

PASTURE AND HUNTING LEASE

This Pasture and Hunting Lease is entered into effective this 1st day of November, 2016, by and between **Philip K. Reed, James P. Reed, Trustee of the Amella M. Reed Irrevocable Trust, and Michael G. Reed and Vicki L. Reed, Co-Trustees of The MV Reed Revocable Living Trust ("Landlord")**, and **Bassetti Farms, LLC** (hereinafter called "Tenant").

1. **Lease.** Landlord hereby leases to Tenant the Reed Ranch ("Leased Property") consisting of approximately 880 acres, more or less, located in Carmel Valley, consisting of 9 parcels including APNS: 418-301-31, 65, 66, 67, 68, 69, 70, 72, & 75. The Lease includes the use of the corrals but does not include use of the cabin on the Leased Property.

2. **Term of Lease.** The term of this lease shall be for a period of one (1) year, commencing on November 1, 2016 and ending on October 31, 2017.

3. **Rent.** As rental for the Leased Property, Tenant hereby agrees to pay upon execution of this Lease to Landlord rent in the amount of Twelve Thousand Dollars (\$12,000) payable in lawful currency of the United States of America, without deduction or offset, at P.O. Box 603, Buelton, CA 93427, or any other place or places that may be designated by Landlord. One-half ($\frac{1}{2}$) of the rent payable is for grazing and one-half ($\frac{1}{2}$) of the rent is payable for hunting. All rental payments shall be made payable to: "James P. Reed, Trustee of the Amelia M. Reed Irrevocable Trust and Philip K. Reed" at: P.O. Box 603, Buelton, CA 93427.

4. **Use of Leased Property.** The Leased Property is leased to Tenant for the purpose of feeding, maintenance, grazing, and production of agricultural livestock consistent with the terms of this lease and with good farming practices and animal husbandry. No other use shall be permitted without the prior written consent of Landlord.

5. **Operations on Leased Property.**

(a) **Activities.** Tenant shall carry on all of Tenant's activities specified under Paragraph 4 in accordance with good husbandry and the best practices of the farming community in which the Leased Property are situated.

(b) **Compliance With Laws.** Tenant shall, at Tenant's cost and expense, comply with any and all present or future laws, ordinances, rules, regulations, requirements, and orders of federal, state, county, or municipal governments that may apply in any way to the use, maintenance, operations, or production of livestock on the Leased Property, or the sale or disposition of that livestock.

(c) **Use of Pesticides, Etc.** Tenant agrees not to apply pesticides, insecticides, fungicides, herbicides, or other chemical treatments on the Leased Property that will have a residual effect beyond the term of this lease, except with the prior written consent of Landlord.

(d) **Use of Property By Landlord.** Tenant acknowledges that Landlord may access the Leased Property at any time for any reason and for any amount of time.

6. **Waste or Nuisance.** Tenant shall not commit, or permit others to commit, any waste on the Leased Property. Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined by California Civil Code Section 3479 on the Leased Property. Tenant shall not use or permit the use of the Leased Property for any unlawful purpose.

7. **Property Taxes and Assessments.** Before delinquency, Tenant shall pay all personal property taxes or assessments levied on Tenant's personal property situated in or about the Leased Property during the term of this lease. On demand, Tenant shall provide to Landlord satisfactory evidence of payment of taxes. Landlord shall be responsible for the payment of real property taxes or assessments levied on the Leased Property.

8. **Insurance.** Tenant shall, at all times during the term of this lease, maintain and keep in force insurance coverage with insurers approved by Landlord which will adequately protect both Tenant and Landlord against public liability and property damage on the Leased Property. The minimum coverage required by this paragraph shall be \$1,000,000 bodily injury per individual, \$1,000,000 per occurrence, and \$1,000,000 property

damage. Proof of the insurance coverage obtained by Tenant must be given to Landlord within 30 days after execution of this lease. Any contract entered into by Tenant for insurance coverage on the Leased Property shall include a provision requiring timely notice to Landlord in the event of cancellation of coverage by the insurer. Tenant is also responsible for any workers' compensation insurance required under state law.

9. **Maintenance.** Tenant, at Tenant's own expense, shall keep and maintain the Leased Property, all fences, corrals, roads, springs, wells, pipelines and troughs, in good order and repair and in as safe and clean a condition as they were when received from Landlord, reasonable wear and tear excepted.

10. **Alterations and Mechanics' Liens.** Tenant shall not make or permit any alterations or improvements to the Leased Property without the prior written consent of Landlord. On termination or expiration of this lease, all improvements and alterations other than trade fixtures shall be the property of Landlord, and no reimbursement to Tenant shall be required. Tenant shall remove all trade fixtures placed by Tenant on the Leased Property within 10 days after the expiration of this lease. Tenant shall keep the Leased Property free and clear of any and all liens arising out of any work performed or materials furnished at the request of Tenant, or obligations incurred by Tenant.

11. **Indemnification of Landlord.** Tenant shall indemnify and hold Landlord harmless from all claims, liabilities, losses, damages, and/or expenses resulting from Tenant's occupation and use of the Leased Property. This shall include, but not be limited to, any claims, liabilities, losses or damages arising by reason of the injury to or death of any person or persons or by reason of damage to any property caused by the condition of the premises, improvements or personal property on the premises or the acts or omission of Tenant or any damages, injuries; or claims, liabilities, losses or damages arising in by reason of the injury to or death of: (1) the Tenant; (2) any guest, agent, officer, or employee of Tenant; (3) any independent contractor hired by Tenant to perform work or render services on the Leased Property; or (4) any agent, officer or employee of any independent contractor hired by Landlord to perform work or render service on the Leased Property.

12. **Assignment and Subletting.** Tenant shall not assign, transfer, or encumber this lease or any interest in this lease without the prior written consent of Landlord; which consent shall not be unreasonably withheld.

13. **Default:** The occurrence of any of the following shall constitute default under the Lease: (a) Default in the performance of any covenant or agreement herein contained with reference to the payment of rent and such default continues for five (5) days after written notice thereof, or should Tenant default in the performance of any covenant or agreement herein other than the payment of rent and such default continues, without diligent effort to cure it, for thirty (30) days after written consent thereof; (b) The appointment of a receiver to take possession of the Leased Property or of all, or substantially all of the assets of the Tenant; (c) A general assignment by Tenant for the benefit of creditors; (d) The levy of any lien, writ of attachment, garnishment, execution or distraint on all or any portion of Tenant's rights or interest under this Lease; or (e) Any action taken or suffered by Tenant under any insolvency or bankruptcy act which shall in any way hinder or prevent the prompt and continuous payment of the rental due hereunder, or which shall in any way disable Tenant from so paying such rental or applying its assets to such payment.

14. **Remedies of Landlord.**

(a) **Damages.** On such termination and in addition to any other remedies provided by law, Landlord may recover from Tenant all damages specified in California Civil Code Section 1951.2, including the worth at the time of award in the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided.

(b) **Reletting.** Landlord may mitigate damages caused by Tenant's breach by reletting the Leased Property prior to the time of award of judgment. Any such reletting, unless proved by Tenant to be not in good faith, shall be conclusive upon all Parties as to the rental loss for the balance of the term. Any efforts by Landlord to mitigate damages by reletting shall not waive Landlord's right to recover any damages, nor shall anything in this paragraph effect Landlord's right to indemnification for liability arising prior to the termination of this Lease for personal injuries or property damages as provided above.

(c) **Continuation of Lease after Default.** Even though Tenant is in default, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover rent as it becomes due hereunder.

Unless Tenant is otherwise notified, the following shall not constitute a termination of Tenant's right to possession: (1) reasonable acts of maintenance or preservation to relet the Leased Property; or (2) the judicial appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease.

15. Oil, Gas, and Mineral Rights. All rights in any and all minerals, oil, gas, and other hydrocarbons located on or under the Leased Property are reserved to Landlord and are particularly excepted from the property covered by the terms of this lease. Tenant hereby grants to Landlord, Landlord's agents and licensees, and tenants of these rights, a right of entry and right of way for access to the Leased Property for the exploration, drilling, and mining of minerals, gas, oil, and other hydrocarbons on or under the Leased Property.

16. Attorneys' Fees. If any litigation is commenced between the parties to this lease concerning the Leased Property, this lease, or the rights and duties of either in relation to the Leased Property or to this lease, the party prevailing in that litigation shall be entitled to, in addition to any other relief that may be granted in the litigation, a reasonable sum as and for its attorneys' fees in that litigation that are determined by the court in that litigation or in a separate action brought for that purpose.

17. Notices: All notices, demands, requests, and exercises under this Lease by either party shall be given in writing and shall be hand delivered or be sent by United States mail, registered or certified, postage prepaid, addressed to the other party as follows:

TO LANDLORD:

James P. Reed, Trustee
Amelia M. Reed Irrevocable Trust
P.O. Box 603
Buelton, CA 93427

Philip K. Reed
P.O. Box 603
Buelton, CA 93427

Michael & Vicki Reed
14655 W. Buttonwood Drive
Sun City West, AZ 85375

TO TENANT:

Bassetti Farms, LLC
P.O. Box 429
Greenfield, CA 93927

Notices, demands, requests and exercises served in the above manner shall be considered given or served for all purposes under this Lease at the time the notice, demand or request is hand delivered or postmarked to the addresses shown above.

18. Binding on Heirs and Successors. This lease and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors, and assigns of the parties to this lease.

19. Time of Essence. Time is of the essence of this lease and of each provision contained within, and each provision is made and declared to be a material, necessary, and essential part of this lease.

20. Sole and Only Agreement, Governing Law, Counterpart. This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Leased Property, the leasing of the Leased Property to Tenant, or the lease term created under this lease, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Leased Property or their leasing by Landlord to Tenant not expressly set forth in this instrument are null and void. This lease may not be extended, amended, modified, altered, or changed, except in a writing signed by Landlord and Tenant. This Lease may be executed by facsimile and in two or more counterparts each of which shall be deemed an original of this Lease and all of which shall be deemed one and the same instrument.

21. Sale of Property. In the event of the sale of the Leased Property, Landlord may give Tenant a 30 day notice to remove the cattle from the Leased Property. Tenant shall receive a pro-rated refund of the rent previously paid.