CITY OF VISALIA

LONG-TERM AGRICULTURAL GROUND LEASE AGREEMENT

408 Acres – Open Ground Near Highway 99 and Highway 198

This Long-Term Agricultural Ground Lease Agreement ("Agreement") is made and entered into as of this ___ day of __________ 2026, by and between the City of Visalia, a Charter Law City organized under its Charter and the Constitution and laws of the State of California ("LESSOR" or "City"), and Correia Custom Farming, Inc., a California corporation ("LESSEE"). City and Lessee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. City owns approximately 408 acres of open agricultural land located near State Highway 99 and State Highway 198 in Visalia, Tulare County, California, more particularly described in Exhibit A ("Premises").

B. City issued Request for Proposals No. 25-26-15 ("RFP") for the long-term lease and agricultural management of the Premises. Lessee submitted a responsive proposal ("Proposal"), which City accepted.

C. The Parties met with the Tulare Irrigation District ("TID"), Mid-Kaweah Groundwater Sustainability Agency ("MKGSA"), and associated staff to confirm recharge feasibility, water-accounting responsibilities, dashboard administration, and SGMA compliance.

D. The Parties desire to enter into this Agreement to set forth the terms and conditions under which Lessee shall lease, farm, irrigate, and manage the Premises.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1. PREMISES

1.1 Premises. City leases to Lessee the Premises described in Exhibit A, which is attached hereto and incorporated herein by this reference, consisting of approximately 408 acres, including all associated rights of ingress, egress, and appurtenances reasonably necessary for agricultural and recharge operations, subject to SCE easements and other encumbrances of record.

1.2 Acreage Adjustment. Acreage is approximate. If a survey or assessor's records determine materially different farmable acreage, rent shall be adjusted proportionally.

ARTICLE 2. TERM AND RENEWAL

2.1 Initial Term. The initial term is five (5) years beginning on the Commencement Date.

2.2 Renewal Terms. Lessee may request up to five (5) one-year renewal terms ("Renewal Terms"). This Agreement does not automatically renew.

2.3 Mandatory Meet and Confer. At least six (6) months prior to expiration of the Initial Term or any Renewal Term, the Parties shall meet and confer regarding operational performance, recharge activity, water-accounting status, infrastructure needs, and any anticipated City use of the Premises.

2.4 Written Renewal Required. Renewal is effective only upon written agreement executed prior to

expiration of the then-current term. Absence of full execution results in expiration without further obligation.
2.5 City Right to Decline Renewal. City may decline renewal without cause.
2.6 City Buyout for Municipal Purpose. City may terminate this Agreement in whole or in part upon twelve (12) months' written notice if any portion of the Premises is required for a municipal purpose such as water-reclamation facility expansion, solar facilities, or other public projects. Lessee shall be compensated for unharvested crops, City-retained permanent improvements, and reasonable documented pre-termination input costs.
2.7 Holdover. Any holdover is a month-to-month tenancy at City's discretion and may be terminated with thirty (30) days' notice.

ARTICLE 3. RENT
3.1 Base Rent. Lessee shall pay City twenty-five dollars ($25.00) per acre annually, based on 408 acres, for a total annual rent of $10,200, payable in advance on or before the Commencement Date and each anniversary.
3.2 Payment Location. Payments shall be made to the City of Visalia, Finance Department, 220 N. Santa Fe Street, Visalia, CA 93292.
3.3 Late Payment. Rent unpaid within thirty (30) days accrues interest at the lesser of ten percent (10%) per annum or the maximum allowed by law.
3.4 No Offset. Rent shall not be offset unless expressly authorized by this Agreement or required by law.

ARTICLE 4. USE OF PREMISES
4.1 Permitted Use. Lessee submitted a proposal ("Proposal"), attached hereto as Exhibit B and incorporated herein by this reference, in response to City's Request for Proposals No. 25-26-15 ("RFP"), attached hereto as Exhibit C, and incorporated herein by this reference, for the long-term lease and agricultural management of the Premises. Lessee may use the Premises solely for agricultural production, field preparation, surface-water irrigation, and groundwater-recharge operations as set forth further in this agreement and consistent with the terms and conditions set forth in Exhibits B and C.
4.2 Prohibited Uses. Lessee shall not pump groundwater, apply reclaimed water without City approval, house animals, create nuisances, store hazardous materials except as permitted by law, or use City booster pumps without written permission.
4.3 Stewardship. Lessee shall maintain the Premises in productive agricultural condition, including weed control, dust management, stubble shredding, field preparation, and compliance with state and federal requirements.
4.4 Compliance. Lessee shall comply with the statutory and regulatory requirements of the Sustainable Groundwater Management Aact ("SGMA") and the Irrigated Lands Regulatory Program "ILRP"), for the IRLP, as further set forth in Exhibit E, which is attached hereto and incorporated herein by this reference. To the extent Lessee's activities are regulated by the Mid Kaweah GSA ("MKGSA") and/or Tulare Irrigation District ("TID"), Lessee shall be responsible for compliance with all applicable laws and regulations.

4.5 Soil Amendments. Manure and amendments shall comply with ILRP nutrient-management requirements, including setbacks and runoff controls.
4.6 Recharge Crop Flexibility. Lessee may temporarily forego or reduce crop production to maximize recharge opportunities.

ARTICLE 5. WATER MANAGEMENT AND SGMA COMPLIANCE
5.1 The Parties have discussed the feasibility of the use of and/or recharge of surface water on the Premises, and the appropriate water-accounting responsibilities and SGMA compliance activities required for same, and have agreed to allow for the for the use and/or recharge of surface water under the terms and conditions of this Article 5, and the terms and conditions of Exhibit D, attached hereto and incorporated herein by this reference.
5.2 Dashboard Administration. TID/MKGSA shall assign the Premises to Lessee within the Kaweah Subbasin Water Dashboard. City retains owner status and viewer-only access. APN segmentation shall isolate farmable leased acreage.
5.3 Groundwater Allocation. All dashboard allocations or credits attributable to the Premises during the Term shall accrue to Lessee, subject to MKGSA rules. Groundwater pumping remains prohibited.
5.4 Surface-Water Use. Lessee may apply flood-release water, storage-release water, and independently secured surface water (such as Persian-Watson shares) that do not reduce City supplies.
5.5 City's Ten Percent (10%) Water Credit. City shall receive ten percent (10%) of the gross head gate diversion of qualifying flood-release or storage-release water applied to the Premises, measured at the head gate located on the Premises (the "Premises Head Gate").
For the avoidance of doubt, the ten percent (10%) shall be calculated on the volume of qualifying water diverted at the Premises Head Gate and shall exclude any conveyance, transit, seepage, or other water losses occurring in the supply canal or otherwise upstream of the Premises Head Gate. Independently secured water (e.g., Persian-Watson Ditch Company shares) is excluded.
5.6 Annual and Final Reconciliation. Lessee shall perform annual reconciliations and a final reconciliation upon termination. City's 10% allocation shall be transferred annually through the district accounting process following each true-up. Dashboard control returns to City at the end of the Term.
5.7 ILRP Compliance. Lessee is solely responsible for all ILRP reporting, testing, and nutrient-management compliance, and as further set forth in Exhibit E.
5.8 Future SGMA Changes. The Parties acknowledge that SGMA rules evolve and agree the operational intent of this Agreement shall remain enforceable notwithstanding changes in terminology or accounting structure.
5.9 GSA Allocation Confirmation Letter. Promptly following the Commencement Date, and in any event within thirty (30) days thereof, the City shall deliver a letter to the Mid-Kaweah Groundwater Sustainability Agency ("MKGSA") confirming that, during the Term, Lessee shall pay for and receive any allocation attributable to the Premises, and that any allocation credit remaining in the account upon expiration or earlier termination of the Term shall remain in Lessee's account, to be administered in accordance with the Kaweah Subbasin Water Accounting Framework and

applicable MKGSA rules. The City shall reasonably cooperate with Lessee and the MKGSA to give effect to this Section.

ARTICLE 6. IMPROVEMENTS AND INFRASTRUCTURE

6.1 Lessee Improvements. Lessee may install irrigation pipelines, borders, levees, temporary pump installations, access improvements, or other structures reasonably necessary for farming or recharge. Permanent improvements require City approval.

6.2 Cost Responsibility. All improvements shall be constructed, maintained, and repaired at Lessee's sole cost.

6.3 Ownership. Removable trade fixtures remain Lessee's property; permanent improvements become City property unless otherwise agreed.

6.4 Ditch Pumps and Slough Access. Lessee is responsible for repair and operation of existing ditch pumps. Lessee may pump into or out of the slough consistent with agency rules. The temporary construction easement and berm detail referenced in Figures A-1 and A-2 affect portions of the Premises.

6.5 Recharge Infrastructure. Lessee may construct and maintain borders, levees, basins, and temporary conveyance structures for recharge.

6.6 City Responsibility. City has no obligation to provide water, repair pumps, or supply power.

ARTICLE 7. MAINTENANCE, TAXES, AND ASSESSMENTS

7.1 Condition of Premises. Lessee shall keep the Premises in agricultural condition and surrender them in comparable condition upon termination, ordinary wear and tear excepted.

7.2 Maintenance Duties. Lessee shall maintain all irrigation infrastructure, pumps, access roads, and recharge structures.

7.3 Taxes. Lessee shall pay all possessory-interest taxes, ILRP fees, SGMA fees, and assessments related to Lessee's use and improvements.

7.4 Contesting Taxes. Lessee may contest taxes but must prevent liens and protect City.

ARTICLE 8. INSURANCE AND INDEMNIFICATION

8.1 Insurance. Throughout the term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept in force, for the mutual benefit of Lessor and Lessee, comprehensive broad form general public liability insurance against claims and liability for personal Injury, death, or property damage arising from the use, occupancy, disuse, or condition of the Premises, improvements, or adjoining areas or ways, providing protection for bodily injury or death to anyone person, at least $1,000,000 for anyone accident or occurrence, and $2,000,000 aggregate. Also throughout the Agreement terms, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept in force, workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than $1,000,000 per accident.

All insurance required by express provision of this Agreement shall be carried only in responsible insurance companies licensed to do business in the State of California. All such policies shall be nonassessable and shall contain language, to the extent obtainable, to the effect that (1) any loss shall be payable notwithstanding any act or negligence of Lessor that might otherwise result in a forfeiture of the insurance, (2) the insurer waives the right of subrogation against Lessor and against Lessor's agents and representatives, (3) the policies are primary and noncontributing with any insurance that may be carried by Lessor, and (4) they cannot be canceled or materially changed except after 30 days' notice by the insurer to Lessor or Lessor's designated representative. (5) LESSOR shall be named an additional insured. Lessee shall furnish Lessor with binders representing all insurance required by this Agreement. Lessee may effect for its own account any insurance not required under this Ground Lease Agreement. Lessee may provide by blanket insurance covering the Premises and any other location or locations any insurance required or permitted under this Agreement provided it is acceptable to all mortgages. Lessee shall deliver to Lessor, in the manner required for notices, copies or certificates of all insurance policies required by this Agreement, together with evidence satisfactory to Lessor of payment required for procurement and maintenance of the policy, within the following limits:

a. For insurance required at the commencement of this Agreement, within 30 days after the execution of this Agreement;
b. For insurance becoming required at a later date, at least 15 days before the requirement takes effect, or as soon thereafter as the requirement, if new, takes effect.
c. For any renewal or replacement of a policy already in existence, at least 30 days before expiration or other termination of the existing policy.

If Lessee fails or refuses to procure or to maintain insurance as required by this Ground Lease Agreement or fails or refuses to furnish Lessor with required proof that the insurance has been procured and is in force and paid for, Lessor shall have the right at Lessor's election and on 5 day notice, to procure and maintain such insurance. The premiums paid Lessor shall be treated as added rent due from Lessee with interest at the rate of 18 percent per year, to be paid on the first day of the month following the date on which the premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the date of the notice.

8.2 Indemnification. LESSEE hereby agrees to and shall protect, indemnify, and hold harmless the LESSOR and all officers, agents, representatives, and employees thereof from any and all liability, claims, or damages of whatsoever kind or character, including attorneys' fees and costs of all types incurred in defense of any of the said parties from said claims or liability, because of or arising out of, directly or indirectly, the acts or omissions of the LESSEE, LESSEE's independent contractors, employees, representatives, agents and invitees, and the passive or active negligent acts or omissions of the LESSOR or its officers, agents, representatives, and employees while acting within the scope of their duties regarding work to be performed pursuant to this Ground Lease Agreement. Said indemnification and hold harmless provisions shall be in full force and effect regardless of whether or not there shall be insurance policies covering and applicable to such damages, claims, or liability. This agreement shall be binding upon the LESSEE whether or not there are any allegations of fault, negligence, or liability of the indemnities hereunder.

ARTICLE 9. ASSIGNMENT
9.1 Assignment. Lessee may not assign or sublet without City's prior written consent.
9.2 No Release. Assignment does not release Lessee absent written City approval.

ARTICLE 10. DEFAULT AND REMEDIES
10.1 Events of Default. Default includes failure to pay rent, failure to comply with obligations, abandonment, lapse of insurance, failure to maintain, and SGMA/ILRP violations.
10.2 Remedies. Upon default, City may terminate, re-enter, re-let, use or store Lessee's property, recover rent and damages, or cure Lessee's obligations at Lessee's cost.
10.3 No Waiver. Acceptance of rent is not a waiver.

ARTICLE 11. TERMINATION AND GROWING CROPS
11.1 Termination. This Agreement terminates at the end of the Term, upon default, or City's municipal-purpose buyout.
11.2 Growing Crops. Lessee may harvest crops planted before termination, subject to conditions.

ARTICLE 12. DISCLOSURE
12.1 Disclosure. Lessee discloses its principal's roles with Mid-Kaweah GSA and Persian-Watson Ditch Company; Parties confirm arm's-length negotiation.

ARTICLE 13. NOTICES
13.1 Notices. Notices shall be in writing and delivered personally, by certified mail, or by overnight courier.
Addresses:
City of Visalia, 707 E. Acequia Avenue, Visalia, CA 93291
Copy: Public Works, 7579 Avenue 288, Visalia, CA 93277
Lessee: Correia Custom Farming, Inc., 1434 N. West Street, Tulare, CA 93274

ARTICLE 14. GENERAL PROVISIONS
14.1 Governing Law. California law governs; venue lies in Tulare County.
14.2 Entire Agreement. This Agreement and Exhibits constitute the entire agreement.
14.3 Amendment. Must be in writing.
14.4 Severability. Invalid provisions do not affect remainder.
14.5 Time of Essence. Time is of the essence.
14.6 Counterparts. Electronic signatures permitted.
14.7 Binding Effect. Agreement binds successors and permitted assigns.

SIGNATURES

Lessee: Correia Custom Farming, Inc.
By: ________________________________

Title: ___________________________________
Date: ___________________________________

City of Visalia
City Manager: ____________________________
Date: ___________________________________

Risk Manager: ____________________________
Date: ___________________________________

City Attorney (Approved as to Form): _________________________
Date: ___________________________________

EXHIBIT A – LEGAL DESCRIPTION, MAP, AND EASEMENT SUMMARY
EXHIBIT B – LESSEE PROPOSAL
EXHIBIT C – RFP NO. 25-26-15
EXHIBIT D – WATER ACCOUNTING FRAMEWORK SUMMARY
EXHIBIT E – ILRP NUTRIENT-MANAGEMENT REQUIREMENTS

EXHIBIT A
LEGAL DESCRIPTION, MAP, AND EASEMENT SUMMARY
(City of Visalia – 408-Acre Open Ground Property)

A-1. Property Identification
The Premises consist of approximately 408 acres of City-owned agricultural open ground located near State Highway 99 and State Highway 198, adjacent to the Visalia Water Reclamation Facility (WRF).
The Premises include the following Assessor's Parcel Numbers (APNs), as documented on the City's official parcel map:

- APN 118-020-036
- APN 118-020-037
- APN 119-010-021

These three APNs collectively comprise the lease area.

A-2. Farmable Acreage and SCE Easements
Of the 408 total acres, approximately 405.82 acres are farmable.
The remaining 2.18 acres are excluded due to Southern California Edison easements, as confirmed by City Engineering staff:

- Southern California Edison Easements (Total: 2.18 Acres)
- Transmission Pole Easement: 0.76 acres
- Distribution Pole Easement: 0.08 acres
- Temporary Construction Easement: 1.34 acres
- Total Excluded Acreage: 2.18 acres

These acreages were provided by the City of Visalia Senior Civil Engineer, Eric Bons, P.E., in the November 2025 correspondence regarding the Hwy-99 & Ave 280 Interchange project.

A-3. Exhibit A Map
The official City map titled:
"Visalia Water Reclamation Facility – Open Ground Land Lease Map"
showing:

- APN boundaries
- City limits
- Section 1 (163 acres)
- Section 2 (149 acres)
- Section 3 (96 acres)

is incorporated herein and attached as Exhibit A – Map (next page):

Visalia Water Reclamation Facility Open Ground Land Lease

N

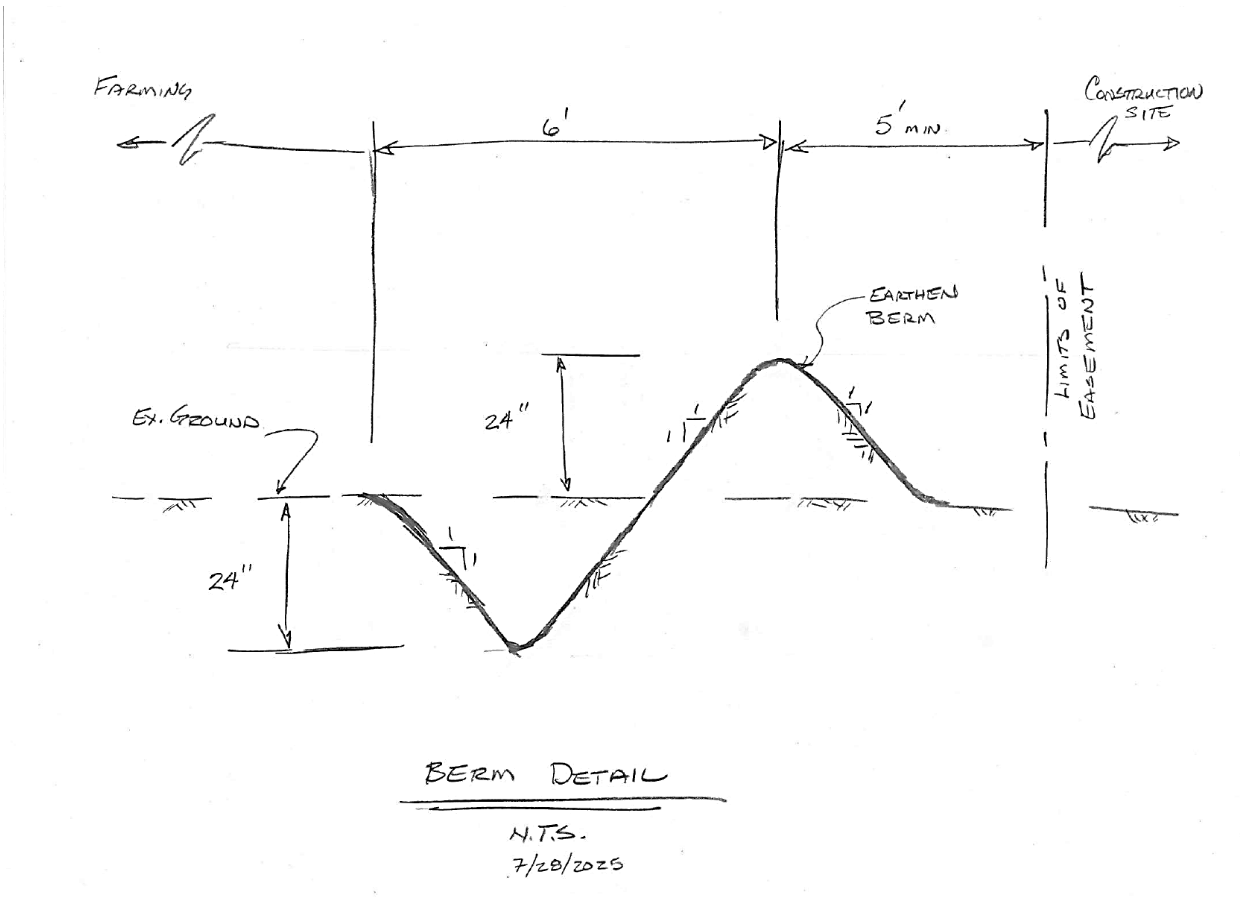
0 500 1,000 2,000 Feet

City Limits
Parcels
Exhibit

A-4. Berm Detail Related to Temporary Construction Easement

The earth berm detail prepared for Caltrans' contractor (Granite Construction Co.) titled:
"BERM DETAIL – N.T.S. – 7/28/2025"
is incorporated into this exhibit to document construction restrictions and the boundary of the SCE temporary construction easement.

This detail appears here:



City staff confirmed that:

• The berm was proposed for the purpose of preventing irrigation or flood water from entering the Caltrans construction area.
• If constructed, it must be removed and the area regraded to existing conditions following completion of work.
• The berm location corresponds to the temporary construction easement included in the 2.18 acres of excluded land.

A-5. Summary Table

Category	Acres	Notes
Total Parcel Acreage	408.00	From City parcel map
Total Farmable Acreage	405.82	After removing SCE easements
Transmission Pole Easement	0.76	Excluded
Distribution Pole Easement	0.08	Excluded
Temporary Construction Easement	1.34	Excluded
Total Easement Acreage Excluded	2.18	Confirmed by City Engineering

A-6. Effect on Lease

The acreage described herein establishes:

• The rent basis (408 acres)

• The farmable acreage (405.82 acres)

• The excluded acreage (2.18 acres, not available for farming or surface-water application)

• Boundaries for planting, recharge operations, and maintenance obligations

EXHIBIT B

LESSEE PROPOSAL

EXHIBIT C

RFP-25-26-15

RFP-25-26-15A1

RFP-25-26-15A2

EXHIBIT D

WATER ACCOUNTING FRAMEWORK SUMMARY

This summary captures the operational, accounting, and administrative framework confirmed by the City, TID, MKGSA, and the Lessee during the June 4, 2026 meeting.

D-1. Dashboard & APN Administration

• Premises assigned to Lessee as operator in Kaweah Subbasin Water Dashboard.
• City retains owner role.
• APN segmentation isolates farmable acreage from non-leased portions.
• Dashboard supports separation of operator and owner information.
• City may maintain viewer-only access.

D-2. Water Accounts

• Lessee manages Water Account No. 16 components associated with the Premises.
• City retains Water Account No. 1562 for City portfolio management.

D-3. City's 10% Annual Water Credit

• Applies only to qualifying storage-release and flood-release water.
• Calculated from the head gate diversion measured at the head gate located on the Premises (the "Premises Head Gate"), excluding any conveyance, transit, seepage, or other supply-canal losses occurring upstream of the Premises Head Gate.
• Excludes independently secured water (e.g., Persian-Watson shares).
• District leave-behind does not reduce City's 10% calculation.
• Accounting logs maintained by Lessee.

D-4. Annual and End-of-Term True-Up

• Lessee performs annual reconciliations.
• City receives 10% annual share.
• Final reconciliation upon termination.
• Dashboard control returns to City following reconciliation.
• Remaining operator credits revert to Lessee per MKGSA rules.

D-5. Surface Water & Recharge Operations

• Operational feasibility confirmed for:
– existing ditch pumps;
– pumping into slough and lifting;
– borders and levees;

– recharge infiltration;
– coordination with pecan orchard users where applicable.
• Recharge dependent on hydrology, infrastructure capacity, operator readiness.

D-6. SGMA, GSP, Basin Administration

• Property located within surface-water-eligible area.
• Accounting, pumping limitations, and transfer rules vary by GSA.
• Lease language must remain adaptable due to evolving SGMA terminology.

EXHIBIT E

ILRP NUTRIENT-MANAGEMENT REQUIREMENTS

This Exhibit summarizes the Irrigated Lands Regulatory Program (ILRP) obligations applicable to the leased acreage.

E-1. ILRP Compliance Is Solely Lessee's Responsibility

Lessee is responsible for:

• Enrollment in the appropriate coalition (KBWQA).
• Annual Member Dues to coalition.
• Farm Evaluations and Annual Reporting.
• Nitrogen Management Plan (NMP) and Summary Reports.
• Soil sampling and nutrient budgeting.
• Irrigation and nitrogen-use reporting.
• Setback distances from watercourses.
• Field runoff controls and erosion prevention.
• Documentation retention for a minimum of 7 years.

E-2. Manure Application Standards

Manure applications must comply with:

• ILRP nutrient-application limits;
• Total nitrogen budgeting;
• Soil testing before and after application;
• Proper setback distances;
• No discharge of manure to surface waters;
• Winter application restrictions where applicable.

E-3. Coalition & Regulatory Reporting

Lessee shall timely submit:

• Annual ILRP reporting;
• Any required third-party documentation;
• Field-specific nitrogen reporting;
• Documentation required by CVRWQCB.

E-4. City Access to Records

Upon request, Lessee shall provide the City:

- NMPs (summaries, not proprietary details);
- Annual ILRP compliance confirmations;
- Soil test summaries;
- Records demonstrating compliance.