| *** | SMILAND CHESTER LLP | | |
|-----|--|--|--|
| 2 | William M. Smiland, Esq., SBN 41928 Theodore A. Chester, Jr., Esq., SBN 105405 | | |
| 3 | 601 West Fifth Street, Suite 1100 Los Angeles, California 90071 | | |
| 4 | Telephone: (213) 891-1010 Facsimile: (213) 891-1414 | | |
| 5 | Attorneys for Landinv, Inc. | | |
| 6 | | | |
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| 8 | SUPERIOR COURT OF TH | IE STATE OF CALIFORNIA | |
| 9 | COUNTY OF | LOS ANGELES | |
| 10 | Coordination Proceeding Special Title) | Judicial Council Coordination No. 4408 | |
| 11 | (Rule 1550 (b)) | [Assigned to Hon. Jack Komar; Dept 4408] | |
| 12 | ANTELOPE VALLEY GROUNDWATER | Santa Clara Co. Case No. 1-05-CV-049053 | |
| 13 | CASES | | |
| 14 | Included CONSOLIDATED Actions: | DECLARATION OF YOGESH RADIA RELATING TO PROPERTY OWNED BY | |
| 15 | Los Angeles County Waterworks District No. | LANDINV, INC. | |
| 16 | 40 vs. Diamond Farming Company Los Angeles Superior Court Case No. | | |
| 17 | BC325201 | | |
| 18 | Los Angeles County Waterworks District No. | | |
| 20 | 40 vs. Diamond Farming Company Kern County Superior Court Case No. S-1500- | | |
| 21 | CV-254348 NFT | | |
| 22 | Diamond Farming Company vs. City of | | |
| 23 | Lancaster Riverside County Superior Court Lead Case | | |
| 24 | No. RIC 344436 [Consolidated w/ Case Nos. 344668 & 353840] | | |
| 25 | Willis v. Los Angeles County Waterworks | | |
| 26 | District No. 40; Los Angeles Superior Court Case No. BC 364553 | | |
| 27 |) | | |
| 28 | Wood v. Los Angeles County Waterworks District No. 40; Los Angeles Superior Court Case No. BC 391869 | | |
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DECLARATION OF YOGESH RADIA RELATING TO PROPERTY OWNED BY LANDINV, INC.

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I, YOGESH RADIA, declare:

- 1. I am a director of Landinv, Inc., a California corporation ("Landinv"), a party to this action. In lieu of deposition testimony for the Phase 4 trial, I am providing this declaration. I have personal knowledge of each fact herein and would testify competently thereto under oath.
- 2. Laniny, Inc. owns property that overlies the Antelope Valley Area of Adjudication as decided by this Court. The land is in Kern and Los Angeles Counties County and is identified by the following APN/APNs:
- 9 Kern County APNS: 359-011-28; 359-051-01; and 359-051-02 (collectively, the "Kern Fred's Ranch Parcels").
- 11 Kern County APN: 358-030-005 (the "Kern Silvershields Parcel").
- Los Angeles County APNS: 3201-003-005; 3201-003-006; and 3201-004-007 (collectively, the "Los Angeles Parcels").
 - 3. Landinv claims groundwater rights only as to the properties listed in Paragraph 2.
 - 4. For each APN/APNs identified above, the total acreage by parcel is as follows:
- 16 Kern Fred's Ranch Parcels: approximately 307 acres.
- 17 Kern Silvershields Parcel: approximately 316 acres.
- 18 Los Angeles Parcels: approximately 275 acres.
 - 5. For each APN/APNs identified above Laninv owned the property during the following time period: 2000 to the present.
 - 6. The Kern Fred's Ranch Parcels were leased to Grimmway Enterprises, Inc., or one of its related entities, Diamond Farming Company and/or Crystal Organic Farms LLC ("Grimmway") for the period: 2000 through 2012. True and correct copies of lease documentation relating to the
- Kern Fred's Ranch Parcels are set forth as Exhibit 26 to the January 10, 2013 deposition of Carl F.
- 25 Voss, Jr. (the "Voss Deposition").
- 7. The Kern Silvershields Parcel was leased to John Calandri, or one of his affiliate entities,
- 27 | John Calandri Farms, Inc. and/or Son Rise Farms ("Calandri") for the period: 2001 through 2003.
- 28 The Kern Silvershields Parcel was leased to Grimmway for the period: 2004 through 2012.

- 8. The Los Angeles Parcels were leased to Calandri for the period: 2001 through 2004. True and correct copies of lease documentation relating to the Los Angeles Parcels are attached as Exhibit A to the Declaration of John Calandri Relating to Property Owned by Landiny, Inc., an unsigned version is attached hereto as Exhibit A (the "Calandri Declaration").
- 9. With respect to the Kern Fred's Ranch Parcels, based on the crop maps for the Kern Fred's Ranch Parcels attached as part of Exhibit 30 to the Voss Depositon, and based on the crop duties identified in the Summary Expert Report, Appendix D-3: Table 4, a true and correct copy of which is attached hereto as Exhibit B hereto ("Table 4 Water Duties"), I have calculated the water use for the Kern Fred's Ranch Parcels as follows:

Calculated

DECLARATION

| | | | | Calculated |
|------|------------|-------|-----------|------------|
| | | Water | Irrigated | Water Use |
| Year | Crop Type | Duty | Acres | acre-feet |
| 2000 | Carrrots | 3.9 | 149.61 | 583.48 |
| | Sudan* | 2.6 | 38.90 | 101.14 |
| | Safflower* | 2.6 | 120.00 | 312.00 |
| | Barley** | 2.6 | 308.51 | 802.13 |
| | | | | 1,798.75 |
| 2001 | Carrrots | 3.9 | 158.90 | 619.71 |
| | Safflower* | 2.6 | 149.61 | 388.99 |
| | | | , | 1,008.70 |
| | | | | |
| 2002 | Carrrots | 3.9 | 156.05 | 608.60 |
| | Vetch/rye* | 2.6 | 158.90 | 413.14 |
| | | | | 1,021.74 |
| 2003 | Carrrots | 3.9 | 78.90 | 307.71 |
| 2003 | Parsnips* | 3.9 | 20.00 | 78.00 |
| | Potatoes | 2.8 | 60.00 | 168.00 |
| | rotatoes | 2.0 | 00.00 | 553.71 |
| | | | | JJJ./ I |
| 2004 | Carrrots | 3.9 | 156.05 | 608.60 |
| 2005 | Carrrots | 3.9 | 158.90 | 619.71 |
| | Potatoes | 2.8 | 40.00 | 112.00 |
| | | | | 731.71 |
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| 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 | | 4 |
| 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 | | 5 |
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| 21 22 | 1 | 9 |
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| 2006 | Carrrots | 3.9 | 156.50 | 610.35 |
|------|----------|-----|--------|----------|
| | Potatoes | 2.8 | 29.05 | 81.34 |
| | | | | 691.69 |
| 2007 | Carrots | 3.9 | 158.90 | 619.71 |
| | Barley | 2.6 | 156.05 | 405.73 |
| | | | | 1,025.44 |
| 2008 | Onions | 4.5 | 40.00 | 180.00 |
| | Carrots | 3.9 | 156.05 | 608.60 |
| | Barley | 2.6 | 118.90 | 309.14 |
| | | | | 1,097.74 |
| 2009 | Onions | 4.5 | 70.00 | 315.00 |
| | Barley | 2.6 | 123.90 | 322.14 |
| | | | | 637.14 |
| 2010 | Onions | 4.5 | 50.00 | 225.00 |
| | Barley | 2.6 | 106.05 | 275.73 |
| | | | | 500.73 |
| 2011 | Onions | 4.5 | 61.00 | 274.50 |
| | Carrots | 3.9 | 97.90 | 381.81 |
| | | | | 656.31 |
| 2012 | Barley | 2.6 | 188.90 | 491.14 |
| | Carrots | 3.9 | 126.05 | 491.60 |
| | | | | 982.74 |
| | | | | |

^{*}Estimate-No App D-3 Water Duty Provided

10. With respect to the Kern Silvershields Parcel, based on the Calandri Declaration, and based on the crop maps for the Kern Silvershields Parcel attached as part of Exhibit 30 to the Voss Deposition, and based on the Table 4 Water Duties, I have calculated the water use for the Kern Silvershields Parcel as follows:

^{**} Winter Crop

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| | | | | Calculated |
|------|--|---|--|------------|
| | | Water | Irrigated | Water Use |
| Year | Crop Type | Duty | Acres | acre-feet |
| 2001 | Carrrots | 3.90 | 301.00 | 1,173.90 |
| 2002 | Onions | 4.50 | 147.00 | 661.50 |
| 2003 | Carrrots | 3.90 | 240.00 | 936.00 |
| 2004 | Carrrots | 3.90 | 73.72 | 287.51 |
| 2005 | Fallow | uan manan manan manan manan manan manan manan manan dan dan dan dan dan dan dan dan dan | Contangent and Section 200 to 200 | 0.00 |
| 2006 | Carrrots | 3.90 | 79.70 | 310.83 |
| 2007 | Carrots | 3.90 | 226.13 | 881.91 |
| | Barley | 2.60 | 79.70 | 207.22 |
| | | | | 1,089.13 |
| 2008 | Barley | 2.60 | 226.13 | 587.94 |
| 2009 | Carrots | 3.90 | 79.70 | 310.83 |
| 2010 | Carrots | 3.90 | 295.00 | 1,150.50 |
| | Wheat | 2.60 | 79.70 | 207.22 |
| | Special and an analysis of the second analysis of the second and an analysis of the second analysis of the second and an analy | | | 1,357.72 |
| 2011 | Wheat | 2.60 | 226.13 | 587.94 |
| 2012 | Carrots | 3.90 | 79.70 | 310.83 |

11. With respect to the Los Angeles Parcels, based on the Calandri Declaration, and based on the Table 4 Water Duties, I have calculated the water use for the Los Angeles Parcels as follows:

| | | | | Calculated | |
|------|---|---|--|--------------|--|
| | | Water | Irrigated | Water Use | |
| Year | Сгор Туре | Duty | Acres | acre-feet | |
| 2001 | Carrrots | 3.90 | 187.00 | 729.30 | |
| 2002 | офисков и дой и до на в голов | r open, priem, make in date in a serving a strikeninke familiet stresserie splan het de familiet in der in de | annia, ya mara ara ara ara ara ara ara ara ara a | 0.00 | |
| 2003 | Carrrots | 3.90 | 205.00 | 799.50 | |
| 2004 | Potatoes | 2.80 | 28.00 | 78.40 | • |
| | sa in this and an | rract Evecute | ed this 12th | v of Februar | v 2013, at Lond |
| | ng is true and con gland. | rrect. Execute | ed this 12 da | y of Februar | State of California the y 2013, at Lond |
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| | | rrect. Execute | ed this IZ da | y of Februar | y 2013, at Lond |
| | | rrect. Execute | ed this IZ da | y of Februar | y 2013, at Lond |
| | | rrect. Execute | ed this IZ da | y of Februar | y 2013, at Lond |

EXHIBIT A

TO YOGESH RADIA DECLARATION

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| 9 | SUPERIOR COURT OF | THE STATE OF CALIFORNIA |
| 10 | COUNTY (| OF LOS ANGELES |
| 11 | | |
| 12 | ANTELOPE VALLEY GROUNDWATER CASES | Judicial Council Coordination No. 4408 |
| 13 | | CLASS ACTION |
| 14 15 | Included Actions: Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., Superior | Santa Clara Case No. 1-05-CV-049053 Assigned to The Honorable Jack Komar |
| | Court of California, County of Los Angeles, Case No. BC 325201; | |
| 16 | Los Angeles County Waterworks District | DECLARATION OF JOHN CALANDRI RELATNG TO PROPERTY OWNED BY |
| 17 18 | No. 40 v. Diamond Farming Co., Superior Court of California, County of Kern, Case No. S-1500-CV-254-348; | LANDINV, INC. |
| 19 | Wm. Bolthouse Farms, Inc. v. City of | |
| 20 | Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. | |
| 21 | Palmdale Water Dist., Superior Court of California, County of Riverside, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668 | |
| 22 | KIC 333 840, KIC 344 430, KIC 344 008 | |
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DECLARATION

| 1 | <u>DECLARATION</u> |
|----|---|
| 2 | I, JOHN CALANDRI, declare: |
| 3 | 1. In lieu of deposition testimony relating to property owned by Landiny, Inc. for the Phase 4 |
| 4 | trial, I am providing this declaration. I have personal knowledge of each fact herein and would |
| 5 | testify competently thereto under oath. |
| 6 | 2. John Calandri Farms, Inc. and/or Son Rise Farms, entities affiliated with me, leased the |
| 7 | following property that overlies the Antelope Valley Area of Adjudication as decided by this |
| 8 | court and identified by the following APNS: |
| 9 | Los Angeles County APNS: 3201-003-005; 3201-003-006; and 3201-004-007 (collectively, the |
| 0 | "Los Angeles Parcels"). |
| 1 | Kern County APN: 358-030-03 (the "Kern Silvershields Parcel") |
| 2 | 3. The total acreage by parcel is: |
| 13 | The total acreage of the Los Angeles Parcels is approximately 246 acres. |
| 4 | The total acreage of the Kern Silvershields Parcel is approximately 306 acres. |
| 15 | 4. The property was leased on the following dates: |
| 16 | The Los Angeles Parcels were leased for the following years: 2001, 2002, 2003, and 2004. |
| ۱7 | The Kern Silvershields Parcel was leased for the following years: 2001, 2002, and 2003. |
| 18 | 5. Attached to this declaration as Ex. A are true and correct copies of lease documentation |
| 19 | relating to the Los Angeles Parcels. Although the Kern Silvershields Parcel was leased as set |
| 20 | forth above, at this time I am not aware of the location of lease documentation relating to the |
| 21 | Kern Silvershields Parcel. |
| 22 | 6. To the best of my knowledge, only Landinv, Inc. claims groundwater rights as to the Los |
| 23 | Angeles Parcels and the Kern Silvershields Parcel. |
| 24 | 7. With respect to the Los Angeles Parcels, my affiliated entities, John Calandri Farms, Inc. |
| 25 | and/or Son Rise Farms, pumped groundwater and used such groundwater to irrigate and grow the |
| 26 | following crop types, on the following amount of acres, for the following years: |
| 27 | |
| 28 | |

1 DECLARATION

| Year | Crop Type | Crop Acreage |
|----------------------|---|---|
| 2001 | Carrots | 187 acres |
| 2002 | None | None |
| 2003 | Carrots | 205 acres |
| 2004 | Potatoes | 28 acres |
| Inc. and/or Son Ris | | y affiliated entities, John Calandri Faused such groundwater to irrigate and cres, for the following years: |
| Year | Crop Type | Crop Acreage |
| 2001 | Carrots | 301 acres |
| 2002 | Onions | 147 acres |
| 2003 | Carrots | 240 acres |
| | nder penalty of perjury under the law and correct. Executed this day of | |
| foregoing is true as | | |
| foregoing is true as | | |
| foregoing is true as | | February 2013, at |
| foregoing is true as | | February 2013, at |
| foregoing is true as | | February 2013, at |
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| foregoing is true as | | February 2013, at |
| foregoing is true as | | February 2013, at |
| foregoing is true as | | February 2013, at |

DECLARATION

EXHIBIT A



LEASE

This Lease, made by and between <u>Delfern Properties</u> referred to in this Lease as "Lessor", and <u>John Calandri Farms</u>, <u>Inc.</u>, a <u>California Corporation</u> referred to in this Lease as "Lessee", is made upon the following terms and conditions:

1. Term of Lease

This Lease shall be for a period of <u>Twelve (12)</u> consecutive months beginning <u>January 1, 2001</u> and ending <u>December 31, 2001</u>.

This Lease shall encompass approximately <u>246 acres</u> known as Assessor's Parcel Number's <u>3201-003-005 & 006 and 3201-004-007</u>, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

2. Purpose for which Premises are to be Used

The Leased premises are to be used by Lessee for the purpose of farming; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, furnigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.



3. Rental

Lessee agrees to pay by way of rent for the term of this lease the sum of **Twenty Five Thousand Dollars (\$25,000,00)** per year, which will be payable upon the execution of this Lease.

4. Occupancy

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

5. Utilities

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

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6. Equipment

The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

7. Assignment or Sublease

With the specific exception of Son Rise Farms which is expressly approved for sublease, Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

8. Condition of Premises

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including

والمرافقة برياء المشراء

without limitation any well, pump, motor and underground main line, in as good condition as Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

8A. If Lause is so Terminated

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain of the property from and after December 31, 1998.

8B. Wells - Lessee's Option

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

9. Compliance With Law

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Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and

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requirements (hereinafter collectively referred to as "regulations") in effect during the term or any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises. including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

9A. Indemnification

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises and Son Rise Farm's use of the premises as a sublessee.

10. Mechanics' Liens and Encumbrances

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have

been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

11. Right of Entry

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is (805) 945-2930.

12. Default of Lessee

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for

Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceable and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

13. Surrender of Premises

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.

14. Notices

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed

as follows: VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John Calandri Farms, Inc.

42016 Ivesgrove Drive

Lancaster, CA 93536

15. Miscellaneous

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by stature;

- Lessee waives for itself and those claiming under it all rights now and (b) hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court:
- (c) Reasonable attorney's fees and other expenses incurred by Lessor in enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;
- (d) No waiver by Lessor of any breach by Lessee of any of his obligations hercunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;
- In the event Lessee holds over after termination of the Lease, such holding (e) over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;
- (f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;
- Any transfer of the Lease by Lessee or any assigns of Lessee by operation (g) of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease; -IR

(h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

16. Right of First Refusal

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.

17. Non-Disturbance Agreement

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be

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evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

18. Water Adjudication

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.



FROM

If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

19. Venue

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

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FROM:

ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the premises on the above terms and conditions.

Lessee agrees to pay compensation for services as follows:

Six (6) percent of the Lease amount to Coldwell Banker/Hartwig Realty, Inc.

IN WITNESS WHEREOF, Lessor and Lessee have executed this indenture as of December _____, 2000.

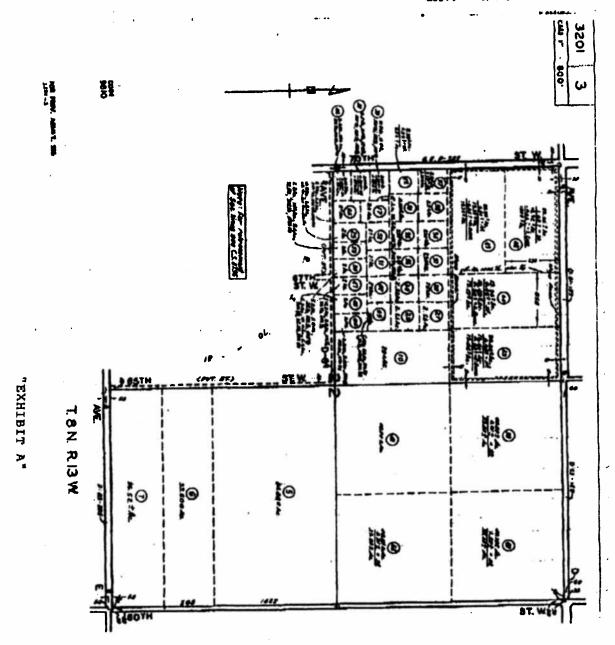
LESSOR: Delfern Properties

BY: Koolia

LESSEE:

John Calandri Farms, Inc. a California Corporation

Los A s, CA 1998-97 - 3201-003, Sheet: 1 of 1



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LEASE

This Lease, made by and between <u>Delfern Properties</u> referred to in this Lease as "Lesser", and <u>Son Rise Farms</u> referred to in this Lease as "Lessee", is made upon the following terms and conditions:

1. Term of Lease

This Lease shall be for a period of <u>Twelve (12)</u> consecutive months beginning <u>January 1, 2002</u> and ending <u>December 31, 2002</u>.

This Lease shall encompass approximately <u>246 acres</u> known as Assessor's Parcel Number's <u>3201-003-005 & 006 and 3201-004-007</u>, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

2. Purpose for which Premises are to be Used

The Leased premises are to be used by Lessee for the purpose of farming, and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.

3. Rental

Lessee agrees to pay by way of rent for the term of this lease the sum of **Twenty Seven Thousand Five Hundred Dollars (\$27,500.00)** per year, which will be payable upon the execution of this Lease.

4. Occupancy

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

5. <u>Utilities</u>

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

6. Equipment

The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

7. Assignment or Sublease

With the specific exception of Son Rise Farms which is expressly approved for sublease, Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

8. <u>Condition of Premises</u>

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including

without limitation any well, pump, motor and underground main line, in as good condition as Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

8A. If Lease is so Terminated

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain of the property from and after December 31, 1998.

8B. Wells - Lessee's Option

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

9. Compliance With Law

Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and

requirements (hereinafter collectively referred to as "regulations") in effect during the term or any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises. including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

9A. <u>Indemnification</u>

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises and Son Rise Farm's use of the premises as a sublessee.

10. Mechanics' Liens and Encumbrances

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have

been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

11. Right of Entry

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is (805) 945-2930.

12. <u>Default of Lessee</u>

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for

Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceable and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

13. <u>Surrender of Premises</u>

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.

14. Notices

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed

as follows:

VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John A. Calandri

Son Rise Farms

742 W. Avenue L

Lancaster, CA 93534

15. Miscellaneous

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or

remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by stature;

- (b) Lessee waives for itself and those claiming under it all rights now and hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court;
- enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;
- (d) No waiver by Lessor of any breach by Lessee of any of his obligations hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;
- (e) In the event Lessee holds over after termination of the Lease, such holding over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;
- (f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;

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- (g) Any transfer of the Lease by Lessee or any assigns of Lessee by operation of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease;
- (h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

16. Right of First Refusal

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.



Non-Disturbance Agreement 17.

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

18. Water Adjudication

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.

If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

19. Venue

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

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ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the Premises on the above terms and conditions.

Lessor agrees to pay a brokerage fee equal to six (6) percent of this Lease amount, or any renewal or extension thereof, to Coldwell Banker Commercial/Hartwig Realty, Inc., The brokerage fee shall be payable annually upon Lessor's receipt of the Rental payment.

IN WITNESS WHEREOF, Lessor and Lessee have executed this indenture as of September 27, 2001.

LESSOR:

Delfern Properties

RY.

LESSEE:

Son Rise Farms

LEASE

This Lease, made by and between <u>Landinv</u>, <u>Inc.</u>, referred to in this Lease as "Lessor", and <u>Son Rise Farms</u> referred to in this Lease as "Lessee", is made upon the following terms and conditions:

1. Term of Lease

This Lease shall be for a period of <u>Twelve (12)</u> consecutive months beginning <u>January 1, 2003</u> and ending <u>December 31, 2003</u>.

This Lease shall encompass approximately <u>246 acres</u> known as Assessor's Parcel Number's <u>3201-003-005 & 006 and 3201-004-007</u>, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

Lessor reserves the right to sell the leased premises at any time during the term of this Lease, and in the event of such sale, the buyer would purchase said property subject to the existing Lease.

2. Purpose for which Premises are to be Used

The Leased premises are to be used by Lessee for the purpose of farming; and for such purpose Lessee is authorized to cultivate, irrigate, fertilize, fumigate, and do all other acts which may be reasonable and necessary in connection with such farming operation. Lessee shall conduct its farming in conformity with good agricultural operations. Lessee shall comply with all applicable State and Federal laws, including without limitation all applicable state and federal laws regarding the use of pesticides or hazardous or toxic materials, substances and or waste.

3. Rental

Lessee agrees to pay by way of rent for the term of this lease the sum of
Twenty Seven Thousand Five Hundred Dollars (\$27,500.00) per year, which will be
payable upon the execution of this Lease.

4. Occupancy

The leased land, and any improvements thereto that may currently exist, including, without limitation, any well(s) that may currently exist shall be accepted by Lessee "as is", without representation or warranties by Lessor of any kind. Lessee agrees to purchase and maintain during the term of this Lease, at Lessee's sole cost and expense, and with companies acceptable to Lessor, public liability insurance for protection against liability to persons or property or claims arising as an incident to the use of, or resulting from, any accident or event occurring in or about the premises. The limits of liability under said public liability insurance shall be no less than one million dollars (\$1,000,000.00) for any one accident, and one hundred thousand dollars (\$100,000.00) for property damage. Lessor shall be named as an additional insured.

5. <u>Utilities</u>

Lessee agrees to pay for any and all utilities used in connection with Lessee's use of the leased land, including, without limitation the existing wells, if any, located on the property. Lessee agrees to have the names on the meters for the existing wells and any other utility used by Lessee changed to the name of Lessee. If extensions are required, same shall be at the expense of Lessee.

6. Equipment

The only equipment being leased in connection with this agreement is any existing well(s), pump(s), electric motor(s), engine(s), panel(s), Storage tank(s) or barn(s), which shall be the exclusive property of Lessee to use during the term of this Lease. Lessee shall be responsible for all repair and maintenance thereof. Lessor leases such equipment in as is condition, without representation as to its condition of efficacy for use in any purpose and without warranty of any kind.

7. Assignment or Sublease

Lessee shall not sublease, assign, transfer or hypothecate this Lease without first obtaining the written consent of Lessor, which may be withheld unreasonably and in Lessor's sole and unfettered discretion, and in no event shall the demised premises be assigned, sublet, transferred or hypothecated unless the transferee shall provide evidence of adequate financial resources to fully comply with all of the terms of this Lease to the satisfaction of Lessor, and unless the transferee be in all respects a fit and proper person for the purpose of carrying out the obligation under this Lease.

8. <u>Condition of Premises</u>

Lessee acknowledges that it has inspected the demised premises, that the same are in good and tenantable condition. Lessor makes no representations or warranty with regard to the condition of the premises. Lessee shall not remove, alter, modify or demolish any building or other improvement located upon the demised premises or any improvement thereon. It shall be the obligation of Lessee to maintain, the Leased Premises, including without limitation any well, pump, motor and underground main line, in as good condition as

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Lessee takes them, subject to ordinary wear and tear, Lessee shall be obligated to repair any damages and maintain the Leased Premises, including without limitation, any well, pump, motor and underground main line caused by Lessee's negligence or the negligence of their agent or employees.

If any or all of the wells servicing the Leased property are rendered inoperable by any act of God, including earthquakes, Lessee shall not be responsible for repairing same.

In the event any or all of said wells servicing the subject property become inoperable, Lessor shall have the option of repairing said well or wells at their own expense as quickly as possible, or terminating the Lease.

8A. If Lease is so Terminated

Lessee shall have the right to remain on the property long enough to harvest any growing crop, if they so desire, subject to the provisions of Paragraph 3, 4, 5 and 8 hereof, provided, however, in no event shall Lessee remain of the property from and after December 31, 2003.

8B. Wells - Lessee's Option

Notwithstanding Paragraph 8 above, if Lessor refuses to repair said well or wells, Lessee may choose to have said well or wells repaired at its own expense, in which event Lessor cannot terminate the Lease as set forth above.

9. Compliance With Law

Lessee shall at Lessee's sole expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements (hereinafter collectively referred to as "regulations") in effect during the term or

any part of the term hereof, whether said regulation was in effect at the time of the signing of the Lease or became effective thereafter, regulating the use by Lessee of the premises, including, but not limited to State and/or Federal Superfund Laws, the Resource Conservation and Recovery Act, the Clean Water Act, the Federal Insecticide, Fungicide, & Rodenticide Act, the Hazardous Waste Control Act, or the Porter-Cologne Act. Lessee shall not use nor allow the use of the premises in any manner that would tend to create waste or a nuisance. Without limiting the generality of the foregoing, Lessee shall not allow or suffer the use, release or discharge on, in, around or under the premises of any material, chemical, substance or waste which is classified or regulated as a "toxic" or "hazardous" material, substance or waste by any applicable governmental or regulatory authority or agency (collectively "hazardous waste"). Lessee may apply during the term of the Lease the insecticides, pesticides, fumigants and fertilizer, so long as said application is in compliance with all applicable regulations, and the preceding sentence of this Paragraph 9. Lessee shall not store insecticides, pesticides, fumigants, hazardous wastes on the premises.

9A. Indemnification

Lessee shall indemnify, defend and hold Lessor harmless for any and all costs, expenses, including without limitation attorney's fees, or damages resulting from Lessee's use of the premises.

10. Mechanics' Liens and Encumbrances

Lessee will not permit any mechanics', laborers', or materialmens' liens to stand against the demised property for any labor or material furnished to Lessee, or claimed to have been furnished to Lessee or to Lessee's agents, contractors, or sub-lessees, in connection with

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work of any character performed on the demised premises, or claimed to have been performed on the demised premises, at the direction or insistence of Lessee; provided, however, that Lessee shall have the right to contest the validity of the amount of any such claims or lien provided Lessee gives Lessor reasonable security that may be demanded by Lessor with immediate notice of any such claim, lien, encumbrance and/or action arising out of any claim for labor or material furnished for the use or benefit of the demised premises.

11. Right of Entry

Lessor or his agents shall have the right to enter upon the demised premises at any reasonable time for the purpose of inspecting the condition thereof, or for the purpose of showing the same to any prospective purchaser or tenant thereof, or to conduct any necessary studies (e.g. soil), provided, however, Lessor shall not to interfere with Lessee's farming. Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notification prior to entering upon the property to conduct any such study or showing. Notice pursuant to this Paragraph 11 may be sent to Lessee or his agents by Lessor via telecopier transmission, and such notice shall be deemed given at the time of such transmission. Lessee's telecopier number for the purposes of such notice is (661) 945-2930.

12. Default of Lessee

If any payments shall be due and unpaid after fifteen (15) days written notice of default, or if any default shall be made in any of the covenants or agreements on the part of Lessee contained in this Lease, or in the event Lessee is adjudicated as bankrupt or insolvent, or has a receiver appointed to receive the assets of Lessee, or has a Trustee appointed for Lessee after a petition has been filed under the Bankruptcy Act of the United States, or if

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Lessee shall make an assignment for the benefit of creditors, or if Lessee shall vacate or abandon the demised premises, then in such event Lessor shall have the right at its election, then or at any time thereafter, to re-enter and take possession of the demised premises and terminate this Lease, in which event Lessee hereby covenants to peaceable and quietly yield up to Lessor the demised premises. Lessor shall also have the right, with or without resuming possession of the premises or terminating the Lease, to sue for and recover all rents and other sums, including damage at any time and from time to time accruing hereunder together with such other rights as may be provided Lessor by law. Lessor may further have the right, at its option, without terminating this Lease, to relet the premises for the remainder of the term to such tenants, and at such rentals as Lessor may agree upon and Lessee agrees to pay such deficiency to Lessor and further agrees to pay to Lessor, when ascertained, all costs and expenses incurred in such reletting. No re-entry or taking of possession of the demised premises by Lessor shall be construed as an election on Lessor's part to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination be decreed by a court of competent jurisdiction.

13. Surrender of Premises

At the expiration of the term of this Lease or any sooner termination of this Lease, Lessee agrees to quit and surrender the premises and all appurtenances thereon and in good state and condition as reasonable use and wear thereof will permit. Lessee shall remove any and all debris associated with Lessee's farming operation, leaving the land free of any reservoirs, pits, or earthen mounds that were created by Lessee.



14. Notices

Any notice required or permitted to be given by Lessor to Lessee shall be deemed given if and when mailed in a sealed wrapper by United States mail, postage prepaid, properly addressed to Lessee, by certified mail with a return receipt. Any notice required or permitted to be given by Lessee to Lessor shall be deemed given if and when so mailed to Lessor, by certified mail with a return receipt.

Until changed, all notices and communications to the Lessor shall be addressed

as follows:

VK Corporate Services Limited

Talbot House 204-226 Imperial Drive

Harrow, Middlesex HA 2 7HH

United Kingdom

And notices and communications to the Lessee shall be addressed as follows:

John A. Calandri

Son Rise Farms

742 W. Avenue L

Lancaster, CA 93534

15. <u>Miscellaneous</u>

(a) Except as may be inconsistent with or contrary to the provisions of this Lease, no right or remedy granted or reserved to Lessor shall be intended to be exclusive of any other right or remedy which Lessor may otherwise have, and each and every such right or remedy shall be cumulative and in addition to any right or remedy given hereunder, or now or hereafter existing by law or in equity or by stature;

- (b) Lessee waives for itself and those claiming under it all rights now and hereafter existing to redeem the demised premises after termination of Lessee's right to occupancy by order or judgment of any court;
- enforcing any provision of this Lease or in any action or proceeding in which Lessor is successful by reason of the default by Lessee or by anyone holding under Lessee complying with any requirement of this Lease or incurred by Lessor by reason of any action to which Lessor shall be and shall constitute additional rent under the Lease provided that in the event of litigation concerning same, the losing party shall pay the reasonable expenses, including reasonable attorney's fees and costs of the prevailing party;
- (d) No waiver by Lessor of any breach by Lessee of any of his obligations hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same or any other agreement under this Lease;
- (e) In the event Lessee holds over after termination of the Lease, such holding over shall not be considered as or being a renewal of the Lease, but shall be construed solely as a tenancy from month to month under the same terms and conditions as are provided in this Lease and at the same rental rate, monthly prorated;
- (f) This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties;
- (g) Any transfer of the Lease by Lessee or any assigns of Lessee by operation of law or voluntary assignment with or without the consent of Lessor shall not diminish or affect the direct and primary liability of Lessee under this Lease;

(h) If part of this Lease be declared unenforceable by any court or in violation of any law, such part shall be inoperative, and the remainder of this Lease shall be binding upon the parties hereto.

16. Right of First Refusal

It is agreed that so long as Lessee is not in default of any terms, conditions or covenants of this Lease, or any extension thereof, Lessee shall have the right of first refusal to again lease the demised premises for a period of six (6) months. After the expiration of the Lease contained herein, or any extension thereof, Lessor will notify Lessee in writing if it is Lessor's intent to again lease the demised premises, and shall specify the terms and conditions thereof. Lessee shall have fifteen (15) days from receipt of said notice to notify Lessor in writing of Lessee's election to again lease the demised premises, on such terms and conditions specified by Lessor. Should Lessee fail to notify the Lessor in writing of Lessee's election to lease demised premises, Lessee's Right of First Refusal shall be deemed waived. If Lessee notifies Lessor in the affirmative to lease the demised premises, the Lessor, within a reasonable period of time, shall draft leases and deliver them to Lessee for execution. Upon delivery of said leases, Lessee shall have (15) days in which to execute and return said leases to Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to again lease the demised premises to Lessee or any other person or entity.

17. Non-Disturbance Agreement

The Lessor covenants and agrees that, so long as the Lease is in full force and effect, the Lessee shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted or taken by the Beneficiary, nor shall the Lessee be

evicted from the demised premises, or any of the Lessee's rights under the Lease be affected in any way, by reason of any default under the secured debt except as hereinafter provided.

In the event any action is instituted by the Beneficiary to foreclose the secured debt or otherwise enforce it, the Lessee shall promptly upon notice by the Beneficiary pay to the Beneficiary all rent due and to become due under this Lease.

It is a condition of this Agreement that the Lessee shall not at any time make any payment of advance rent or prepay rent to the Owner prior to the time when rent payments are due. It being understood that the rent is payable annually in advance.

If the Beneficiary shall succeed to the position of the Owner, the Lessee shall attorn to the Beneficiary and recognize it as the Landlord under the Lease and promptly execute and deliver an attornment agreement upon request of the Lessor.

The covenants and agreements herein contained shall be deemed to be covenants running with the land and shall inure to the benefit of and be binding upon the successors in interest of the parties hereto.

18. Water Adjudication

Lessor and Lessee acknowledge that (a) a study by the United States Geologic Survey (USGS) and other agencies has been undertaken to determine, inter alia, the amount of local ground water and the impact of well pumping of same throughout the Antelope Valley and (b) the possibility exists that water rights to, and the amount of available water for, the subject property may be altered by State, County or Local government. Such alteration may affect the amount and/or cost of water available to Lessee hereunder.



If and when such "adjudication" of water rights takes place, Lessee shall have sixty (60) days to evaluate the impact of such adjudication on the operation of Lessee's business. If Lessee determines, in its sole discretion, that such an adjudication shall have an adverse impact, then Lessee may terminate this Lease, without any additional cost, penalty, or consideration for such termination, upon thirty days' written notice to Lessor.

19. Venue

This agreement shall be governed by and construed under the laws of the State of California, and venue shall be in Los Angeles County, California.

/// /// /// /// /// /// /// /// /// /// /// /// /// ///

ACCEPTANCE

The undersigned Lessor accepts the above Lease, and agrees to lease the Premises on the above terms and conditions.

Lessor agrees to pay a brokerage fee equal to six (6) percent of this Lease amount, or any renewal or extension thereof, to Coldwell Banker Commercial/Hartwig Realty, Inc., The brokerage fee shall be payable annually upon Lessor's receipt of the Rental payment.

| IN WITNESS WI | HEREOF, Lessor and Lessee have executed this indenture as of |
|---------------|--|
| November 20,2 | 2002. |

LESSOR:

Landiny, Inc.

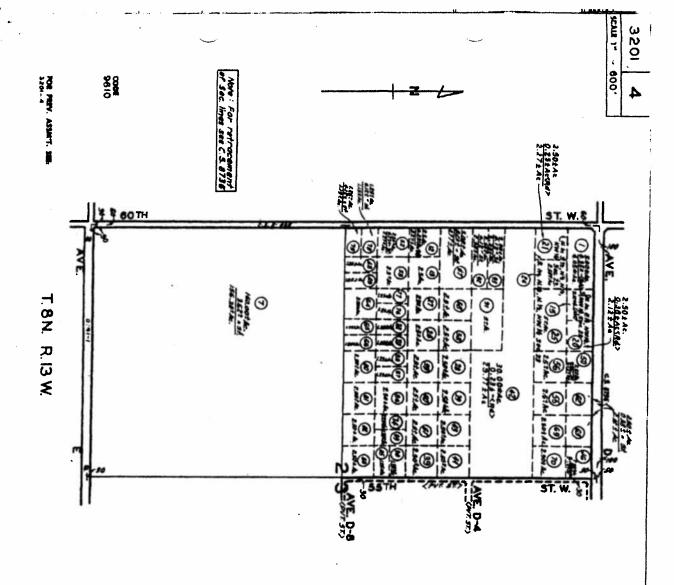
BY: Rock

LESSEE:

Son Rise Farms

John A. Calandri

COUNTY OF LOS ANGELES, CALIF.



0.7.65 0.7.65 0.7.65 660824 660824

ASSESSMENT MAP
COUNTY OF LOS AMMELES, CALIF.

EXHIBIT B

TO YOGESH RADIA DECLARATION

Appendix D-3: Table 4 **Applied Crop Water Duties and Irrigation Efficiency Values** (DU = 80%)

Antelope Valley Area of Adjudication

| | ET _c ¹ | P _e ² | ET _{AV} ³ | DU ⁴ | AW _c [∉] | AW _{er} ⁸ | AW _{st} ⁷ | AW _T ⁸ | | E _{lit} ^g |
|---------------------|------------------------------|-----------------------------|-------------------------------|-----------------|------------------------------|-------------------------------|-------------------------------|------------------------------|------|-------------------------------|
| Crop | (in) | (in) | (in) | (%) | (in) | (in) | (in) | (in) | (ft) | (%) |
| Alfalfa | 62.10 | 1.77 | 60,33 | 80 | 75.42 | o | 2.0 | 77.42 | 6.5 | 81 |
| Carrots | 27.47 | 0.00 | 27.47 | 80 | 34.33 | 6 | 6.5 | 46.83 | 3,9 | 85 |
| Grain | 22.94 | 1.42 | 21,52 | 80 | 26,90 | 0 | 4.0 | 30.90 | 2.6 | 83 |
| Melons/Squash | 23.91 | 0.00 | 23.91 | 80 | 29 88 | 0 | 4,0 | 33.88 | 2.8 | 82 |
| Onions | 37.57 | 0.00 | 37.57 | 80 | 46.96 | 3 | 4.0 | 53.96 | 4.5 | 83 |
| Orchard (Deciduous) | 47.38 | 0.00 | 47.38 | 80 | 59.22 | 0 | 0.0 | 59.22 | 4.9 | 80 |
| Pasture | 66.19 | 1.77 | 64.42 | 80 | 80.53 | o | 0.0 | 80.53 | 6.7 | 80 |
| Potatoes | 24.02 | 0.00 | 24.02 | 80 | 30.03 | O | 4.0 | 34.03 | 2.8 | 82 |
| Silage | 27.31 | 0.00 | 27.31 | 80 | 34.14 | . 0 | 4.0 | 38.14 | 3.2 | 82 |
| Sugar Beets | 40.55 | 0.00 | 40.55 | 80 | 50.68 | 0 | 4,0 | 54.68 | 4.6 | 81 |
| Vineyard (Grapes) | 35,33 | 0,00 | 35,33 | 80 | 44.16 | Ö | 0,0 | 44.16 | 3.7 | 80 |

ET, = K, * ET, where ET, = average ET, for specified periods, based on data from Victorville CIMIS Station, 1994-2003); K, values from Univ. California Cooperative Extension

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DECLARATION

 $P_{\rm e}$ = effective precipitation offsetting ET $_{\rm e}$, up to 1/2 of the average precipitation, in Dec. - Feb., inclusive

FTAW = evapotranspiration of applied water = ET_c - P_a

DU = irrigation distribution uniformity

AW_c = applied water for crop requirement = ET_{AW} + DU

AW_{er} = applied water for erosion control

AW_{sr} = applied water for field preparation and pre-irrigation

 $^{^{9}}$ AW_T = applied crop water duty = AW_e + AW_{et} + AW_{pt}, 9 E_{wr} = overall irrigation efficiency for beneficial uses = (ET_{AW} + AW_{et} + AW_{pt}) + AW_T

I PROOF OF SERVICE STATE OF CALIFORNIA COUNTY OF LOS ANGELES I, Felicia Herbstreith am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 601 West Fifth Street, Suite 1100, Los Angeles, California 90071. On February 14, 2013, I served the foregoing document described as: DECLARATION OF YOGESH RADIA RELATING TO PROPERTY OWNNED BY LANDINV, INC. on the interested parties in this action by posting the document listed above to the Santa Clara County Superior website in regard to the Antelope Valley Groundwater Adjudication matter, pursuant to the Electronic Filing and Service Standing Order of Judge Komar. I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 14, 2013, at Los Angeles, California. /s/ Felicia Herbstreith Felicia Herbstreith