

Land Lease Agreement

This Land Lease Agreement (“**Lease**”) made on the 10th day of February, 2026, by and between the Sierra Valley Groundwater Management District (hereafter called “**Lessee**”) and Arnold Potter (hereafter called “**Landowner**”):

1. **Leased Parcel of Land** – The Landowner agrees to lease to Lessee a portion of the parcel of land described and identified as Potter Property, 90 Smithneck Road, Loyalton, California 96118, as more particularly described in **Attachment A - Parcel Map** (the “**Leased Property**”), to be used by Lessee in support of the Sierra Valley Groundwater Recharge project as a Managed Aquifer Recharge site (the “**Project**”). All work incidental hereinto, shall be conducted and made at the sole expense of Lessee.
2. **Term** – This Lease is for a period of fifteen (15) years, from March 1, 2026, through March 1, 2041.
3. **Rent** – As consideration for the rights granted under this Lease for the entire Term, Lessee shall pay Landowner **\$60,000** (“**Lease Consideration**”). The Lease Consideration shall be paid in full within 60 days after the Effective Date.
4. **Land Improvements and Modifications** – Lessee may make improvements/modifications on the Leased Property as are reasonable and necessary for the Project, including, but not limited to, modifications to drainage and ditch to ensure water flows to identified recharge areas and repairs or installation of equipment as needed.
5. **Entitlement** – By virtue of this Lease, the Landowner hereby accedes that Lessee shall be entitled to install, operate, and maintain the equipment as described herein on the Leased Property in accordance with the Access by Landowner terms executed between the parties hereto.
6. **Insurance** – Lessee shall maintain adequate insurance coverage for the activities described herein.
7. **Access by Lessee** – Lessee shall provide Landowner with a minimum of forty-eight (48) hours notice via phone or email to request approval to access the Leased Property as to not unreasonably disturb any Landowner functions during the agreement Term. This includes specific equipment installation/removal timeframes set by the Landowner. In return, the Landowner will not disturb any Lessee equipment or interfere with the operational use of the equipment without advance notice to Lessee, unless movement of the equipment is due to an emergency to prevent loss of life or damage to property.
8. **Maintenance** –

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a. **Lessee Maintenance.** Lessee shall, at its sole cost and expense, install, operate, inspect, maintain, repair, and replace as necessary all equipment and improvements placed by Lessee on the Leased Property in connection with the Project, including any drainage/ditch modifications authorized under Section 4 (“**Lessee Improvements**”). Lessee shall keep the Leased Property within the area of Lessee Improvements in a neat and safe condition, free of debris and waste generated by Lessee or its contractors, and shall comply with all applicable laws, permits, and safety requirements.

b. **Landowner Maintenance.** Landowner shall remain responsible for ordinary operation and maintenance of the underlying parcel and Landowner’s ongoing ranch/agricultural operations, provided Landowner shall not damage, remove, or interfere with Lessee Improvements, except in an emergency to prevent loss of life or material damage to property.

c. **Damage and Repairs.** Lessee shall promptly repair, at its expense, any damage to the Leased Property or Landowner’s improvements caused by Lessee or Lessee’s employees, agents, or contractors, ordinary wear and tear excepted.

d. **Restoration upon Termination.** Upon expiration or termination of this Lease, Lessee shall remove its equipment and Lessee Improvements (unless Landowner requests in writing that specific improvements remain), and shall restore disturbed areas of the Leased Property to substantially the same condition as existed prior to Lessee’s entry, reasonable wear and tear excepted.



9. **Indemnification** –

a. **Indemnity by Lessee.** Lessee shall indemnify, defend, and hold harmless Landowner from and against any and all claims, demands, causes of action, liabilities, damages, losses, fines, penalties, and expenses (including reasonable attorneys’ fees and costs) arising out of or relating to (i) Lessee’s use or occupancy of the Leased Property, (ii) the installation, operation, maintenance, or removal of Lessee Improvements, or (iii) the acts or omissions of Lessee or Lessee’s employees, agents, contractors, or invitees, except to the extent caused by the negligence or willful misconduct of Landowner.

b. **Indemnity by Landowner.** Landowner shall indemnify, defend, and hold harmless Lessee and Lessee’s officers, agents, and employees from and against any and all claims, demands, causes of action, liabilities, damages, losses, and expenses (including reasonable attorneys’ fees and costs) arising out of or relating to the acts or omissions of Landowner on the Leased Property, except to the extent caused by the negligence or willful misconduct of Lessee.

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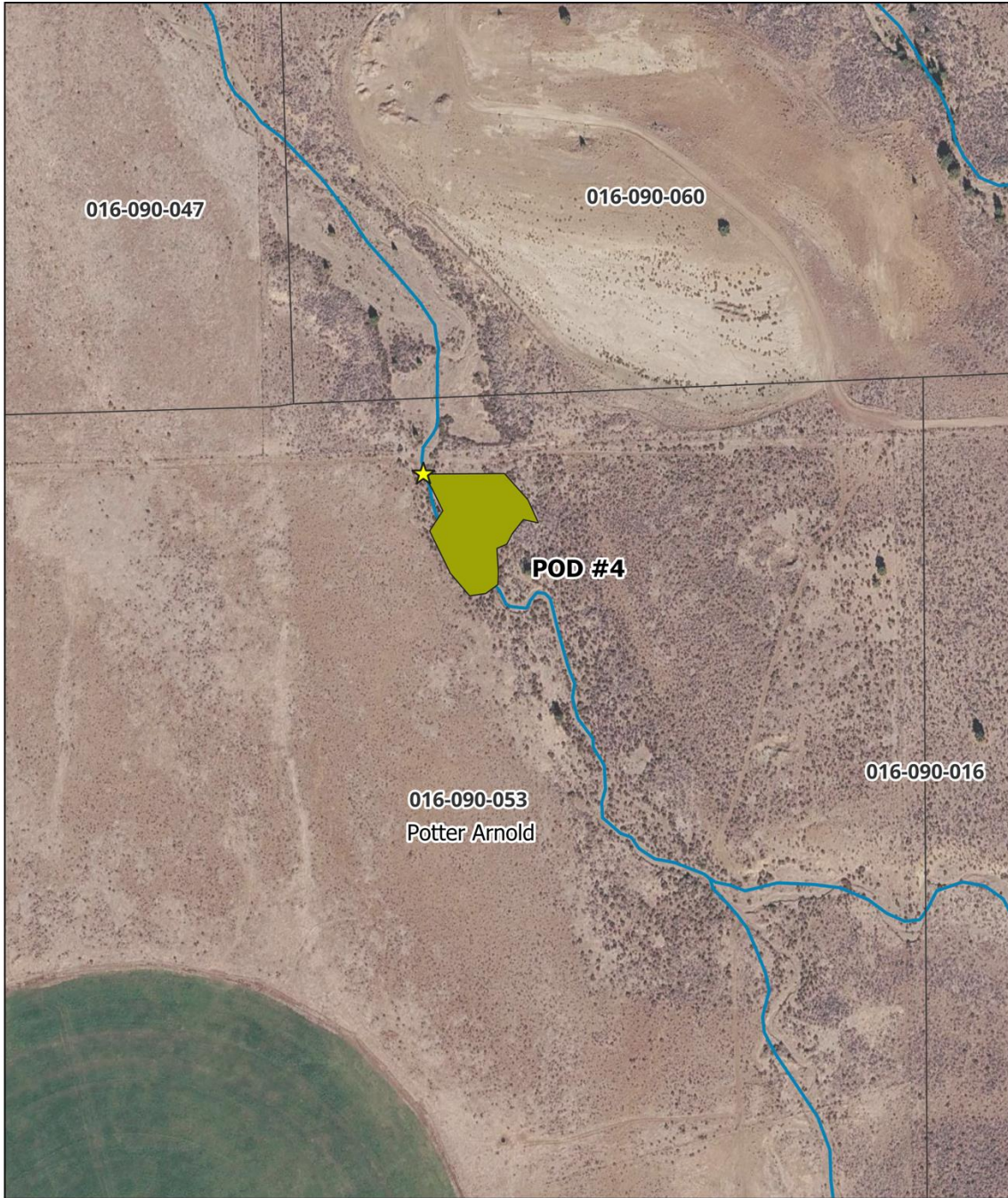
10. **Termination by Lessee** - Lessee may terminate this Lease upon ninety (90) days' prior written notice to Landlord. Lessee shall remove its equipment and restore the Leased Property in accordance with this Lease.
11. **Termination by Landowner** - Landowner may terminate this Lease upon ninety (90) days' prior written notice to Lessee if the Leased Property is subject to eminent domain, causing title to vest pursuant to such property ownership changes, or is sold/transferred to a third party and such transferee does not assume this Lease in writing. Upon such termination, Landowner shall refund to Lessee the pro-rata portion of the Rent paid under Section 3 within sixty (60) days after the effective date of termination. Lessee shall remove its equipment and restore the Leased Property in accordance with this Lease.

LANDOWNER		LESSEE	
Signature	Date	Signature	Date
	02 / 17 / 2026		02 / 18 / 2026

Project Point of Contact: Lessee – Jenny Gant, SVGMD 530-249-4520; Landowner- Arnold Potter 530-536-6852

Land Lease Agreement

Attachment A - Parcel Map



Attachment A - Recharge POD #4 Parcel Map

- ★ POD #4
- Drainage
- Infiltration Area Google Satellite
- Parcels



0 100 200 ft



lwa

2026-02-10

Land Lease Agreement

Attachment B - Lessee Certificate of Liability Insurance



SIERVAL-01

JCARRILLO

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/29/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861 Irvine - Alliant Insurance Services, Inc. 18100 Von Karman Ave 10th Fl Irvine, CA 92612	CONTACT NAME: Sheryl L Fitzgerald PHONE (A/C, No, Ext): (949) 660-8161 FAX (A/C, No): E-MAIL ADDRESS: sfitzgerald@alliant.com
INSURED SIERRA VALLEY GROUNDWATER MANAGEMENT DISTRICT PO BOX 88 CHILCOOT, CA 96105	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A : Great American E & S Insurance Company 37532 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> GL DED: \$1,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		214510008	9/29/2025	9/29/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 0 PRODUCTS - COMP/OP AGG \$ 1,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> AUTO DED: \$1,000		214510008	9/29/2025	9/29/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N				PER STATUTE QTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Public Officials E&O		214510008	9/29/2025	9/29/2026	Occurrence/Aggregate 1,000,000
A	Employment Practices		214510008	9/29/2025	9/29/2026	Occurrence/Aggregate 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Public Officials E&O Deductible - \$1,000
 Employment Practices Deductible - \$10,000

Manuscript Municipal Coverage Form. Coverage information as per proposal. Policy form does not contain a General Liability Aggregate. Subject to policy terms, conditions and exclusions.

Notice of cancellation will be delivered only to the participating named insured as stated in the policy.
 SEE ATTACHED ACORD 101

CERTIFICATE HOLDER EVIDENCE OF COVERAGE	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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02 / 17 / 2026

20:17:01 UTC

Sent for signature to Arnold Potter (p8ranch@yahoo.com) and Einen Grandi (grandiranch@gmail.com) from nicolec@lwa.com
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VIEWED

02 / 17 / 2026

21:31:57 UTC

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SIGNED

02 / 17 / 2026

21:39:12 UTC

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02 / 18 / 2026

23:58:31 UTC

Viewed by Einen Grandi (grandiranch@gmail.com)
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02 / 19 / 2026

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02 / 19 / 2026

00:00:07 UTC

The document has been completed.