

CROP MAINTENANCE AGREEMENT

THIS CROP MAINTENANCE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2023 (“Effective Date”) by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation, (“City”), and GLESS RANCH, INC., a California corporation (“Contractor”), with reference to the following facts:

A. City is the owner of those certain parcels of property (“Groves”) located in the area bounded by Victoria Avenue, along Dufferin Avenue between Van Buren Boulevard and Irving Street, in the City of Riverside, California as more particularly described by Assessor Parcel Numbers and as depicted on the map in Exhibit “A,” attached hereto and incorporated herein. The Groves are currently planted in citrus and avocado.

B. Contractor is in the business of farming and maintenance of citrus and avocado groves.

C. City is desirous of employing Contractor to farm, manage and maintain the Groves and Contractor is agreeable to the same.

NOW, THEREFORE, incorporating the above referenced facts, City and Contractor agree as follows:

1. CONTRACTOR'S OBLIGATIONS

1.1 Care and Maintenance. Contractor shall use its best efforts to grow and maintain the Groves so as to allow for the eventual harvesting. Contractor shall care for and maintain the Groves consistent with good citrus farming practices for similar farming operations, which includes, without limitation, the following:

- (a) fertilization;
- (b) regular irrigation and maintenance of irrigation systems in good operating condition;
- (c) pest, weed and disease control applied by licensed pest control applicators working in conjunction with a licensed pest control advisor, which pest, weed and disease control applications shall be done in accordance with generally accepted practices;

3. TERM; RENEWAL; TERMINATION

3.1 Term. The term of this Agreement shall commence as of June 1, 2023 and shall terminate on June 30, 2028 (“Termination Date”) unless extended as provided herein.

3.2 Renewal. The term may be extended by mutual consent of the parties for four (4) additional five (5) year periods, not to exceed a total of twenty (20) additional years. All such extensions/amendments shall be made in writing and approved by the parties and the Termination Date shall be extended according to each applicable extension.

4. COMPENSATION

4.1 Compensation. Contractor shall perform the services under this Agreement in return for the Permitted Use of the Groves and shall also pay the City the following fees:

a. Annual Fruit Stand – an annual fee of \$18,000 due on or before June 30, 2024, and then annually on June 30 of each consecutive year the Agreement is in effect.

b. Annual Grove Fee – an annual fee of \$500 per planted acre based on 54.4 planted acres totaling \$27,200 due on or before June 30, 2024 and then annually on June 30 of each consecutive year the Agreement is in effect.

c. Contingent Profit Share – As detailed in Section 4.2 below, Contractor shall remit a contingent profit share fee of 35% of profit in Profit Years.

4.2 Contingent Profit Share. In addition to the Annual Grove Fee, Contractor shall remit an annual fee equal to 35% of all Crop Year Profits (if any) made in a Crop Year. Crop Year shall be defined as July 1 of a given year through June 30 of the following year. Crop Year Profit shall be defined as monetary proceeds received from a packing house in return for fruit picked during a Crop Year (“Crop Returns”), less expenses incurred in that Crop Year. Due to the nature of the agricultural business, some or all of the Crop Returns may be received after the close of a Crop Year. In the event a Crop Year Profit is negative (“Crop Year Loss”),

publication for the month of April preceding each Adjustment Date shall be the "Comparison Index". The Index in publication for the month of April as it stands twelve months prior to the "Comparison Index" shall be the "Base Index". As of each Adjustment Date, the adjusted Fee payable during the ensuing five (5) year period shall be determined by increasing the initial or previous Fee by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. The percentage increase, if any, in the Index used to adjust the Fee shall be rounded to the nearest tenth of a percent and shall not exceed ten (10) percent of the prior five (5) year period Fee. If the Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of the first Adjustment Date), the adjusted Fee for the ensuing five (5) year period shall remain the amount of the Fee payable during the preceding five (5) year period. When the adjusted Fee payable as of each Adjustment Date is determined, City shall promptly give Contractor written notice of such adjusted Fee.

4.5 Contractor's Records. Contractor shall maintain and keep full and accurate books of account, records and other pertinent data including receipts and invoices evidencing and supporting the services performed, any capital improvements made and all profit and loss statements. Such books, records and data shall be kept for not less than two years after the close of each year. Contractor shall submit a preliminary statement of accounting annually, from a certified accountant, on or prior to August 1st of each year.

4.6 City Audit. Contractor agrees to make all books, records and data required pursuant to subparagraphs 4.2 and 4.3 available for inspection and audit by City and its authorized representatives during reasonable times.

capacities with the ownership and leasing of citrus groves and the planting, cultivation, farming, harvesting, packing, and sale of citrus; (ii) Contractor intends to contract with various individuals, partnerships, corporations, and other entities to provide services to Contractor in connection with Contractor's performance of its obligations under this Agreement; and (iii) the officers, directors and shareholders of Contractor may be involved individually and in such other capacities with such partnerships, corporations, and other entities used by Contractor to provide and perform such services (collectively, "Related Parties").

6.2 City and Contractor expressly agree that: (i) Contractor may utilize such Related Parties as Contractor may determine to provide and perform all such services so long as the cost of the services provided by such Related Parties is comparable to the cost of such services provided by unrelated parties; and (ii) all references in this Agreement to, or relating to, Contractor's employees or any employment by Contractor shall be strictly construed and limited solely to only (a) employees of Contractor (and not the employees of any individual, partnership, corporation or other entity utilized by Contractor in connection with the Groves) and (b) employment by Contractor only on the Groves (and not at any other location owned or operated by Contractor).

6.3 Contractor agrees that during the term of this Agreement, Contractor shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition (including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto), marital status, sex or sexual orientation in the selection and retention of Contractor's employees on the Groves or Contractor's contractors for the Groves.

7. DAMAGE OR DESTRUCTION

Contractor shall be responsible for the farming and routine maintenance of the Groves, but shall not be responsible for compensating City for or have any obligation in connection with the restoration of the individual citrus trees which shall either or both be damaged or destroyed in whole or in part, unless such damage or destruction is due to Contractor's willful misconduct or

9.1.4 Adequacy. The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Contractor pursuant to this Agreement are adequate to protect Contractor. If Contractor believes that any required insurance coverage is inadequate, Contractor will obtain such additional insurance coverage as Contractor deems adequate, at Contractor's sole expense.

9.2 Workers' Compensation Insurance. By executing this Agreement, Contractor certifies that Contractor is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Contractor shall carry the insurance or provide for self-insurance required by California law to protect said Contractor from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Contractor shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Contractor is self-insured for such coverage, or 2) a certified statement that Contractor has no employees, and acknowledging that if Contractor does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days' prior written notice before modification or cancellation thereof.

9.3 Commercial General Liability and Automobile Insurance. Prior to City's execution of this Agreement, Contractor shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Contractor against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Contractor. The City, and its officers, employees and agents, shall be named as additional insureds under the Contractor's insurance policies.

9.3.1 Contractor's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises

10. INDEMNIFICATION

Contractor shall indemnify and hold harmless the City, and the City's employees, officers, managers, agents and council members from any liability, claim, damage or action whatsoever, arising out of the sole negligence or willful misconduct of Contractor, its officers, employees, subcontractors, agents or including, but not limited to, property damage, bodily injury, or death. Contractor shall defend, at its sole cost and expense, including but not limited to attorney fees, cost of investigation, defense and settlement or awards, the City and the City's employees, officers, managers, agents and council members in any such action or claim. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of City; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification of City. Contractor's obligations hereunder shall be satisfied when Contractor has provided to City the appropriate form of dismissal (or similar document) relieving the City from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless the City.

11. ENTRY BY CITY

Provided City gives Contractor verbal or written notice prior to such entry and does not interfere with Contractor's farming and maintenance of the Groves, City may enter upon the Groves at such reasonable times as City may desire (i) to inspect the Groves to determine Contractor's compliance with the provisions of this Agreement and (ii) in connection with City's obligations under this Agreement.

12. CONTRACTOR'S DEFAULTS; REMEDIES

12.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

City's damages for material breach shall include all costs and fees, including reasonable attorneys' fees incurred by City in connection with the filing, commencement, pursuing or defending of any action in any court with respect to this Agreement, including obtaining of relief from any stay in bankruptcy proceeding, or pursuing any action with respect to City's right to possession of the Groves.

13. AUTHORITY OF PARTIES

Each of the parties to this Agreement warrants and represents to the other party as a material inducement to such other party for its execution and delivery of this Agreement that: (i) such party has the legal power, right and authority to enter into this Agreement, to consummate the transactions contemplated by this Agreement, to perform its obligations under this Agreement and to bind itself to such entry, consummation and performance; (ii) such party is not aware of any law, regulation, judgment, decree, decision, order, contract, agreement or obligation which might materially adversely affect the ability of such party to enter into this Agreement, to consummate such transactions, to assume and perform such obligations, or to bind itself to do so; (iii) such party shall not prevent, limit or restrict its ability to enter into this Agreement, to consummate such transactions, to assume and perform such obligations, or to bind itself to do so, including the exercise of any right such party may otherwise have in connection with the Groves which would have any such effect; (iv) each individual executing this Agreement on behalf of such party is duly authorized to execute and deliver this Agreement on behalf of such party; and (v) this Agreement and all documents required to be executed by such party in connection with this Agreement are and shall be valid and enforceable against such party.

14. ASSIGNMENT

This Agreement is personal to Contractor and is entered into by City based upon the experience and expertise of Contractor. Whether voluntarily or by operation of law, Contractor shall not assign or transfer all or any part of this Agreement or Contractor's rights or obligations

18. NON-DISCRIMINATION

During Contractor's performance of this Agreement, Contractor shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Contractor agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

19. PARAGRAPH TITLES

The paragraph titles of this Agreement (i) are inserted only for the convenience of the parties, (ii) are not intended to describe, define, limit, or otherwise affect the provisions in the portions of the Agreement to which they pertain, and (iii) in no way describe, define, limit, or otherwise affect the scope or intent of this Agreement or in any way affect the agreement of the parties set out in this Agreement.

20. NO AGENCY OR PARTNERSHIP

Nothing in this Agreement or in any document executed or delivered in connection with this Agreement is intended to be or to create, nor shall it be or create or be construed to be or to create, any agency, partnership, limited partnership, joint venture, corporation, trust, tenancy in common, co-ownership, or other relations between City and Contractor other than Owner and Contractor in connection only with the Groves.

21. INTEGRATION

This Agreement (including all exhibits attached hereto) contains the entire and only agreement and understanding between the parties with respect to the Groves, and all prior or contemporaneous agreements, understandings, representations, warranties, and other statements, oral or written, by or between the parties to this Agreement are merged herein and superseded by

and pay Contractor only for the value of work Contractor has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Contractor the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

26. PREVAILING WAGE

If applicable, pursuant to Section 1771 of the California Labor Code, Contractors are required to pay the general prevailing rates of per diem wages, overtime and holiday wages as determined by the Director of the Department of Industrial Relations and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination of prevailing wage rates is available on-line at:

www.dir.ca.gov/dlsr/DPreWageDetermination.htm

and is referred to and made a part hereof as though fully set forth herein. California Labor Code Sections 1725.5 and 1771.1 requiring all general contractors and subcontractors to be registered with DIR. Registration can be accomplished through the DIR website by using this link: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

27. WAIVER.

No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically provided in this Agreement or as may be agreed in writing.

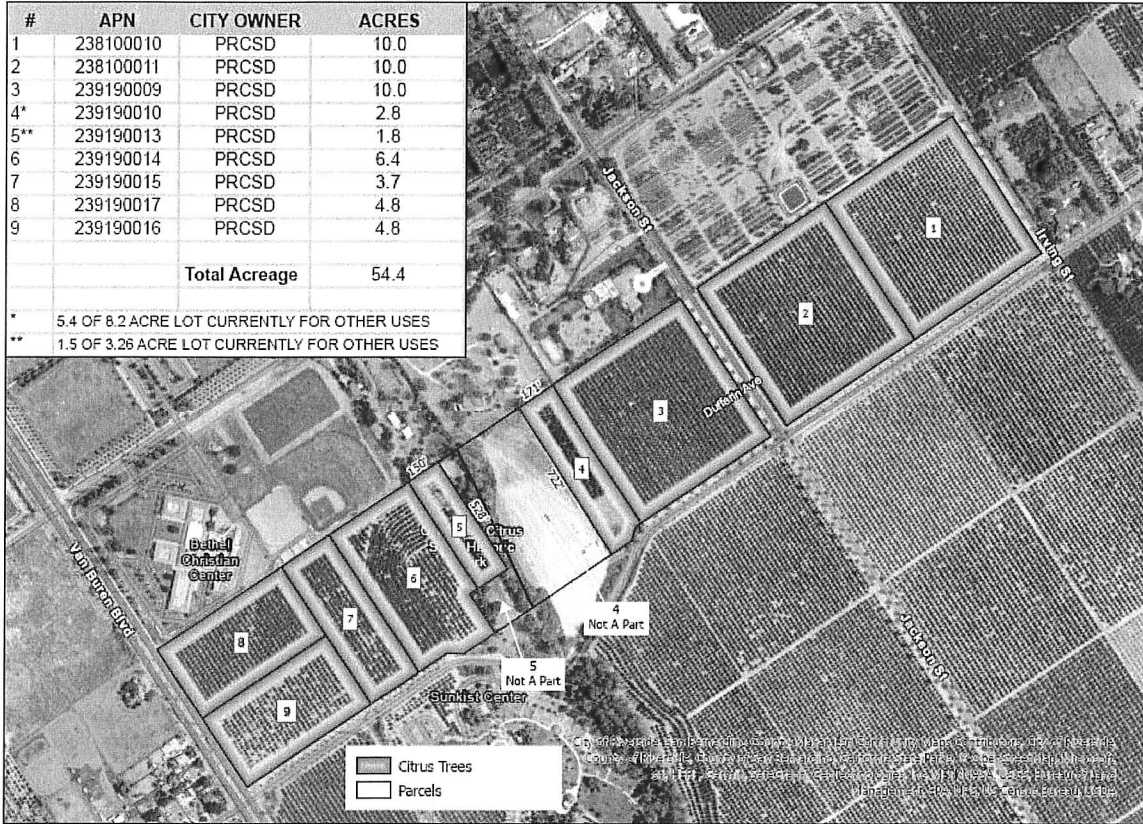
28. SEVERABILITY

Each provision, term, condition, covenant and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and

EXHIBIT "A"

ASSESSOR PARCEL NUMBERS AND MAP OF GROVES

| # | APN | CITY OWNER | ACRES |
|--|-----------|------------|-------------|
| 1 | 238100010 | PRCSD | 10.0 |
| 2 | 238100011 | PRCSD | 10.0 |
| 3 | 239190009 | PRCSD | 10.0 |
| 4* | 239190010 | PRCSD | 2.8 |
| 5** | 239190013 | PRCSD | 1.8 |
| 6 | 239190014 | PRCSD | 6.4 |
| 7 | 239190015 | PRCSD | 3.7 |
| 8 | 239190017 | PRCSD | 4.8 |
| 9 | 239190016 | PRCSD | 4.8 |
| Total Acreage | | | 54.4 |
| * 5.4 OF 8.2 ACRE LOT CURRENTLY FOR OTHER USES | | | |
| ** 1.5 OF 3.26 ACRE LOT CURRENTLY FOR OTHER USES | | | |



0 300 600 1,200 Feet

EXHIBIT "C"

KEY PERSONNEL

John J. Gless, President

John S. Gless, Director of Farming Operations, Kern County

John C. Gless, Director of Farming Operations, Riverside County

Raul Garcia, Primary Pest Control Advisor

Lorena Stoller, Citrus Nursery Manager and Secondary Pest Control Advisor

Betsy Gless Demshki, Farmers Market Manager

Jason Gless, General Counsel