, ordinance, rule or regulation which is now in force or effect, or which may hereinafter be

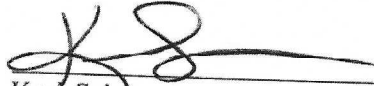
enacted, promulgated or adopted by Federal, State, County or any other local agency having jurisdiction over the premises. If, in complying with such laws, ordinances, rules or regulations, Lessee should necessarily violate any of the terms or provisions of this Lease, Lessee shall not by that fact be held in breach by Lessor.

19. **CONSTRUCTION**. The words "Lessor" and "Lessee" as herein used shall include the singular and plural numbers, and the masculine, feminine and neuter genders, as context requires. Nothing in this Lease shall be construed or interpreted to make Lessor anything by a lessor and in all of its activities and operations pursuant to this Lease, Lessee shall for no purpose be considered agent of Lessor. If this Lease is found to contain any ambiguity, the Lease shall be construed as if both parties had drafted it.
20. **ENTIRE AGREEMENT**. This Lease contains the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements between the parties on the subject matter hereof. No promises, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied upon his own examination of this Lease, the counsel of his own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect leased property, to read the Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.
21. **AUTHORIZED ACTION**. Each party signing below certifies that he or she is authorized to execute this Lease and thereby obligate the party on whose behalf such a signature is made. The authority of each signer was, if necessary, granted by appropriate legal action.
22. **SEVERABILITY**. Should one or more provisions of this Lease be determined to be illegal, invalid, or unenforceable, that provision or provisions, shall be deleted from this Agreement, and all other provisions shall remain effective.
23. **CALIFORNIA LAW APPLIES**. This Lease and matters related to it shall be governed by the laws of the State of California. This Lease concerns land in the County of Fresno, State of California, and the parties have their principal offices and have entered into this Lease in said County.
24. **AMENDMENTS/MODIFICATIONS**. This Lease may be modified or amended only by a writing duly authorized and executed by both Lessor and Lessee. It may not be amended or modified by oral agreements or understanding between the parties.
25. **SIGNATURES**. IN WITNESS WHEREOF, the parties have executed this Lease the day and year first hereinabove written. The undersigned hereby certify that they are duly authorized to enter into this Lease.

**LESSOR**  
**Biola Community Services District**

**LESSEE**

\_\_\_\_\_  
Carlos Rodriguez, Board President

  
\_\_\_\_\_  
Kerl Salwasser

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

Date: 01/13/2023