

Long Term Ground Lease

Property Location & Information

Property Location:
River Grove Drive
Paso Robles, California
From US Highway 101 turn west on to State Highway 46 and continue for 11 miles to the Subject Property. South of Highway 46E and River Grove Road, Paso Robles, California. The property is located in the desirable Estrella District AVA.

Property Use:
Legally Plantable Land

Offering Rent & Terms

Offering Rent:
Negotiable

Terms:
Negotiable

CO-OP FEE:
Contact Broker

Submit Proposals to:

Alliance Ag Services, Inc.

Michael Ming
Owner/Broker
Cal DRE #00951819
Cal BRE #0236938
(661) 343-2367

JoAnn Wall
Broker - Salesperson
Cal DRE #02030465
(805) 591-0577

mming@allianceagservices.com
jwall@allianceagservices.com

5401 Business Park South, Suite 122
Bakersfield, California 93309

Property Assessment

Opportunity:

This large-scale properties suitable for new vineyard development in East Paso Robles.

Assessor's Parcel Numbers:

019-161-013, 019-151-035 and -036

AVA:

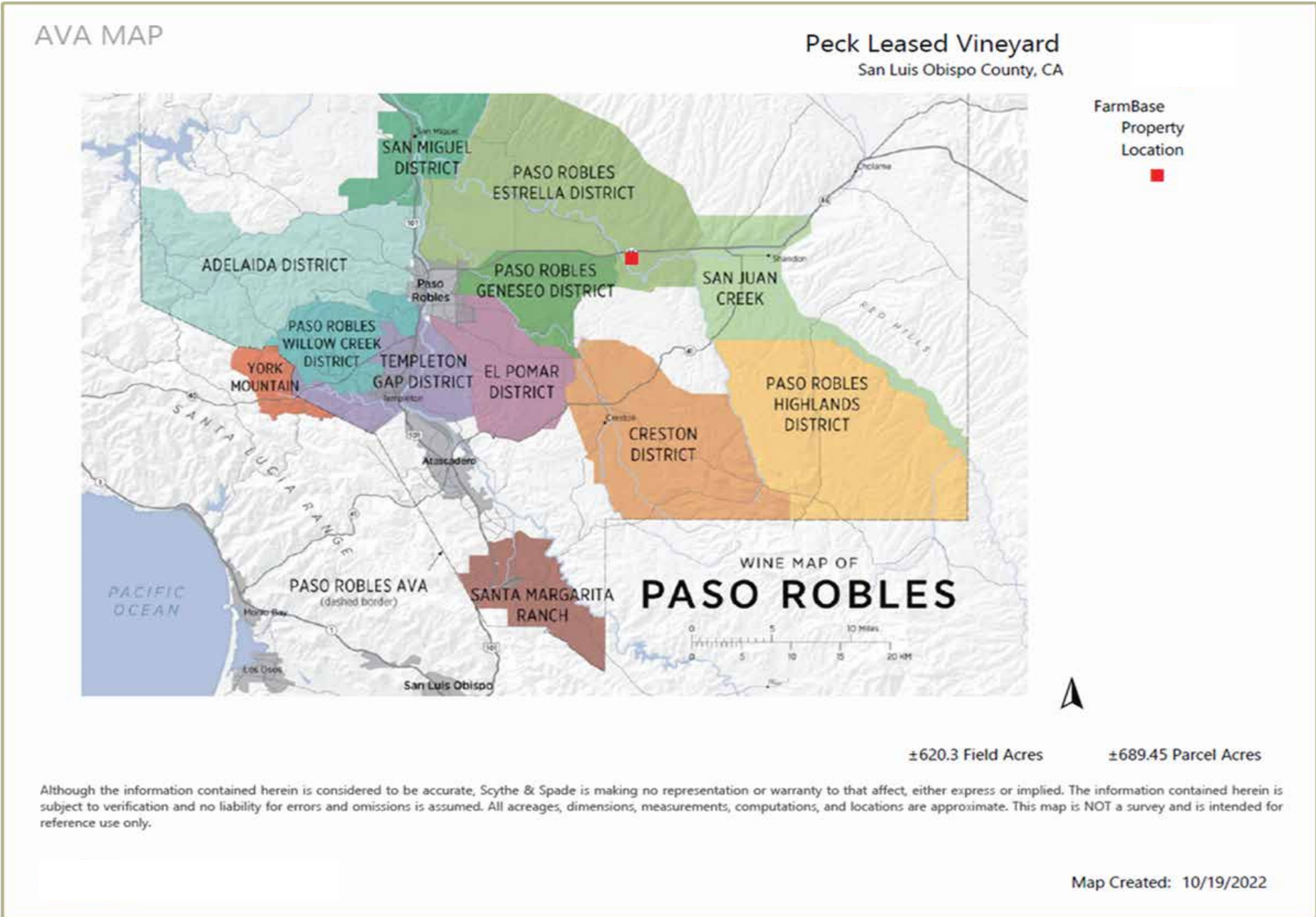
Paso Robles AVA; Estrella District

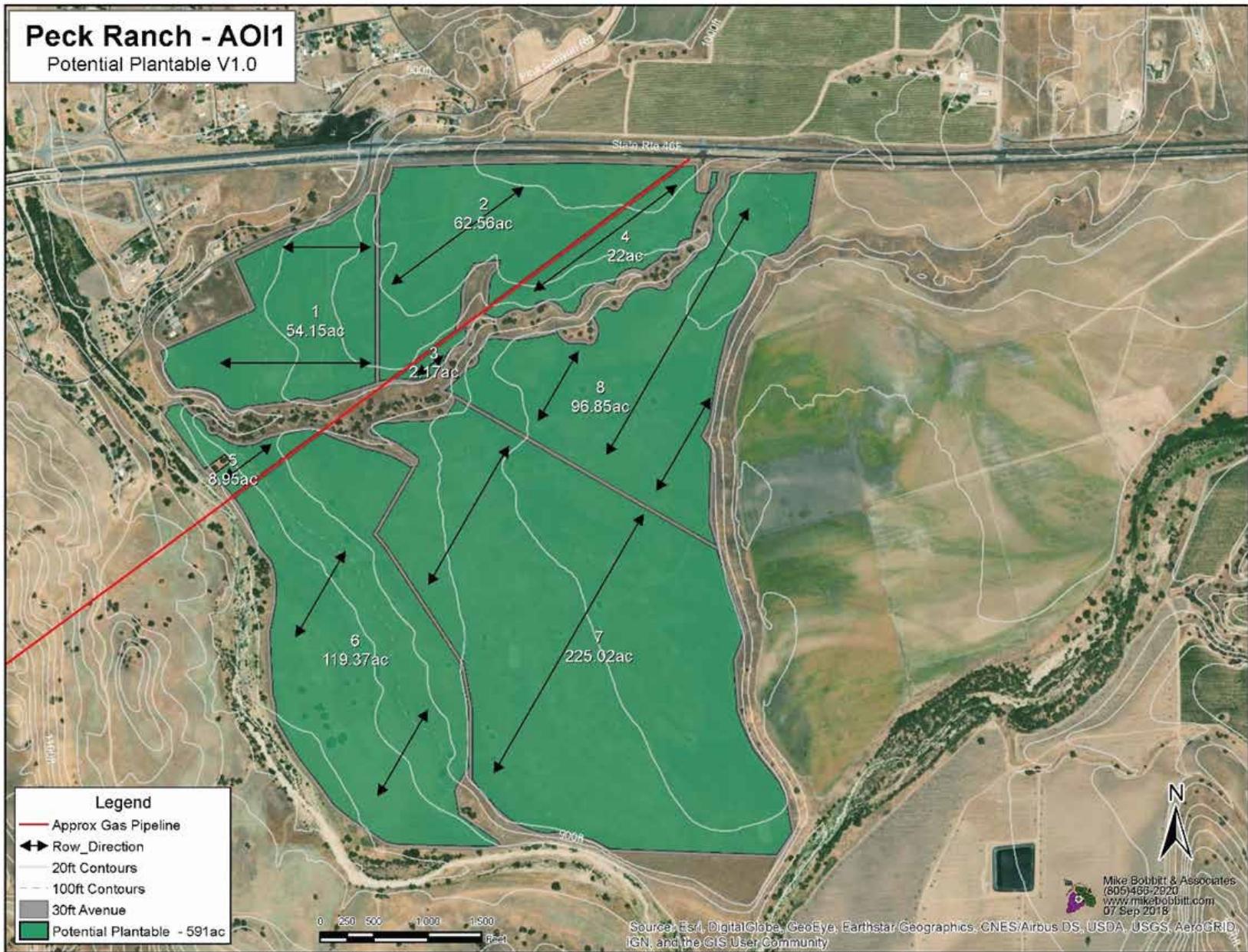
Water:

Located in the Shandon San Juan Water District (SSJWD) 485 Acre Feet of Groundwater Credits Conditionally Approved. Add'l Credits available for Transfer

Link to additional assets: https://www.dropbox.com/sh/22dg2cxmknj2o4b/AABAJ5UW89fnOmOJgYF_JQjaa?dl=0

www.allianceagservices.com





Disclaimer: The information herein was compiled from multiple publically available sources, is considered reliable and the most current available; it is, however, provided without warranty, either express or implied. No liability is assumed either directly or indirectly. Contact a licensed Land Surveyor for any questions regarding legal property boundaries.

Rent Structure:

The Peck Ranch desires to retain ownership of the underlying land and are offering the vineyard site under a long-term lease agreement as follows:

1. Interest: Lease hold only. The asset is not for sale.
2. Rent: Negotiable, with reduced/phased rent schedule during development and pre-production phases.
3. Annual adjustments: Negotiable, but fixed increases anticipated during the production phase.
4. Taxes: Tenant responsible for property taxes and water assessments associated with vineyard. Asset enrolled in Williamson Act. Unimproved land assessed less than \$5,000/year.
5. Operating and Development Expenses: Tenant pays for all vineyard development costs including land prep, trellis system, vines and irrigation systems and all operating expenses including utilities, water fees/assessments, maintenance, etc.
6. Term: Negotiable, but 25-year initial term with extensions available.
7. Screening: Tenant quality is the paramount consideration for the Peck Ranch, in view of the long-term nature of the proposed partnership.
8. Option: First Right of Offer negotiable.

Size:

The gross size is 1,012 acres, of which, up to 591 acres may be plantable/usable.

Utilities:

Typical rural utilities, including electrical and telephone services, are available throughout the immediate areas and are provided by Pacific Gas and Electric and AT&T.

Flood Zone:

The property is located entirely in Flood Zone "X" which is defined as areas determined to be outside the 0.2% chance floodplain.

2022/2023 Assessment and Taxes:

019-151-036~\$4,000

019-151-035~\$500

019-161-013~\$500

Zoning:

Agriculture

Physical Description:

The property is gently sloping with favorable drainage and solar aspects for a wine grape vineyard. The elevation ranges from 900± feet above sea level near the property's southern boundary, to near 1,000± feet above sea level near US Highway 46E.

Water – Physical Aspects:

Although no irrigation wells currently exist on the property, a hydrology report has been completed supporting ample water resources and strong wells surround the property. The property is bordered by the Estrella River on two sides supporting a robust recharge in the Whitley Garden area. Two wells, located on contiguous ranches range from 1,100 gpm to 1,500 gpm. San Luis Obispo County will issue a new well permit as long as the recipient follows GSP guidelines. A recent quote for a 700 foot deep, 28” diameter well with 16” casing is available upon request.

Water – Legal Aspects:

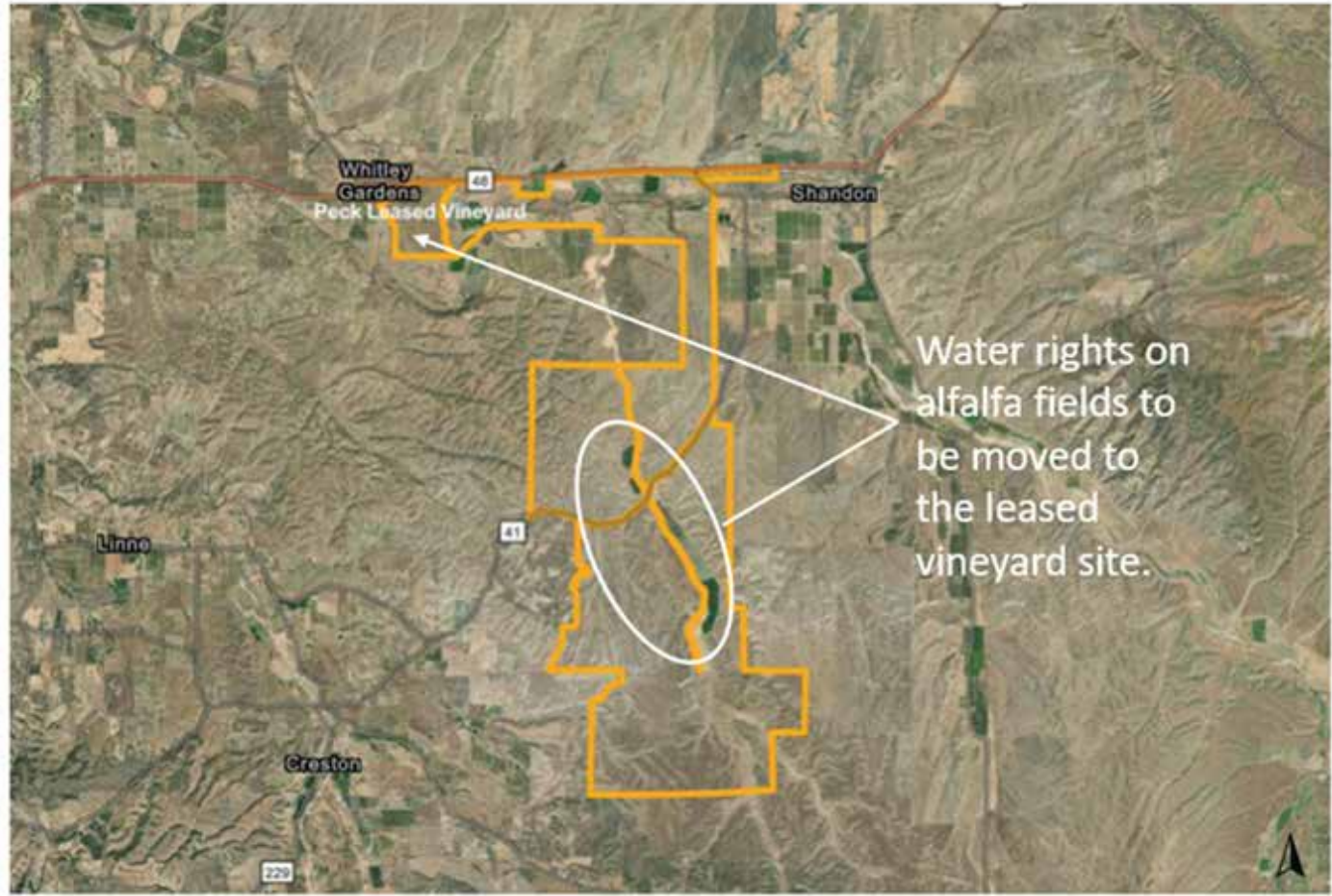
The Paso Robles GSP has been finalized and approved by the DWR. As of today, there are no dictated limits on pumping. The GSP is a dynamic document that will ebb and flow depending on monitoring well readings and performance. As a result, the subject is likely one of the last large-scale vineyard development ground available in East Paso Robles.

A conditional approval letter from SLO county to transfer 485 acre feet of water credits from a contiguous Shandon alfalfa field to the Gruenhagan prospective greenfield vineyard property is available. Additional credits are also available for transfer. San Luis Obispo has already approved transfer of 485 annual acre feet of groundwater credits to the subject site, supporting 388 acres of wine grapes per the County’s water duty tables at 1.25/AF/Acre. The Peck Ranch controls ample additional credits on contiguous parcels to support the entire 591 plantable acres.

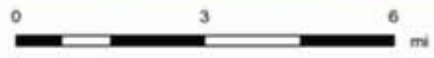
This property is in an excellent position to transfer water credits because of the current and historical large alfalfa production as well as the fact that all of the APNs are contiguous (SLO county requirement). In addition, as of June 2023, the revised GSP (Groundwater Sustainability Plan) for the Paso Robles Area Subbasin has been approved by the DWR (Department of Water Resources). Having a relatively current Hydrologist report and belonging to a GSA that supports new drilling, are also important factors for vineyard development.

Farm Boundary

San Luis Obispo County, CA



- FarmBase Farm
- Report Layers Farm



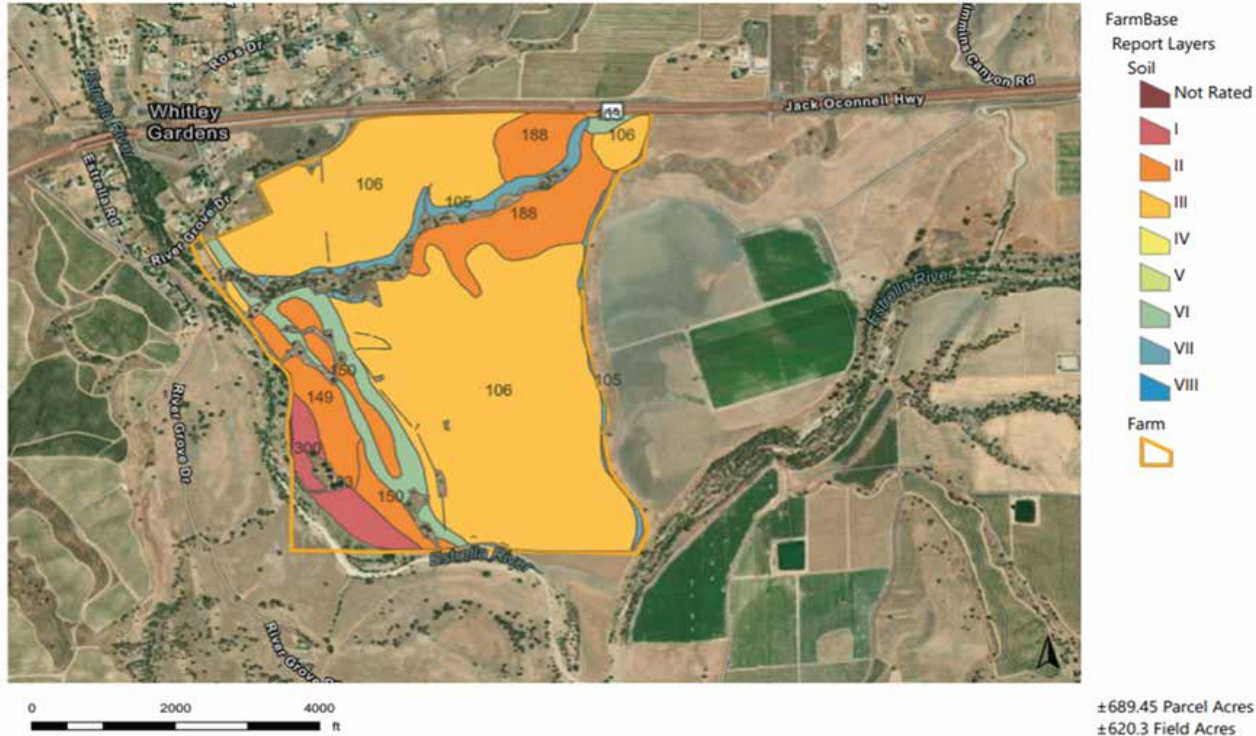
±16877.61 Parcel Acres

Although the information contained herein is considered to be accurate, Scythe & Spade is making no representation or warranty to that effect, either express or implied. The information contained herein is subject to verification and no liability for errors and omissions is assumed. All acreages, dimensions, measurements, computations, and locations are approximate. This map is NOT a survey and is intended for reference use only.

Map Created: 10/19/2022

NRCS Soils

Peck Leased Vineyard San Luis Obispo County, CA



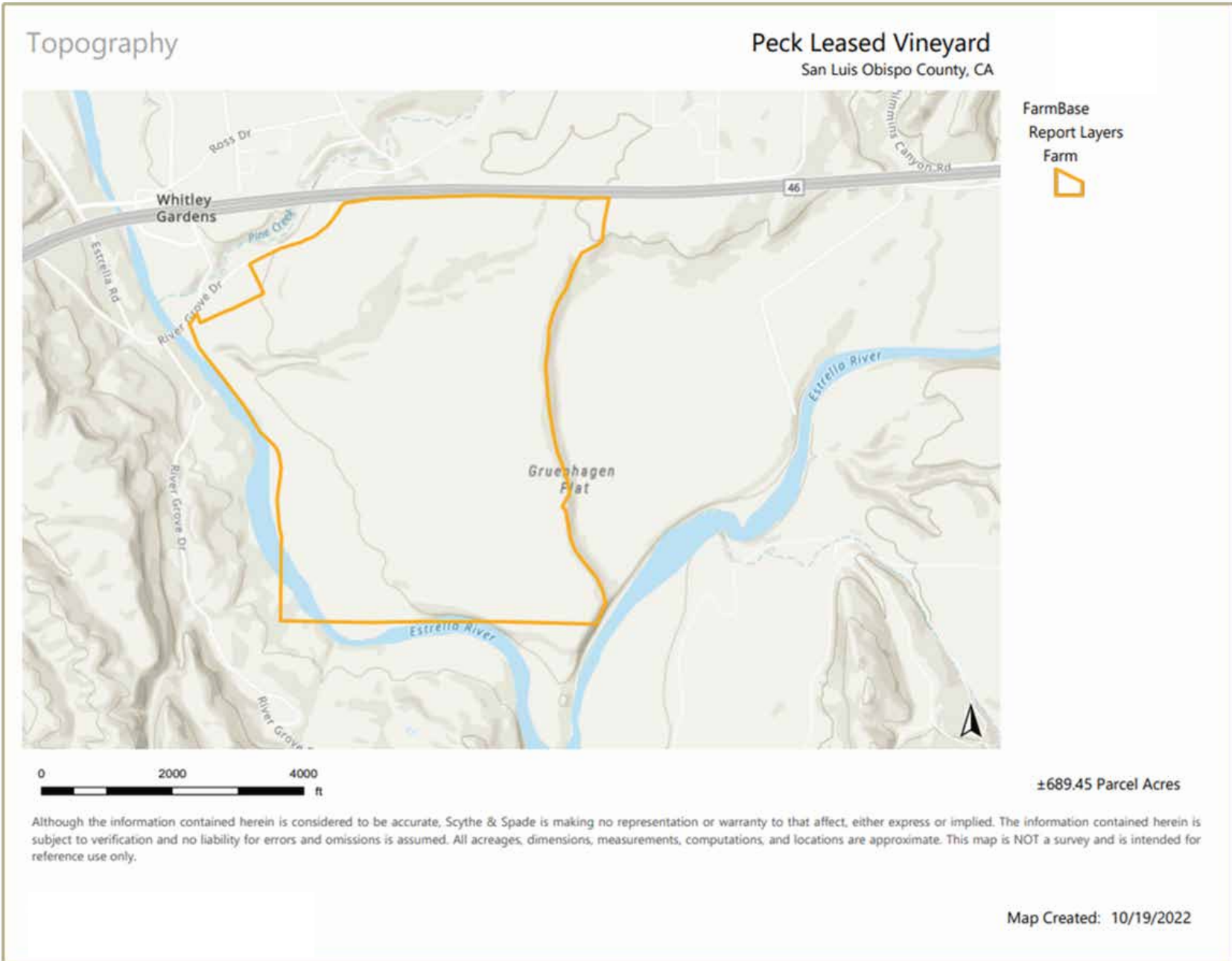
Although the information contained herein is considered to be accurate, Scythe & Spade is making no representation or warranty to that effect, either express or implied. The information contained herein is subject to verification and no liability for errors and omissions is assumed. All acreages, dimensions, measurements, computations, and locations are approximate. This map is NOT a survey and is intended for reference use only.

Soils:

The soils series are made of a series of complex loams, clay loams and gravelly sandy loams. The majority of them have an irrigated capability rating of Class 2 and Class 3. These soils are commonly found soils in the area are suitable for wine grape vineyards.

Soil Information and Percentage Breakdown

Symbol	% AOI	Acre	IRR Class - Mapunit Name
106	67.13%	416.38	3e - Arbutle-San Ysidro complex, 2 to 9 percent slopes
188	11.08%	68.74	2e - Rincon clay loam, 2 to 9 percent slopes, MLRA 14
103	6.26%	38.84	6e - Arbutle-Positas complex, 15 to 30 percent slopes
150	4.29%	26.61	2e - Hanford and Greenfield gravelly sandy loams, 2 to 9 percent slopes
149	3.89%	24.14	2s - Hanford and Greenfield gravelly sandy loams, 0 to 2 percent slopes
183	3.75%	23.29	1 - Pico fine sandy loam, 0 to 2 percent slopes
105	3.16%	19.61	7e - Arbutle-Positas complex, 50 to 75 percent slopes
167	0.36%	2.22	3w - Metz-Tujung complex, occasionally flooded, 0 to 5 percent slopes
300	0.08%	.47	- Corducci and Typic Xerofluvents, 0 to 5 percent slopes, occasionally flooded, MLRA 14



As-is: This is an "as-is" LEASE and will be leased without representation or warranties/guarantees of any kind. Water: Landlord or owner has not made, & hereby disclaims, any & all representations, warranties or assurances to:

- a) quality, adequacy, availability, transferability or cost of surface or well water or water rights, if any, for Real Property.
- b) eligibility of Real Property or Tenant to receive irrigation water ("District Water") from the Water District or any other irrigation/water district;
- c) price at which District Water, if any, may be obtained;
- d) normal, historic, or expected amounts or allocations of District Water to the extent Real Property & Tenant are eligible to receive same;
- e) number of acres of "arable," "irrigable" or "irrigation" land comprising Real Property, or any portion thereof, as those terms are defined in 43 CFR 426.4;
- f) water supply of Irrigation District, or continued ability of such district to deliver any District Water to Real Property;
- g) extent to which Real Property is located within boundaries or service area of Irrigation District or any other irrigation/water district.

- Water Disclosure: The Sustainable Groundwater Management Act (SGMA) was passed in 2014, requiring groundwater basins to be sustainable by 2040. SGMA required a Groundwater Sustainability Plan (GSP) by 2020. SGMA may limit the amount of well water that may be pumped from underground aquifers.

- Alliance Ag Services, Inc, its brokers and agents make no representations as to the availability of water to the subject property and regulatory restrictions.

- Tenants to a real estate transaction should consult with their own water attorney; hydrologist; geologist; civil engineer, or other environmental professional

Additional information is available at:

California Department of Water Resources Sustainable Groundwater

Management Act Portal - <https://sgma.water.ca.gov/portal/>

Telephone Number: (916) 653-5791

Tenant is hereby notified that federal & state water & any heretofore unmanaged or unregulated ground water is subject to major changes, & that such changes could affect amount of any heretofore unmanaged or unregulated ground water available, amount of water available to water districts, eligibility of recipients to obtain such water, & cost at which eligible recipients may receive such water. Tenant is strongly advised to independently investigate every matter regarding water law as it affects Real Property. Tenant relies on any statements, suggestions, or other written or oral expressions by Owner/Landlord or Broker entirely at Tenant's own risk.

Information contained herein from sources Alliance Ag Services, Inc. (AAS) considers reliable, such as, but not necessarily including or limited to, Owner/Landlord, CFSA, AFSA and NRCS records and data, and information from other government agencies and offices. However, AAS have not independently verified and do not guarantee the accuracy, completeness or sufficiency of this information. Prospective Tenant is therefore, advised to independently confirm information provided herein, and any reliance upon this data is made at Tenant's own risk. Similarly, past history of property is no guaranty of future performance, which is subject to unpredictable variables such as weather, management and operational skills, market factors and general economic conditions. Accordingly, AAS does not assume, and hereby expressly disclaims, any responsibility for the future operating and investment results of the property.

Alliance Ag Services, Inc. participation in this transaction is solely in the capacity of real estate brokers, and they do not hold themselves out as having expertise or specialized knowledge in the fields of plant pathology, entomology, environmental science, engineering, chemistry, hydrology, meteorology, geology, seismology, health or financial investments. No statement made by AAS relating to this property may be relied upon by the Tenant as reflecting particular expertise in these or any other areas of specialized knowledge. In the course of conducting a due diligence inspection of the property, the prospective Tenant is strongly advised to consult with such brokers, attorney, financial advisors or other professional or expert consultants as may be necessary to fully protect the Tenants' rights and interests.

*“Providing efficient,
reliable, and
professional
service since 2002.”*



JoAnn Wall, ARA
Broker - Salesperson
Cal DRE #02030465
jwall@allianceagservices.com
Mobile: (805) 591-0577



Michael Ming, ARA Broker
Owner/Broker
Cal DRE #00951819
Cal BRE #0236938
mming@allianceagservices.com
Direct: (661) 343-2367