



Vineyard Lease Agreement

Helmick Hill Vineyard; Steven Matrix, ("Landlord")

10845 Bratenberg Rd,
Monmouth, Oregon 97361

NW Wine Company, LLC, ("Tenant")

20980 NE Niederberger Road
Dundee, Oregon 97115

Section 1. Description of Leased Property

Real Property

Landlord leases to Tenant 31.4 acres, more or less, of vineyard land, located on the following described property (the "Property"):

Landlord reserves the right to use the existing gravel road on the property, and existing utility access to the home site.

Tenant shall be entitled to the entire crop grown at the vineyard during the 2021 to 2030 growing season.

Tenant shall use the property for grape production and for no other purpose without the written consent of Landlord.

Section 2. Term of Lease

The term of this Lease shall commence on January 1, 2021 and terminate on December 31, 2030. Unless specified 30 days in advance by written notice, this will be an evergreen arrangement with an increase in Lease annually equal to 100% of the annual percentage change in the Consumer Price Index published by the United States Bureau of Labor statistics of the United States Department of Labor but in no event shall the base rent be increased by more than four percent (4%) per annum.



Section 3. Consideration Rent.

Base initial rent will be:

\$2300.00 per producing Pinot Noir vine acres, which the parties agree is 16.6 acres.

\$1500.00 per producing Pinot Blanc and Pinot Gris vine acres, which the parties agree is 14.8 acres.

Rent is due in quarterly payments on March 31st, June 30st, September 30th and December 31st of each lease year or on a date mutually agreeable in writing by Landlord and Tenant.

The producing acreage subject to rent can be adjusted by addendum annually, considering Phylloxera affected blocks, report to section 10.

Section 4. Farming Operations

Tenant shall be responsible for and pay all the costs of materials, labor, equipment, utilities, and other expenses necessary to farm the Property and raise crops from the Property during the Lease term.

Section 5 Equipment rental

See schedule attached.

Annual rent is \$4100.00, paid in eleven equal monthly installments beginning February 1, 2021. Tenant will provide liability insurance and landlord will provide casualty insurance. The landlord is entitled to occasional use of the equipment, not to exceed 50 hours per year. The equipment is to be deployed at Helmick Hill vineyards only.

Section 6. Manner of Farming and Conservation Laws

Commencing on January 1, 2021, Tenant, through its contract farming operator, shall farm, cultivate, maintain, and operate the Property consistent with the agricultural practices (inclusive of Rodent Control) employed by the farming industry in the area where the Property is located.

Tenant will comply with all rules and regulations regarding worker facilities. Tenant shall have an on-site portable toilet and shall provide regular maintenance of it, during those times when employees will be at the Property.



Section 7. Early Termination

The Parties may terminate this lease by mutual agreement.

Section 8. Alterations; Conditions of Property

Alterations Prohibited. Except as provided herein, Tenant shall make no improvements or alterations on the Property of any kind without first obtaining Landlord's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes.

Section 9. Ownership and Removal of Alterations.

All vineyard, vines, trellis, irrigation and other vineyard related improvements and other building improvements and alterations performed on the Property by either Landlord or Tenant shall be the property of Landlord when installed. Building structure improvements and alterations installed by Tenant shall, at Landlord's option, be removed by Tenant and the Property restored unless the applicable Landlord's consent or work sheet specifically provides otherwise.

Section 10. Acres to be Farmed

The producing vines acres may decrease with mutual consent Of Landlord and Tenant if any portion of the vineyard becomes infected by a disease. In such event, Tenant will recommend a viable solution to remedy infection, so the vineyard can return to full production in a timely manner. The Landlord has discretion to hire the Tenant or another qualified company to replace the infected area at Landlord's expense. In the event an infected area is replanted that area will not be considered a producing vine acre until the third year following the replanting and the rent will be adjusted by the acreage affected.

Section 11. Condition at Termination of Lease

At the termination of this lease, with the exception of permitted alterations and except as otherwise expressly agreed to in writing by the Landlord, the property will be returned in the same condition as it was in at the commencement of this Lease, all repairs being completed as required by this lease.



Section 12. Covenants of Title/Security interest

Landlord has full right and authority to lease the Property and will protect Tenant from all other claimants. Landlord will defend Tenant's right to quiet enjoyment of the Property from the lawful claims of all persons during the lease term.

Section 13. Right of First Refusal

Subject to the provisions of Section 13 hereunder, Landlord shall not, at any time prior to termination of the lease term, and any extensions thereof lease, sell, transfer, exchange, or otherwise dispose of the Property (or any portion of it or interest in it) to anyone other than Tenant, unless Landlord shall have first communicated to Tenant, by written notice, a copy of any third party's written offer to purchase the Property from Landlord, which offer (the "Landlord's Offer") shall specify all of the terms and conditions upon which Landlord has agreed to sell the property. This right of first refusal shall not apply to any conveyance, lease, sale, or transfer of the property to Landlord's lineal descendants.

Tenant shall have a period of fifteen (15) days following the giving of the Landlord's Offer notice within which to accept the Landlord's Offer by giving Landlord written notice of acceptance. If the Landlord's Offer is accepted, the parties shall be obligated to close the sale in accordance with all of the terms of the Landlord's Offer. Closing shall occur within thirty (30) days following acceptance or within such longer closing period as may be specified in the Landlord's Offer.

If Tenant does not accept or rejects the Landlord's Offer, Landlord may sell or lease the Property (or the portion or interest offered to Tenant) to such other third party, provided that such a sale or lease must be consummated: (a) within one hundred eighty (180) days following the earlier of the expiration of the acceptance period for the Landlord's Offer or the date of any written rejection Of Landlord's Offer by Tenant; and (b) for and upon the same price, terms and conditions as those specified in the Landlord's Offer (or for a greater price and/or upon terms and conditions more favorable to Landlord).

If such a sale or lease to another party is consummated, Tenant's rights under this Section 13 as to all the Property shall be automatically and forever extinguished without further action by any party. Any sale or lease of the Property shall be subject to the other terms of this lease.

If such a sale or lease to another party is not consummated, Tenant's rights under this Section 13 shall remain in full force and effect.



Section 14. Taxes

The Landlord will pay all the real property taxes and other governmental assessments or impositions on any type levied on the property. Tenant shall pay all of the Oregon unprocessed grape tax payments required by Oregon Statutes and regulations.

Section 15. Insurance

15.1 Indemnity insurance. The Tenant will indemnify and defend the Landlord from any third-party claim for bodily injury or property damage resulting from any occurrence on the Property during the term of this Lease, except to the extent that any such claim arises because of the intentional tort or gross negligence of the Landlord.

15.2 Landlord Insurance. Landlord shall maintain insurance associated with the Property.

15.3 Tenant Insurance. Before taking possession of the Property, the Tenant will procure, and during the Term of this Lease will continue to carry, the following insurance:

A commercial general-liability policy of insurance (including liability coverage for the Tenant's owned and non-owned automobiles and liability coverage for sudden and accidental releases of pollutants), naming the Landlord as an additional insured and waiving any subrogation rights against the Landlord, with liability limits of not less than \$1 million for injury to persons or property in one occurrence. Such insurance will be written on an occurrence basis (rather than a claims-made basis) and will include contractual-liability clauses, severability-of-interests clauses, and cross-liability clauses.

Worker's compensation coverage as required by state law and employer's liability coverage of not less than \$1 million per occurrence.

The foregoing insurance will be provided by an insurance carrier reasonably acceptable to the Landlord. The Tenant will deliver to the Landlord certificates evidencing the insurance and, if and as available from the insurer, with an endorsement requiring at least 10 days' notice to the Landlord before the cancellation or prejudicial modification of the insurance coverage. Further, on request, the Tenant will provide the Landlord with a copy of such policy or policies.

15.4 Waiver of Subrogation

The Landlord and the Tenant hereby waive, and will cause their respective insurance carriers to waive, any and all rights of recovery, claims, actions, or causes of action against the other for any loss or damage with respect to the Property or the Tenant's property, including rights, claims, actions, and causes of action based on negligence, which loss or damage is (or would have been,



had the insurance required by this Lease been carried) covered by insurance. For the purposes of this waiver, any deductible with respect to a party's insurance will be deemed covered by and recoverable by such party under valid and collectable policies of insurance.

Section 16 Defaults Remedies

16.1 Events of Default by Tenant

The following will be events of default by the Tenant:

- (a) The Tenant's failure to pay the rent when due.
- (b) The Tenant's dissolution, termination of existence, insolvency, business failure, or discontinuance as a going business (except for labor disputes).
- (c) The appointment of a receiver for any of the Property, an assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Tenant.
- (d) The Tenant's failure to comply with any other term or condition or to fulfill any other obligation of the lease within 30 days after written notice by the Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, no event of default will occur if the Tenant begins correcting the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as possible but in no event longer than 120 days. If the Tenant fails to comply with the same obligation twice in any 12-month period, then the Tenant will be in default on any further failure within the 12-month period without any notice from the Landlord of the failure or any opportunity to cure the default.
- (e) The Tenant's abandonment of the Property.

16.2 Landlord's Remedies on Tenant's Default

In the event of default by the Tenant, Landlord will have all rights and remedies available under applicable law, including the right, at its option, to terminate this Lease or, with respect to a rent-payment default, to deem the Lease to be terminated under ORS91.090, and to reenter, take possession of the Property, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

In the event of a default by the Tenant, Landlord may also pursue any other remedies under Oregon law including the right to exercise any Of the Landlord's statutory liens, appointment of a receiver as a matter of right and without any bond to take possession of the crops and to farm and



harvest them, undertake the performance of the obligation that the Tenant has failed to perform, as well as the right to be reimbursed by the Tenant for the Landlord's costs incurred in such performance, which costs will be charged to the Tenant as additional rent, and which costs will bear interest at the rate of 12 percent per annum from the date of the Landlord's written demand for payment until paid in full. All of the Landlord's rights in the event of a default by the Tenant, will be cumulative and in addition to all other remedies available to the Landlord under applicable law.

16.3 Landlord's Default: Tenant's Remedies

The Landlord's failure to comply with any term or condition of this Lease will be an event of default. The Landlord's failure to fulfill any other obligation of the Lease within 30 days after written notice by the Tenant specifying the nature of the default with reasonable particularity will also be an event of default; however, if the default is of such a nature that it cannot be completely remedied within the 30-day period, no event of default will occur if the Landlord begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as possible.

Section 17 Landlord's Right of Entry

The Landlord may go onto the Property at any time to inspect the Property, to show the Property, or to cure a default by the Tenant, as long as the Landlord enters in a reasonable manner that does not harm the growing crops or interfere with the Tenant's farming activities.



Wine Company

Section 18 Assignment

Tenant shall not assign the lease or any interest therein or sublet the Helmick Hill Vineyard without the prior written consent of Landlord, which may be withheld in the Landlord's sole discretion.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Helmick Hill Vineyard

Steven Matrix

Date

1-14-2021

Northwest Wine Company

Bruno CORNEAUX

Date

1/14/2021

Director of Viticulture



Wine Company

Helmick Hill Vineyard Equipment Value and rental rate.

Tractor: John Deere 5083en	\$30,000.00	
Tractor: Kubota M8200 Narrow	\$8000.00	
Tractor: Kubota L3800 light duty with forklift	\$20,000.00	
Polaris ATV with sprayer and tank	\$3,000.00	
Gearmore PTO Sprayer	\$28,000.00	
New Holland 918H Flail Mower (w/ new hammers)	\$1400.00	
50 short bins w/lids for handpicking	\$250.00 each	\$12500
120g Diesel tank	\$300.00	
Baltic Field Cultivator	\$1000.00	
(new) Rankin RXT-072 72" heavy duty tiller (to be delivered early Feb)	\$3200.00	
5' & 8' wide Bush Hogs	\$2300.00 5ft	\$3500.00 8ft
5 Propane Cannons and other bird control devices	canons \$280.00 each	\$1400
Total estimated value New	\$112300	
Estimated Used Value (60%)	\$67380	
Rental rate per year (6%)	\$4100/year	