

# Exhibit 4

## LIVESTOCK GRAZING LEASE

This Lease is effective as of November 1, 2014 and is entered into by and between the American River Conservancy (the "Landlord") and Neilsen Ranch (the "Tenant").

1. **PROPERTY.** Landlord hereby leases to Tenant, to occupy and use for livestock grazing purposes only, that certain real property situated in the County of El Dorado, State of California (the "Property"). This lease covers real property, containing 2,138.56 acres, as shown on Exhibit "A" attached hereto and made a part hereof.
2. **TERM.** The term of this Lease shall be for a five year period commencing November 1, 2014 and continuing through October 31, 2019.
3. **RENT.** Tenant shall pay Landlord a total of \$23,524 (Twenty-three thousand five hundred and twenty-four dollars) with all the rent due upon lease execution and subsequent annual payments made by November 1<sup>st</sup> of each year. Please make payment to the American River Conservancy and mail to Landlord's address, as shown on page 6 of this agreement.
4. **USE.**
  - 4.1. Tenant shall use and occupy the Property only for the purpose of grazing livestock.
  - 4.2. Tenant shall not install or permit any other person to install on the Property any underground storage tank or other subsurface container.
  - 4.3. Tenant shall not drill or permit any other person to drill on the Property for any use whatsoever, without the prior written consent of Landlord.
  - 4.4. During the term of this Lease, Tenant shall conduct, on as few locations as reasonably possible and only at such locations as are previously reviewed and approved by Landlord, all storage, mixing, loading, transfer and handling of all chemical substances on the Property, including, but not limited to, pesticides, herbicides, fumigants and fertilizers.
5. **ENVIRONMENTAL COMPLIANCE.**
  - 5.1. For the purposes of this Section 5, the term "Hazardous Substance" shall be defined as any radioactive, hazardous, or toxic substance, material, waste or similar term, the presence of which on the Property, or the discharge or omission from the Property;

- 5.2. Is prohibited by any statute, regulation, rule, or law of the United States, the State of California, or any local, governmental or regulatory authority exercising jurisdiction over the Property, as amended from time to time;
- 5.3. Requires special handling in collection, storage, treatment, or disposal by any statute, regulation, rule, or law of the United States, the State of California, or any local, governmental or regulatory authority exercising jurisdiction over the Property, as amended from time to time.
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- 5.4. During the term of this Lease, Tenant, and Tenant's agents, contractors, authorized representative, invitees and employees (collectively "Tenant's Agents") shall not engage in any of the following prohibited activities, and Tenant shall use its best and diligent efforts to see that Tenant's shall not:
- (a) Cause or permit any release or discharges of any Hazardous Substance from the Property, or
  - (b) Cause or permit any manufacturing, holding, handling, retaining, transporting, spilling, leaking, and disposing of any Hazardous Substance in or on any portion of the Property.
- 5.5. During the term of this Lease, Tenant shall comply, and cause Tenant's Agents, to comply, with all laws, statutes, ordinances, rules, and regulations of all authorities having jurisdiction over the Tenant and the Property in the use, handling, storage, application, or disposal of any chemical substance on the Property, including, but not limited to, pesticides, herbicides, fumigants and fertilizer.
- 5.6. Tenant, if it knows, or has reasonable cause to believe, that any Hazardous Substance has come to be located on the Property, shall, upon discovery, Immediately advice Landlord of such condition.
- 5.7. Should any Hazardous Substance come to be located on or beneath the Property as a result of the use of the Property by Tenant or Tenant's Agents during the term of Lease, Tenant shall pay immediately when due the cost of removal and/or remediation of any Hazardous Substances from the Property in compliance with all laws, regulations, or orders of any governmental or regulatory authority having to do with the removal of Hazardous Substances, and shall keep the entire Property free of any lien imposed pursuant to any such laws, regulations, or orders. Tenant shall immediately advise Landlord in writing

of any and all enforcement, cleanup, removal or other governmental or regulatory actions threatened, instituted or completed with respect to the Property or any property adjoining the Property pursuant to any Hazardous Substance Laws.

6. **RIGHT OF ENTRY.** Landlord reserves the right for himself or his agents, employees, assigns, and other persons authorized by Landlord, such as surveyors and engineers, to enter the Property at all reasonable times. Furthermore, Landlord reserves the right for himself or his agents, employees, assigns, and other persons authorized by Landlord to use the Property or any portion of the Property, upon thirty (30) days prior written notice to Tenant. Upon Landlord's exercise of his right to use, Tenant shall be refunded a pro rata portion of the rent based upon the acreage used by Landlord and the period of the term during which such acreage is used. Alternatively, for any reason, Landlord may terminate this Lease at any time by giving Tenant written notice thirty (30) days prior to such termination of the lease by Landlord. In the event of termination, rent paid by Tenant shall be refunded pro rata for the remaining term of the lease.
  
7. **ASSIGNMENT, SUBLETTING, SUBORDINATION.**
  - 7.1. **Tenant.** Tenant shall not voluntarily or by operation of law, assign, transfer, mortgage, sublet, or otherwise encumber all or any part of Tenant's interest, in this Lease or in the Property without Landlord's prior written consent. Any attempted assignment, transfer, mortgage, sublet, or encumbrance without such consent shall be void and shall constitute a breach of this Lease.
  
  - 7.2. **Landlord.** Landlord may assign, transfer, mortgage, sublet or otherwise encumber all or any part of Landlord's interest in the Property, including specifically landlord's right of entry reserved in paragraph 6 above.
  
  - 7.3. **Subordination.** This Lease is and shall be subordinate to any encumbrance now of record or recorded after the date of this Lease affecting the Property. Such subordination is effective without any further act of Tenant. Tenant shall from time to time on request from landlord execute and deliver any documents or instruments that may be required by a lender to effectuate any subordination.
  
8. **MAINTAINING THE PROPERTY.**
  - 8.1. **General maintenance.** Tenant shall maintain the Property during the term of Lease in as good a condition as such Property is at the beginning of the lease, normal wear and depreciation, and damage from causes beyond Tenant's control expected. Tenant agrees to keep the house and barn occupied to a standard of good repair at their sole expense and cost.



- 8.2 **Waste.** Tenant shall neither commit nor permit others to use the Property in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners or occupants of adjacent properties, nor shall tenant cause any objectionable odors or noises to be emitted onto adjacent properties.
- 8.3 **Fences.** Tenant shall maintain the fences, gates and other improvements on the Property in the same order and condition as when Tenant takes possession.
- 8.4 **Improvements.** Tenant shall not, without Landlord's written consent, erect or permit to be erected on the Property any non-removable structure or building or incur any expenses to Landlord for such purpose.
- 8.5. **Conservation Structures.** Tenant shall preserve all established water courses or ditches, including grass waterways and refrain from any operation or practice that will injure them.
- 8.6 **Removable Improvements.** Minor improvements of a temporary or removable nature which do not impair the condition or appearance of the Property may be made by Tenant at Tenant's own expense.
- 8.7 **Compensation for Damages.** Tenant shall, upon termination of this Lease, pay to Landlord reasonable compensation for any damages to the Property for which Tenant is responsible, ordinary wear and tear, and depreciation expected.
9. **INDEMNITY.** Tenant shall indemnify, defend, and hold harmless Landlord against and from any and all liabilities, claims for damages, costs, or attorney's fees, arising from any injury caused to any person, including Tenant, or to property belonging to anyone, including Tenant, while in, upon or in any way connected with the Property, including but not limited to, the conduct of any livestock grazing thereon and any damage caused by the livestock should they escape the fencing of the Property; and the flooding of public roads or neighboring lands because of improper or inadequate drainage or escaping waters due to any cause.
10. **INSURANCE.** Tenant agrees to keep Landlord free from all contractual liability arising out of or in connection with Tenant's use of the Property and shall indemnify Landlord pursuant to paragraph 9 above. Tenants shall procure and maintain general liability and property damage insurance in an amount not less than One Million Dollars (\$1,000,000.00) for any person injured, One Million Dollars (\$1,000,000.00) for any one accident and One Million Dollars (\$1,000,000.00) for property damage. The policies shall insure the contingent liability of the Landlord, shall name Landlord, its agents, employees and representatives as additional insured and the policies shall be deposited

with Landlord. Such insurance shall have an extended liability endorsement and shall cover the contractual liability of the Tenant pursuant to this Lease. The insurer's liability under such insurance policy shall be primary and the insurer shall not claim any right of apportionment, proration, or contribution by reason of any insurance carried by Landlord or any of Landlord's partners. Tenant further agrees to maintain during the term of this Lease at his own expense automobile liability and worker's compensation insurance in amounts satisfactory and otherwise acceptable to Landlord. Tenant shall provide Landlord with a certificate of proof of such insurance concurrent with the commencement of this Lease. The certificate must require the insurer to provide a minimum of thirty (30) days' written notice prior to cancellation, lapse or material modification of the policies. The wording "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any land upon the company, its agents or representatives" or any similar wording commonly found in the Cancellation section of the certificate shall be deleted. The certificate shall be signed in ink by the insurer, and shall not be executed a stamped signature.

11. **LIMITATION OF LESSOR'S LIABILITY.** The liability of Landlord for any obligation, claim or liability resulting from this Lease shall be limited to the amount of the Rent specified in Section 3 of this lease, and not partner, officer, director, shareholder or employee of Landlord shall be liable for any such obligation, claim or liability.

12. **TAXES.** All real property taxes and assessments shall be paid by Landlord.

13. **MISCELLANEOUS PROVISIONS.**

13.1 **Default.** Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

(a) Landlord can terminate Tenant's rights to possession of the Property at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease.

(b) Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is by law allowed to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

- 13.2 **No Partnership Created.** This Lease shall not be deemed to give rise to a partnership between Landlord and Tenant, and neither party shall have authority to obligate the other without written consent.
- 13.3 **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision thereof.
- 13.4 **Headings.** The headings contained in this Lease have been inserted for reference purposes only and shall in no way restrict or modify any of the terms or provision hereof.
- 13.5 **Entire Agreements.** This Lease contains all agreements of the Landlord and Tenant with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only if signed by the parties in interest at the time of the modification.
- 13.6 **Notices.** Any notice to the other party shall be in writing and may be served personally or by regular mail addressed to Landlord or Tenant respectively at the address set forth below:
- To Landlord:            American River Conservancy  
                                 Attn: Alan Ehrgott, Exec. Director  
                                 P.O. Box 562  
                                 Coloma, CA 95613-0562  
                                 Office: (530) 295-2190
- To Tenant:                Neilsen Ranch  
                                 Attn: Howard Neilsen  
                                 P.O. Box 1138  
                                 El Dorado, CA 95623  
                                 Office: (530) 622-1471
- 13.7 **Waivers.** The waiver by Landlord of any breach of any of the provisions herein contained, on the part of Tenant to be kept and performed, shall not be construed a waiver of any breach thereof subsequently arising or to be a waiver of the breach of any other of said provisions.
- 13.8 **Attorney's Fees.** If either Landlord or Tenant brings an action to enforce any of the provisions hereof or declare rights hereunder, the prevailing party in any



such action shall be entitled to reasonable attorney's fees to be paid by the losing party as fixed by the court.

IN WITNESS WHEREOF, the parties hereto have executed this Lease at El Dorado, California as of the day and year first written above.

LANDLORD

American River Conservancy

By:   
Alan Ehrgott, Executive Director

TENANT

Neilsen Ranch

By:   
Howard Neilsen

"Exhibit A"  
Property Description and Map

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# Cosumnes River - El Dorado Ranch

