

# Natomas Basin Conservancy

Excerpt from agricultural rice lease on rent

## 3. Rental.

A. Generally. Tenant shall make annual payments to Landlord during the term of this Lease, due and payable no later than August 1 of each year (“**First Rent Payment**”). Except as provided in Section 3E below, each payment shall be in the amount specified in the Basic Lease Information for each acre in production during the pertinent crop season, but in no event shall any payment be less than the First Rent Payment. All rent shall be paid to Landlord, without deduction or offset, at The Natomas Basin Conservancy, 2150 River Plaza Drive, Suite 460, Sacramento, California 95833, or such other place as may be designated from time to time by Landlord.

B. Second Rent Payment. If the Second Rent Payment is marked Applicable per the Basic Lease Information, a second, nonrefundable cash rent payment (“**Second Rent Payment**”) for each year shall be paid by Tenant to Landlord on or before December 1 following the applicable year, provided the calculation in (i)-(vi) below is positive. The First Rent Payment and the Second Rent Payment shall together be referred to as “**Rent**”. The Second Rent Payment shall be calculated as follows:

(i) First, multiply (1) the actual rice crop yield per acre, (2) the Calrose medium grain rice crop final return value per hundredweight as determined by the Farmers’ Rice Cooperative for the year farmed, multiplying one to the other. The Calrose medium grain rice crop final return value, as determined by the Farmers’ Rice Cooperative, will be determined by the end of October of the following year, i.e., for the 2015 year, the final return value will be determined by the end of October of 2016.

(ii) Next, multiply the product of (1) the figure calculated per (i) above, by (2) 0.20.

(iii) Next, take the figure calculated per (ii) above and subtract the Rent per Acre from the Basic Lease Information.

(iv) Finally, multiply the product of (1) the figure calculated per (iii) above and (2) the number of Farmable Acres from the Basic Lease Information applicable to the Premises.

(v) Example calculation: 80 cwt (average yield per acre) x \$20.00 (FRC final return for Calrose medium grain) x 20% = \$320.00 then subtract \$225.00 (first rent paid) = \$95.00 x 100 (TNBC Acres) = a second rent payment of \$9,500.00

(vi) Submit grower account statement or other TNBC pre-approved statement along with final calculations for the Second Rent Payment.

When the Term has expired and Tenant has vacated the Premises and the final determination is made of Tenant’s rent obligations pursuant to this Section 3 for the year in which this Lease terminates, Tenant shall pay to Landlord by December 1 of the following year the full amount of any second Cash Rent Payment for the year in which this Lease terminates as calculated pursuant to the provisions of this Section 3. The obligation to pay this Second Rent Payment and the provisions of this Section 3B shall survive the expiration of the Lease.