



EXECUTIVE SUMMARY

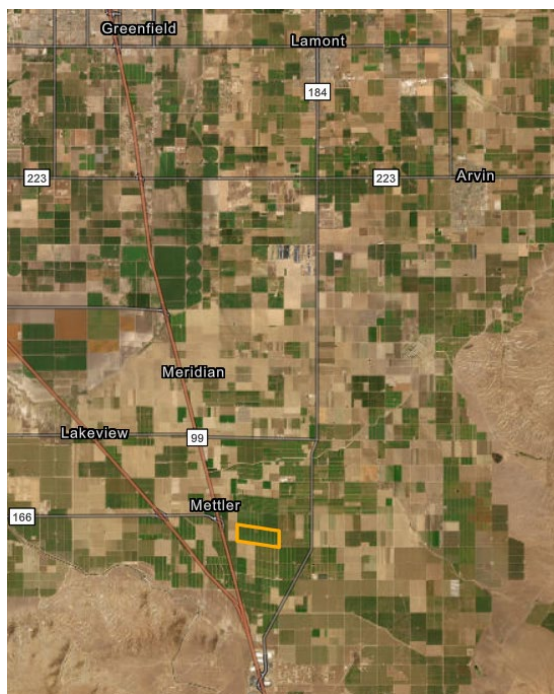
Kern Natalie South



EXECUTIVE SUMMARY

LOCATION The Kern Natalie South Farm or “Subject Property”, is located in Kern County, California and south of Bakersfield, California.

PHYSICAL ACCESS From Bakersfield, CA, head south on Highway 99 for approximately 20.5 miles. Take CA-166 east to Mettler Frontage Road. Head south on Mettler Frontage Road approximately 2.5 miles then east on Legray Road. Turn north on Natalie Road and head 1 mile to the southwest corner of the property.



LEGAL

Ownership: Orange Farms, LLC, a Delaware limited liability company

Surveyed Acres: 405.61

Agricultural Lease Terms

Lessor: Orange Farms, LLC

Effective Date: 04/11/2016

Expiration Date: 10/31/2035

Lease Term: 19 years and five months; option to extend the term of the lease for two additional five-year periods.

Acres: 378.00 acres of vacant land that is planted to a table grape vineyard. All vineyard improvements including the vines and trellis systems are personal property of Lessee.

Annual Rent: To be provided upon signing a NDA.



Taxes & Expenses: The tenant/lessee is responsible for real estate taxes and liability insurance, in addition to paying for all costs associated with maintaining the surface/subsurface irrigation improvements and irrigation costs.

Other agreements include:

- Second Amended and Restated Water Management Agreement
- Omnibus Consent and Agreement for Water Bank & Water Bank Rules
- Williamson Act Contract

PROPERTY TAXES

The Subject Property consists of two contiguous tax parcels with a gross acreage of 405.58 reported by the Kern County Assessor's Office. The two ATN¹'s and the reported acreage are as follows: 238-030-30-009 (245.37 ac) and 238-030-03-00-1 (160.21 ac). The 2022-2023 taxes for the Subject Property are \$73,844.47 or \$182.07 per gross assessed acre. According to the Kern County Treasurer & Tax Collector's Office, both installments for the 2022-2023 taxes have been paid in full.

The Subject Property is located within an agriculture preserve area. The Subject Property is under the terms, provisions, covenants, restrictions and conditions contained in a document executed pursuant to the California Land Conservation Act of 1965 (Williamson Act) and recorded March 18, 1988, as Instrument No. 88-029548 in Book 6104, Page 77 of Official Records.

IMPROVEMENTS

One home (564 SF), one shop building (1,920 SF), and a shed structure (2,400 SF).

IRRIGATION

The Subject Property currently holds an irrigation contract with the Wheeler Ridge Maricopa Water Storage District ("WRM") to irrigate 405.55 acres with surface water provided by WRM from two turnouts (AG20 and AG23). The contracts provide for a total of 616.00 acre feet from turnout AG20 and 404.00 acre feet from turnout AG23 for a total of 1,020.00 acre feet.

WRM is an irrigation district which receives its supplies from the State Water Project ("SWP") through a series of dams, storage and conveyance infrastructure that delivers water throughout the state. WRM's primary supply of water is through a SWP subcontract with the Kern County Water Agency.

WRM's primary surface water supply is a 197,088 acre feet per year (when the State allocation is 100%) contracted with the Kern County Water Agency. Additional SWP water is available to the district in wet years (Article 21 water). WRM delivers surface water and district developed groundwater annually to its farmers. The district supplements its surface water supplies during period of curtailments or drought conditions with numerous WRM wells that are used to recover wet year water that is recharged through district owned basins. In addition, WRM is able to source water from various open market

¹ Assessor Tax Number



transactions as a way to supplement its contracted supplies. WRM is advantageously located, enabling it to purchase and transact in supplemental water markets within and outside of its contracted SWP.

In addition to its surface water supplies, the Subject Property benefits from having access via the Water Sharing Agreement to four private irrigation wells², which provide supplemental water for irrigation. The Agreement allows for surface water and pumped groundwater to be shared over seven farms comprising a service area of ±2,400 acres of farmland. Water allocation to irrigators within the Agreement is based on net irrigated acres and crop water requirements. The Agreement provides for the management of surface water and groundwater sources throughout the entire service area providing maximum sustainability and efficiency. Additional surface water in wet years will alleviate the need to utilize groundwater, and will benefit the shallow aquifer through indirect recharge. In dry years, groundwater can be pumped from various locations and delivered throughout the service area within the Agreement.

SGMA

Since 2014, California has been working to implement the Sustainable Groundwater Management Act (SGMA). The purpose of SGMA is to ensure groundwater use in California is sustainable by 2040. In order to be successful with the plan, the California Department of Water Resources has designated basin-wide priorities based on groundwater risk and exposure, as well as enabled local level entities to help structure and oversee the management of groundwater.

A portion of the Subject Property lies within the White Wolf Subbasin, which is designated as Medium Priority by the California Department of Water Resources (“DWR”). The White Wolf Subbasin was created from a portion of the Kern Subbasin in 2014, after demonstrating to DWR that the hydrogeology for the White Wolf Subbasin is separate and distinct from the balance of the Kern Subbasin. The White Wolf Subbasin is covered by a single Groundwater Sustainability Agency (“GSA”) - White Wolf GSA, which was formed by a joint powers agreement between Arvin-Edison Water Storage District (“AEWSD”), WRM, Tejon-Castaic WD and Kern County. The White Wolf Groundwater Sustainability Plan (“GSP”) was submitted to DWR for review in January 2022. With the designation as Medium Priority, DWR has until January 2024 to review the White Wolf Subbasin GSP. The GSP prepared by the White Wolf GSA states that the White Wolf Subbasin, as a whole, is not in a condition of critical overdraft, but provides a current estimated overdraft of 20,000-acre feet per year. The GSP also includes groundwater allocation and demand reduction; both WRM and AEWSD have included groundwater allocation, groundwater fee increases, and groundwater marketing and trading management actions for implementation in the White Wolf Subbasin within 3 to 5 years of GSP adoption.

² One is located on the Subject Property, one is located ~ a quarter mile directly to the north, one is located ~ a mile and quarter east, and one is located ~ a mile and a quarter southwest of the Subject Property.



LAND TENURE

Surveyed AC	Kern County Assessor AC	WRM Contract AC	Net Planted AC (Tenant)	GIS Calculated Farm AC
405.61	405.58	405.55	391.78	372.05

SOILS

The majority of soils on the Subject Property are classified as an Irrigation Class 1 soil, at approximately 87% identified as Excelsior sandy loam, 0 to 2 percent slopes. The remaining soil series (~ 13%) are within Irrigation Class 2 and are identified as Cerini loam, 0 to 2 percent slopes. The Excelsior sandy loam is classified by the USDA as a major land resource area (MLRA) and is important in statewide agricultural planning and has value in interstate, regional, and national planning.

ZONING

Flood Zone

The Subject Property lies within Firm Panel No. 06029C3150E and is classified as Zone X, which are areas determined to be outside the 0.2% annual chance floodplain, effective September 26, 2008.

Municipal Zoning

According to the Kern County Planning Department and as shown on their Zoning Map No. 202, the subject property is zoned A, Exclusive Agriculture. The property is designated 8.1, Intensive Agriculture on the Kern County General Plan, Central Section.

Opportunity Zone

The Subject Property is not located within an opportunity zone.

WEATHER

The climate is semi-arid characterized by minimum precipitation in the valley, long and warm summers, mild winters, and normally, low humidity. Normally the growing season will average 300± days. Frost is more damaging to vine and tree crops if it occurs during bloom or early crop set.

Five years of daily minimum and maximum temperatures and precipitation (2018-2022) were obtained from the Arvin-Edison – San Joaquin Valley – #125 weather station. For the summer months³ the five-year monthly averages for the maximum temperatures ranged from 59.34°F to 98.68°F with minimum temperatures ranging from 36.66°F to 68.74°F. For the winter months⁴ the five-year monthly averages for the maximum temperatures ranged from 59.34°F to 65.50°F with minimum temperatures ranging

³ June, July, and August

⁴ December, January, and February



from 38.22°F to 38.44°F. The five year monthly average annual precipitation is 6.35" with most precipitation occurring during November through March (4.56"). The least amount of rainfall occurs during the summer months at less than an inch (0.01").

TOPOGRAPHY

The farmland topography is level with surrounding grade as this land has been leveled for row crop farming in past years.

Topography maps reflect the elevation north of the Subject Property at approximately 600.00 feet above sea level and it gently increases in elevation southward approximately 20.00 feet every quarter mile. The elevation per the topo map at the southeastern boundary is approximately 670.00 feet above sea level.

CROP PATTERNS

The Subject property is a vineyard currently planted to various varieties of table grapes. All vineyard improvements including the plants and the trellis systems are personal property and owned by the tenant. The landlord owns the underlying crop land and leases it to the tenant under a long-term lease.

ENVIRONMENTAL

Wetlands

A review of the U.S Fish & Wildlife Service's Wetland Mapper, which is used to depict the National Wetland Inventory for the US, indicates minimal freshwater pond habitats on the Subject Property. The total freshwater pond habitats depicted on the map are approximately 1.19 acres, which is approximately 0.02% of the Subject Property's acreage.

Critical Habitat

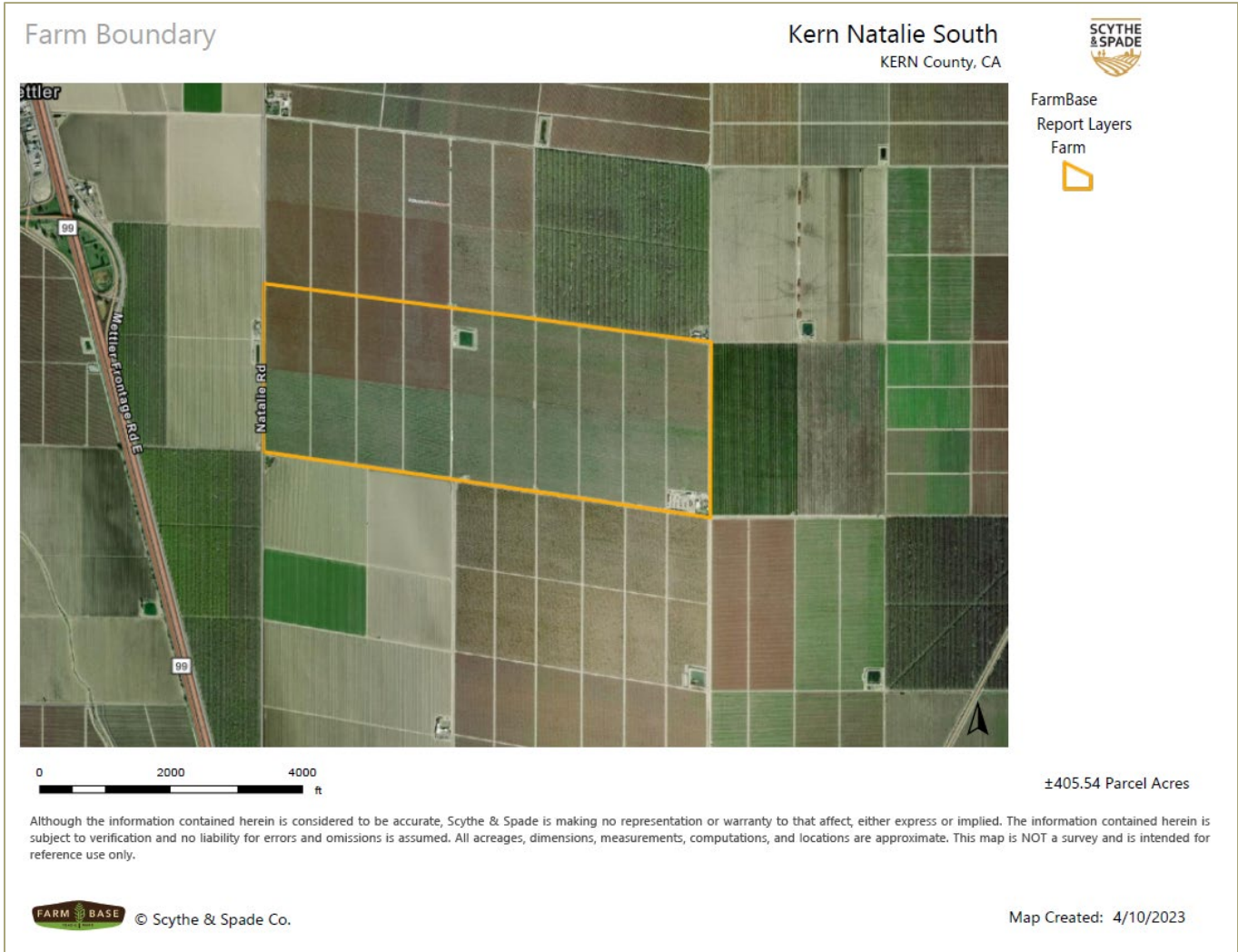
A review of the U.S. Fish & Wildlife Service's ECOS indicates no critical habitat or proposed critical habitat located within the boundary of the Subject Property.

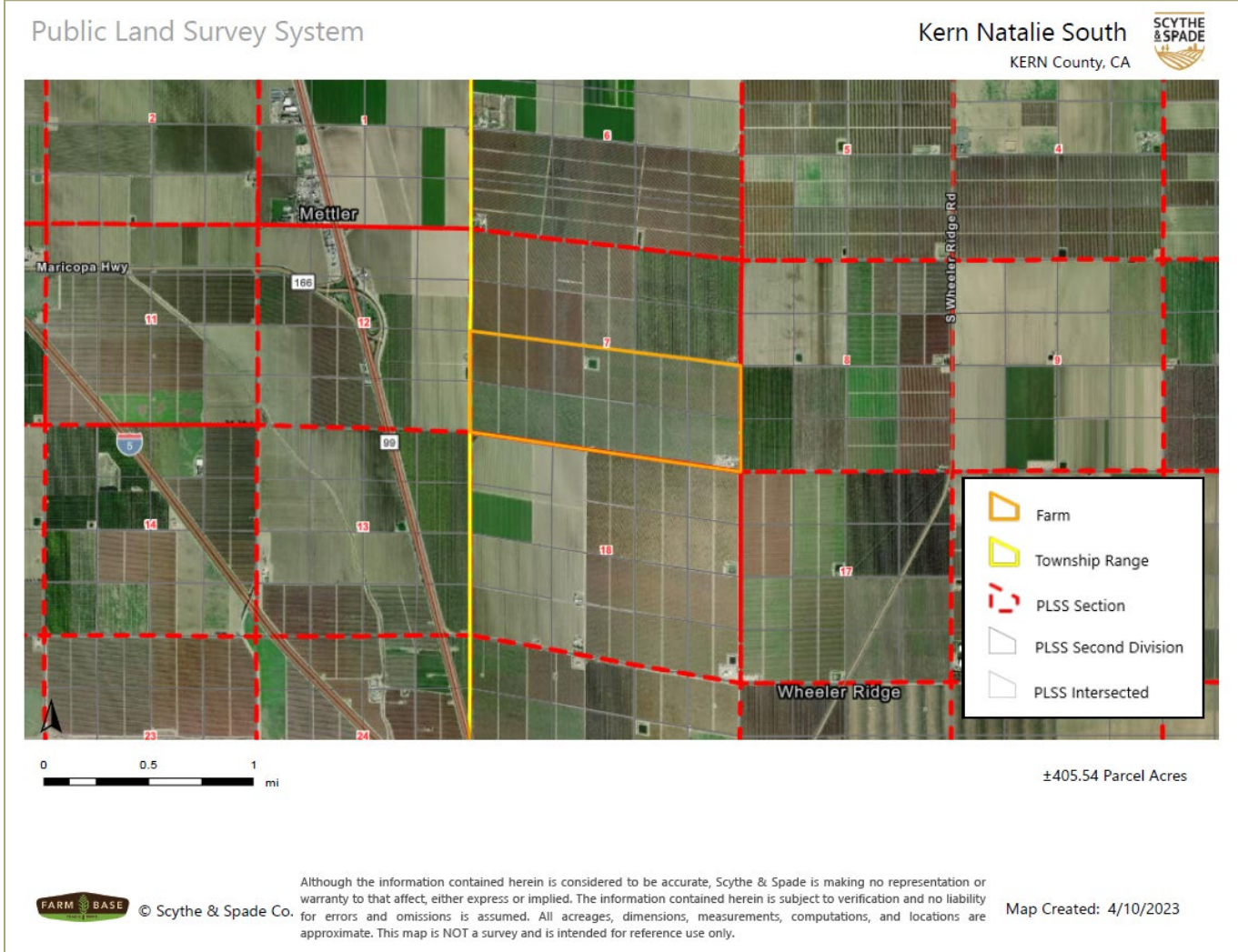
Seismic Fault Identification

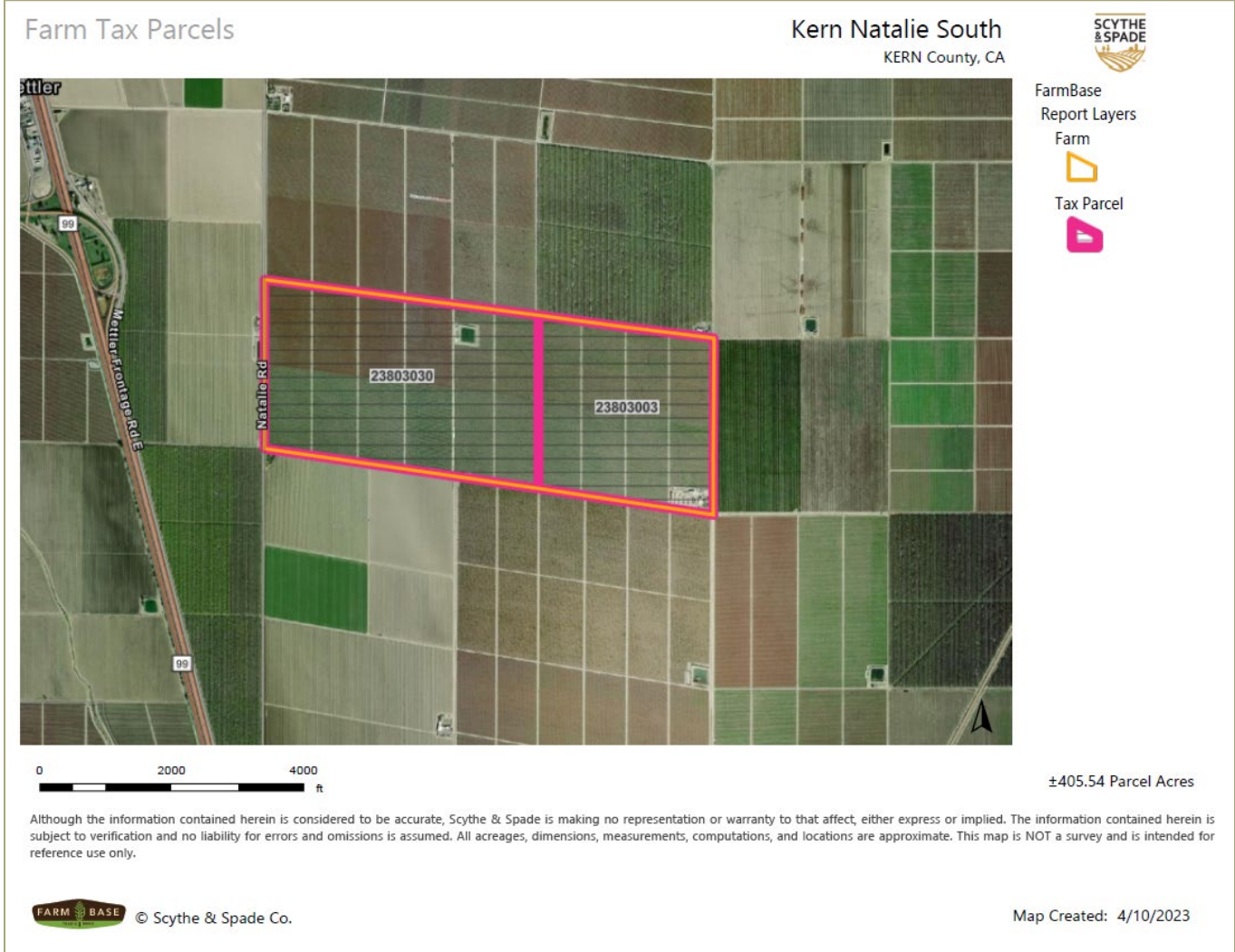
The Quaternary Fault Sources identified by the Qfaults National Database include two unnamed faults that are shown crossing through the Subject Property in a northeastern direction. Faults located in the mountain ranges away from the Subject Property include the Wheeler Ridge and Pleito Fault Zone, the Spring Fault to the southeast, and the White Wolf Fault Zone to the northeast.

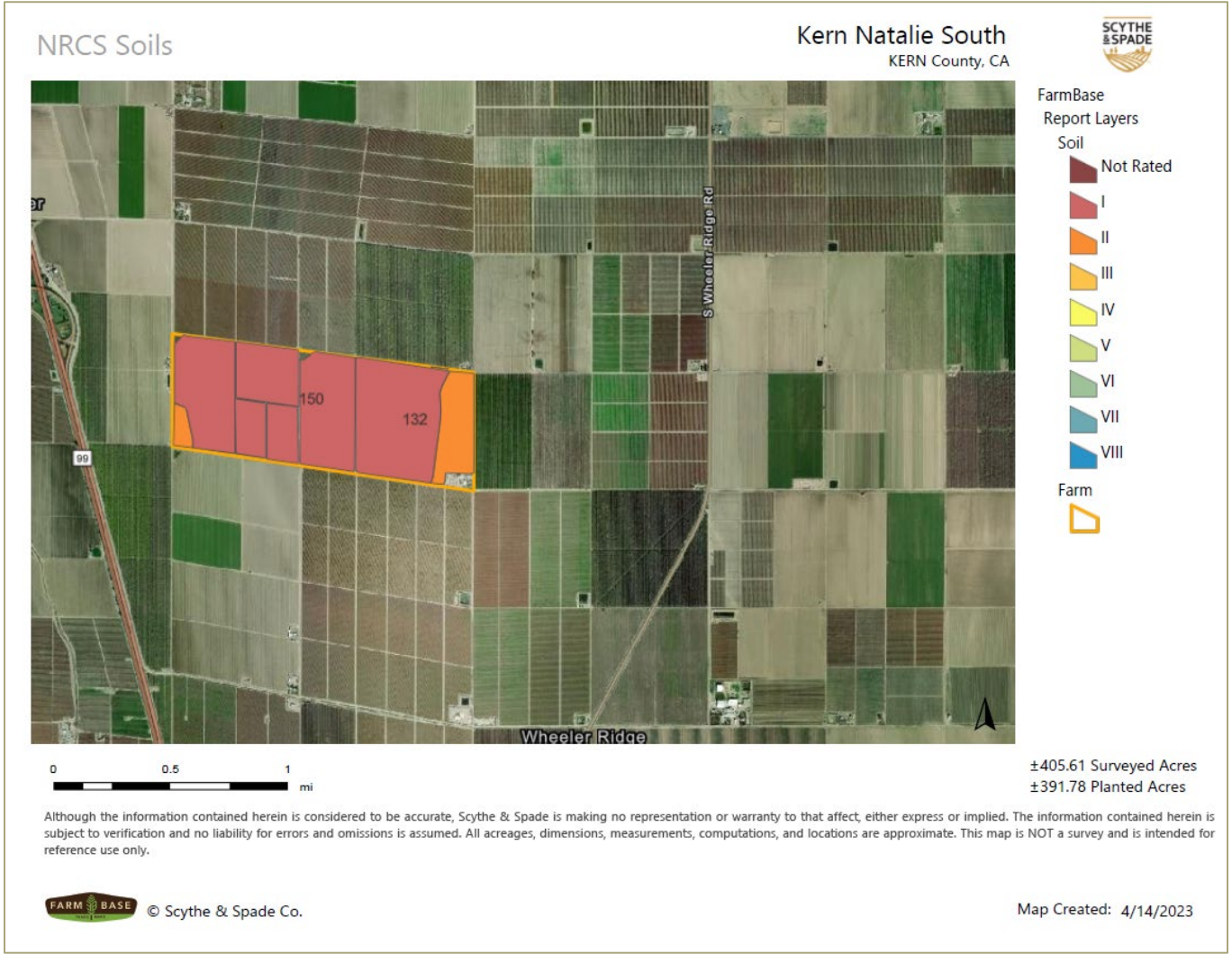
LOCAL MARKETS

The economy of Kern County primarily relates to petroleum production and agriculture. A wide variety of crops are grown in Kern County including table grapes and almonds. They provide substantial economic benefit to the local economy. Kern County is one of the top five largest agricultural counties in the state with gross agricultural income exceeding \$7.7 billion dollars per year. There are numerous processors and marketing outlets for the various crops produced in Kern County.









Soil Information and Percentage Breakdown

Symbol	% AOI	Acre	IRR Class - Mapunit Name
150	87.09%	334.33	1 - Excelsior sandy loam, 0 to 2 percent slopes, MLRA 17
132	12.91%	57.45	2e - Cerini loam, 0 to 2 percent slopes

