

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-4

AGENDA DATE: July 11, 2017

**SUBJECT:**

Approval of the Renewal of a Farm Lease Agreement with Dave Brown for Approximately 35 Acres of Property Located at the Public Safety Center Campus with a Lease Expiration Date of December 31, 2021

**BOARD ACTION AS FOLLOWS:**

No. 2017-378

On motion of Supervisor Withrow, Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office  
Urgent  Routine

BOARD AGENDA #: \*B-4

AGENDA DATE: July 11, 2017

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes  No

**SUBJECT:**

Approval of the Renewal of a Farm Lease Agreement with Dave Brown for Approximately 35 Acres of Property Located at the Public Safety Center Campus with a Lease Expiration Date of December 31, 2021

**STAFF RECOMMENDATIONS:**

1. Approve renewal of a Farm Lease Agreement with Dave Brown for approximately 35 acres of property located at the Public Safety Center Campus with a lease expiration date of December 31, 2021.
2. Authorize the County Chief Operations Officer to execute the Farm Lease Agreement with Dave Brown.
3. Authorize the County Chief Operations Officer to enter into any Amendments to the Farm Lease Agreement necessary for continued farming operations, so long as the Amendments are within the approved budget.

**DISCUSSION:**

Stanislaus County initially negotiated a Farm Lease Agreement with Dave Brown for property located at the Public Safety Center Campus on January 1, 1997. The County has since executed a series of successor Farm Lease Agreements with Dave Brown. The current agricultural farm lease commenced in January of 2015 and had a two-year term. The current farm lease rent is \$305 per acre or \$10,675.00 annually.

Dave Brown is also obligated at his own expense under the Farm Lease to manage and abate weeds on certain areas of the Public Safety Center Campus, as more specifically depicted on the aerial site map attached hereto as Exhibit 1. Dave Brown receives an annual Weed Abatement credit of \$6,260. Dave Brown has performed this obligation as required under the terms of the Farm Lease.

The following is a summary of the proposed terms for the new Lease agreement:

Landlord:	Stanislaus County General Services Agency Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California (209) 525-4380
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Approval of the Renewal of a Farm Lease Agreement with Dave Brown for Approximately 35 Acres of Property Located at the Public Safety Center Campus with a Lease Expiration Date of December 31, 2021

Tenant:	Dave Brown 1560 Ellenwood Road Waterford, CA 95386 (209) 604-9798 (cell)
Premises:	Approximately 35 acres of real estate, in the County of Stanislaus, State of California (APN # 086-015-005) as shown on Exhibit 1.
Permitted Use:	Exclusive use of Premises for the purposes of planting, growing and harvesting of semi-annual row crops (tree crops prohibited) and for no other purposes. Hunting is specifically prohibited on the Premises at any time.
Annual Rent:	Annual Rent = \$10,675.00 Weed Abatement Credit = (\$ 6,260.00) <b>Annual Rent Payable = \$ 4,415.00</b>
Term:	5 year lease term with Termination for Convenience by County permitted upon 180-day notice.
Commencement date	January 1, 2017
Termination date	December 31, 2021 at 11:59 p.m., subject to earlier termination or extension as provided herein.

**POLICY ISSUE:**

The Board of Supervisors has the authority to approve all leases of County property.

**FISCAL IMPACT:**

The current Farm Lease rent is \$4,415.00 annually. The Lease includes a weed abatement credit of \$6,260.00 annually for providing weed abatement at the Lessee's own expense. The total Farm Lease rent collected over the proposed lease term will be \$22,075.00.

Approval of the Renewal of a Farm Lease Agreement with Dave Brown for Approximately 35 Acres of Property Located at the Public Safety Center Campus with a Lease Expiration Date of December 31, 2021

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<b>Cost of recommended action: (Weed Abatement Credit)</b>	\$	31,300
<b>Source(s) of Funding:</b>		
Farm Lease Rent	53,375	
<b>Funding Total:</b>	\$	53,375
<b>Net Cost to County General Fund</b>	\$	(22,075)

<b>Fiscal Year:</b>	17/18-21/22
<b>Budget Adjustment/Appropriations needed:</b>	No

**Fund Balance as of** N/A

**BOARD OF SUPERVISORS' PRIORITY:**

Approval of this item is consistent with the Board of Supervisors Priority of Efficient Delivery of Public Services by ensuring that all uses of the Public Safety Center Campus are efficiently administered.

**STAFFING IMPACT:**

There is no incremental staffing impact associated with this action. The Chief Operations Officer and existing Capital Projects staff will continue to administer the Public Safety Center Campus Agricultural Farm Lease.

**CONTACT PERSON:**

Patricia Hill Thomas, Chief Operations Officer/Project Manager, Telephone (209) 525-6333

**ATTACHMENT(S):**

1. Farm Lease between Stanislaus County and Dave Brown

**FARM LEASE  
BETWEEN STANISLAUS COUNTY AND DAVE BROWN**

**LEASE SUMMARY:**

Landlord:	Stanislaus County General Services Agency Purchasing Agent 1010 10th Street, Suite 5400 Modesto, California (209) 525-4380						
Tenant:	Dave Brown 1560 Ellenwood Road Waterford, CA 95386 (209) 604-9798 (cell)						
Premises:	Approximately 35 acres of real estate, in the County of Stanislaus, State of California (APN # 086-015-005) as shown on Exhibit 1.						
Permitted Use:	Exclusive use of Premises for the purposes of planting, growing and harvesting of semi-annual row crops (tree crops prohibited) and for no other purposes. Hunting is specifically prohibited on the Premises at any time.						
Annual Rent:	<table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">ANNUAL RENT =</td> <td style="text-align: right;">\$10,675.00</td> </tr> <tr> <td style="text-align: right;">WEED ABATEMENT CREDIT=</td> <td style="text-align: right;">(\$6,260.00)</td> </tr> <tr> <td style="text-align: right;"><b>ANNUAL RENT PAYABLE=</b></td> <td style="text-align: right;"><b>\$4,415.00</b></td> </tr> </table>	ANNUAL RENT =	\$10,675.00	WEED ABATEMENT CREDIT=	(\$6,260.00)	<b>ANNUAL RENT PAYABLE=</b>	<b>\$4,415.00</b>
ANNUAL RENT =	\$10,675.00						
WEED ABATEMENT CREDIT=	(\$6,260.00)						
<b>ANNUAL RENT PAYABLE=</b>	<b>\$4,415.00</b>						
Term:	5 year lease term						
Commencement date	January 1, 2017						
Termination date	December 31, 2021 at 11:59 p.m., subject to earlier termination or extension as provided herein.						
Exhibits:	Exhibit 1 "Map of the Premises" Exhibit 2 "Property Condition Inventory Report"						

**FARM LEASE  
BETWEEN STANISLAUS COUNTY AND DAVE BROWN**

This Farm Lease ("**Lease**") is entered into by and between the County of Stanislaus, a political subdivision of the State of California ("**Landlord**") and Dave Brown, ("**Tenant**"), as of this 11<sup>th</sup> day of July, 2017.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Landlord and Tenant agree:

- 1) **PREMISES:** Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant approximately 35 acres of real estate ("**Premises**") in the County of Stanislaus, State of California as shown on **Exhibit 1 ("Map of the Premises")** attached hereto.
- 2) **RESERVATION OF RIGHTS:** This Lease is subject to all outstanding easements and rights of way over, across and upon the Premises. Landlord may, in its sole discretion, grant additional easements or rights of way over, across, in and upon the Premises. Landlord reserves all mineral rights in the Premises together with any mineral deposits thereunder.
- 3) **CONDITION OF PREMISES:** Tenant hereby accepts the Premises (a) in the condition existing as of the commencement date of this Lease, and (b) subject to all applicable zoning, county and state laws, ordinances and regulations governing and regulating the use of the Premises and any covenants or restrictions of record. Tenant has independently evaluated the condition of the Premises and has determined that it is acceptable for Tenant's use and hereby agrees to accept the Property Condition Inventory Report (**Exhibit 2**) which shall fully represent Tenant's acceptance of the Premises at the time of the commencement of this Lease. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representations or warranties with respect to (a) the Premises; (b) the condition of the Premises; (c) the improvements on the Premises; (d) the availability of utilities, water, or sanitary sewer systems; (e) the condition of the soil or the crops on the Premises; (f) the productivity of the land; (g) the cost of production; (h) the number of acres in production; (i) the availability or suitability of federal, state or ground water for Tenant's use; (j) or the suitability or fitness of the Premises for the conduct of Tenant's business.
- 4) **ANNUAL RENT:** Tenant agrees to pay to Landlord and Landlord agrees to accept as payment for the use and possession of the Premises as follows:

Year:	\$per acre:	Annual Rent:	Weed Abatement Credit:	Annual Rent to be Paid
1	\$305.00	\$10,675.00	\$6,260.00	\$4,415.00
2	\$305.00	\$10,675.00	\$6,260.00	\$4,415.00
3	\$305.00	\$10,675.00	\$6,260.00	\$4,415.00
4	\$305.00	\$10,675.00	\$6,260.00	\$4,415.00
5	\$305.00	\$10,675.00	\$6,260.00	\$4,415.00

- a) **No Adjustment.** Except as expressly set forth in this Lease, the foregoing Annual Rent is not subject to adjustment, even if the actual number of acres occupied by Tenant differs from the estimated number of acres set forth in the Lease Summary.
- b) **Payment Dates.** Annual Rent for 2017 shall be paid on July 1, 2017. Annual rent for the remainder of the term of this Lease shall be paid in advance in two (2) equal installments (US dollars) due on January 1 and July 1 of each year. All payments shall be payable to Stanislaus County and delivered to:

Stanislaus County Auditor-Controller  
1010 Tenth Street, Suite 5100  
PO Box 770  
Modesto, California 95353

- c) **Late Charges and Interest.** Rent is due within five (5) business days after the due date. If payment of Rent or any amount owing under this Lease is not received within five (5) business days after the due date, Tenant agrees to pay a late charge on the unpaid rent amount of ten percent (10%) of the unpaid amount plus interest at the rate of ten percent (10%) per annum on the unpaid rent amount at the rate of ten percent (10%) per annum from the payment due date until payment of the rent is received. Landlord may apply amounts received first to the late

charge, then to interest and then to rent, or in any order or other obligation owed by Tenant as Landlord may elect in its sole discretion. Landlord's acceptance of the payment of the late charge or any interest does not constitute a waiver of any rights or remedies granted herein.

5) **TERM:** The term of this Lease shall be for a period of five (5) years, commencing on January 1, 2017 at 12:00 a.m., and terminating on December 31, 2021 at 11:59 p.m.

6) **LEASE RENEWAL:** This Lease will not automatically renew but the Lease may be extended or renewed, on terms and conditions mutually acceptable to Landlord and Tenant.

7) **DEFAULT:**

a) **Default by Tenant.** Rent and other monetary obligations must be paid within five (5) business days after the due date; and all nonmonetary obligations must be fully performed within thirty (30) after the due date. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant: (a) any failure by Tenant to pay Rent or any other monetary sums required to be paid hereunder at the time and in the manner provided in this Lease; (b) the abandonment or vacation of the Premises by Tenant; (c) a general assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency or bankruptcy act, or the appointment of a receiver (except a receiver appointed at the request of Landlord) to take possession of all or substantially all of the assets of Tenant; (d) a failure by Tenant to observe and perform any other provision of this Lease to be observed and performed by Tenant. Any such notice of default shall be in lieu of, and not in addition to, any notice required by law.

b) **Remedies.** Landlord and Tenant agree as follows upon Landlord's remedies for any default by Tenant: In the event of any default by Tenant, then in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to terminate this Lease, then Landlord may recover from Tenant:

(i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of events would be likely to result therefrom; and

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the law applicable in the state in which the Premises are located. The term "Rent," as used herein, shall be deemed to be and to mean Rent, and all other sums required to be paid by Tenant pursuant to the terms of this Lease. In the event of any such default by Tenant, Landlord shall also have the right, with or without terminating this Lease (but not including the remedy of self-help), to reenter the Premises and remove all persons and personal property from the Premises.

c) **Removal of Tenant's Personal Property.** Tenant shall remove all personal property to which Tenant has the right to possession prior to the termination or expiration of this Lease. All property of Tenant not so removed shall, at the option of Landlord, become the sole property of Landlord.

d) **Harvesting of Crop after Termination.** In the event Tenant desires to harvest a crop growing on the Premises as of the termination or expiration of this Lease, Tenant shall, within thirty (30) days after termination or expiration of this Lease, request in writing the right to enter the Premises to harvest the crop. Landlord may, in its reasonable discretion, grant such request, provided that all crops on the Premises must be harvested by Tenant within ninety (90) days after the termination or expiration of this Lease. Tenant shall have no further right to harvest ninety (90) days

after termination or expiration of this Lease. In the event Landlord grants such approval, Tenant may impose reasonable conditions on Tenant's right to access the Premises, which conditions shall include Tenant's obligation to comply with the insurance and indemnification provisions of this Lease.

e) Remedies are Cumulative. The various rights, options, election powers, and remedies of Landlord contained in this Article and elsewhere in this Lease shall be construed as cumulative and no one of them exclusive of any others or of any legal or equitable remedy which Landlord might otherwise have in the event of breach or default, and the exercise of any right or remedy by Landlord shall not in any way impair its right to any other right or remedy.

8) UTILITIES:

a) Tenant's Responsibility for Utilities. Tenant shall pay for all water, sewer, gas, electricity, telephone, and all other services (if any) which are supplied to the Premises.

b) Water. Landlord makes no representation or warranty that water for irrigation or for any other purposes will be available or supplied to the Premises. If currently available and supplied to the Premises, Tenant shall obtain and pay all water costs, expenses, charges arising from or related to Tenant's operations at Tenant's sole expense. Landlord shall have no liability or responsibility for any water shortfalls, water price increases, or both, and this Lease will remain in full force and effect notwithstanding any such matters. Tenant shall pay for all costs associated with irrigating or distributing the water to the crops growing on the Premises. Tenant shall use the water serving the Premises only for crops growing on the Premises, and for no other purpose.

9) TENANTS DUTIES AND OBLIGATIONS:

a) Use. The Premises is leased to Tenant exclusively for the purposes of planting, growing and harvesting of row crops or hay (tree crops prohibited) as set forth herein, and for no other purposes. Hunting is specifically prohibited on the Premises at any time. Tenant shall have no mineral rights under this Lease.

b) Tenant's Costs of Operations. Tenant shall pay all costs associated with farming the Premises including but not limited to installation of necessary pumps, irrigation facilities, and related improvements; the cost of labor, utilities, water, power, machinery, equipment, fertilizer, insecticides, insurance, and applicable taxes which are necessary and/or appropriate to use, operate and manage the Premises.

c) Hiring Preference. Tenant shall use Tenant's best efforts to hire employees, contractors, suppliers, custom operators and agents who are located in Stanislaus County.

10) Agricultural Practices.

a) Best Practices. Tenant shall follow agricultural practices generally recommended for, best adapted to and most appropriate use for the Premises. Tenant shall follow all agricultural and conservation measures and plans approved by all applicable government or regulatory agencies.

b) Weed Abatement. Tenant shall manage weeds around the perimeter of the Premises and along all internal roadways areas on and over the Premises to prevent reseeding. Tenant shall at Tenant's expense perform weed control at least twice during each Lease year- once in the spring prior to the maturation of weed seeds, and once in the fall to control late-growing weeds. The weed abatement credit is set forth in the Lease Summary. After performing weed control, Tenant shall provide written notice to Landlord that he has performed the weed abatement required under this Lease. In the event Tenant fails to perform the weed control required under this Lease after prior written notice and a thirty (30) day opportunity to cure, Landlord may, in its sole discretion, revoke the Weed Abatement Credit.

c) Chemicals and Other Substances. No fertilizer, pesticide, chemical or other foreign substance, except those substances (and quantities) approved by the United States Department of Agriculture, by the California Department of Food and Agriculture and by any other applicable governmental agency ("**Approved Substances**"), shall be stored upon or applied by Tenant to the Premises or crops growing thereon or otherwise be used by Tenant. The use of Approved Substances by Tenant shall be in strict conformity with all applicable laws, rules and regulations and with the manufacturer's instructions respecting the manner and timing of application and with all legal requirements. Approved Substances used by Tenant shall not be used in such a fashion as to impact any property other than the Premises. No experimental chemical or fertilizer including without limitation any product containing biosolids shall be applied to the Premises or to the crops growing thereon, except with Landlord's prior written consent which may be



withheld in Landlord's reasonable discretion. Tenant shall maintain records in accordance with sound business practices and all pertinent governmental regulations respecting the time, place, quality, quantity, kind and method of application of all such substances as may be utilized by Tenant and shall furnish to Landlord, upon request, true and correct copies thereof. Tenant shall provide to the Stanislaus County Agricultural Commissioner, all reports of the use of economic poisons as required in Sections 6624 and 6626, Title 3 Food and Agriculture, California Code of Regulations, as the same may be amended. In addition, Tenant shall comply with applicable provisions of the Food and Agricultural Code, and Title 3 Food and Agriculture, California Code of Regulations, as amended, regulating the use of economic poisons. Failure to comply with this subsection shall constitute a material breach of the Lease by Tenant. Tenant shall store all chemicals in suitable non-leak containers and place them in secure enclosed locations. Tenant shall maintain such records for a minimum of four (4) years from the date of termination of this Lease.

d) **Minimum Tillage and Dust Control.** Tenant shall practice "minimum tillage" where practical and feasible for farming operations. Tillage operations shall be scheduled to minimize the time during which soil will be subject to wind erosion and dust production. Tenant shall control excessive dust through the application of water at Tenant's own expense. Tenant shall provide Landlord with a minimum of seventy two (72) hours advance written notice of tilling operations.

e) **Soil Ripping.** Tenant shall exercise extreme caution when ripping, chiseling or slip-plowing to avoid damage to improvements, utility lines or pipes existing on the Premises. Tenant shall be liable for any damage to structures, utilities, monuments, and improvements owned by Landlord resultant from Tenant's agricultural activities.

f) **Road Damage Prevention.** Tenant shall not operate "track-laying" or "spike wheeled" vehicles on or over paved roads unless road protective measures are taken. Tenant shall be liable for any damage to roads resulting from Tenant's agricultural activities.

g) **Fire Prevention.** Tenant shall comply with applicable fire control and prevention rules, practices and regulations. All equipment, fuel and oil may be stored in an appropriate storage area. A twenty (20) foot firebreak of bare disked soil shall surround all flammable materials.

h) **Crop Residue.** Crop stubble or residue shall be disked into the soil within two (2) weeks after harvest. Grazing and fire shall not be used to eliminate residue after final cutting.

i) **Debris Removal.** Tenant, at Tenant's own expense, shall dispose of all debris and empty containers generated on the Premises.

j) **Fallow Land Management.** Tenant may, at Tenant's own option and sole expense, lay fallow any portion of the Premises. Tenant shall, however, be responsible for weed control during such time as the land remains uncultivated.

k) **Harvest Crop Storage.** Tenant may store harvested crops only in areas approved by Landlord.

l) **Fence Maintenance.** Tenant shall maintain all existing fences within or surrounding the Premises.

#### 11) **IRRIGATION AND DRAINAGE.**

a) **Irrigation and Drainage Control.** Tenant shall provide, install and maintain, at Tenant's own expense, all irrigation facilities, pipes, pumps, and related facilities which may be necessary or appropriate for Tenant's use of the Premises. Upon termination of this Lease, (a) all temporary irrigation facilities shall remain the property of Tenant, and (b) all permanent fixtures and facilities installed by Tenant, shall become the property of Landlord, provided that at the end of the Lease term, Tenant shall remove such fixtures and facilities if directed to do so by Landlord.

b) **Regulatory Agencies.** Tenant shall comply with all laws, rules and regulations of the Central Valley Regional Water Quality Control District or any other applicable regulatory agency. Tenant shall obtain all necessary permits relating to the discharge of water and pay all related fees and assessments imposed by any applicable agency. Tenant shall be responsible for and pay any and all fines and penalties imposed by any regulatory agency for violation of such laws or regulations by Tenant, Tenant's employees, officers, agents or contractors.

c) **Drainage Control.** Tenant shall, at Tenant's own expense, maintain all irrigation and drainage ditches essentially free of weeds, excessive vegetation, silt and debris. Permanent water control structures shall be maintained and repaired by Tenant at Tenant's own expense. Permanent water control structures shall remain the property of

Landlord upon the termination of this Lease. Tenant shall control soil erosion; keep in good repair all terraces, ditches, inlets and outlets of drains; preserve all established watercourses and irrigation systems; and refrain from any practices which will injure such structures or systems. Tenant shall comply with all regulations and management plans regarding water-run-off and pesticide run-off.

d) Mosquito Abatement. Tenant shall be responsible for abatement of all mosquitoes, as required by applicable codes and regulations of the County of Stanislaus and applicable governing Mosquito Abatement Districts.

12) STATUS OF TENANT: At all times during this Lease, Tenant and Tenant's employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as an independent contractors and not employees of Landlord. This Lease shall not be deemed nor is it intended to create a partnership relationship between Landlord and Tenant.

13) MAINTENANCE AND REPAIRS: Tenant shall keep in good order, condition and repair the Premises including all irrigation systems, pumps, fencing, drains, and all other improvements to the Premises. Tenant shall, at Tenant's expense, keep the Premises in a safe and clean condition. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease due to Landlord's failure to keep the Premises in good order, condition and repair.

14) COMPLIANCE WITH LAWS AND REGULATIONS: Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term of this Lease relating to the Premises by Tenant. Tenant shall pay all fines and penalties assessed by any local agency, district, or state agency arising from a violation of any statute, ordinance, rule, regulation, order, covenant or restriction of record relating to the use of the Premises by Tenant, Tenant's employees, officers, agents or contractors.

15) WASTE OR NUISANCE: Tenant shall not commit or permit the commission by others of any waste on the Premises; Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance as defined in Section 3479 of the California Civil Code; and Tenant shall not use or permit the use of the Premises for any unlawful purpose.

16) TAXES AND OTHER CHARGES: Tenant acknowledges that the Premises interest created by this Lease may be subject to a possessory interest tax and, if so assessed, Tenant shall be responsible for paying all taxes levied on such interest. Tenant shall pay all taxes, assessments or other charges levied or made as a result of Tenant's possession or use of the Premises, without contribution from Landlord.

17) INSURANCE: Tenant agrees to obtain and maintain during the duration of this Lease, and all extensions, insurance policies with coverage at least as broad as follows:

a) General Liability Insurance. General Liability Insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) combined single limit per incident or occurrence for bodily injury including personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Tenant under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

b) Automobile Liability Insurance. Owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

c) Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, Tenant certifies under section 1861 of the Labor Code that Tenant is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that Tenant will comply with such provisions before commencing the performance of the Services under this Agreement.

d) Deductibles. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by Landlord. At the option of Landlord, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) Tenant shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to Landlord guaranteeing payment of the self-insured retention or deductible and payment of any

and all costs, losses, related investigations, claim administration and defense expenses.

e) **Additional Insured Endorsement.** Stanislaus County and its Board, officers, directors, agents, officials, volunteers, and employees shall be named as additional insureds by separate endorsement on Tenant's general liability and automobile insurance policies.

f) **Waiver of Right of Subrogation.** Tenant shall obtain a specific endorsement to its workers' compensation insurance policy waiving all rights of subrogation against the Landlord or Landlord's Board, officers, directors, officials, employees and volunteers.

g) **Tenant's Insurance is Primary.** Tenant's insurance coverage shall be primary insurance regarding County and Landlord's Board, officers, directors, officials, agents, employees, and volunteers. Any insurance or self-insurance maintained by Landlord or Landlord's Board, officers, directors, officials, employees and volunteers shall be excess of Tenant's insurance and shall not contribute with Tenant's insurance.

h) **Miscellaneous.** Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Landlord or its Board, officers, directors, officials and employees. Tenant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

i) **Notice to be Provided if Insurance is Cancelled.** Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days' prior written notice has been given to Landlord. Tenant shall promptly notify, or cause the insurance carrier to promptly notify, Landlord of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

j) **Minimum Rating Requirements.** Insurance shall be placed with California admitted insurers (licensed to do business in California) and (except for Worker's Compensation) with a current rating by Best's Key Rating Guide of no less than A:VII.

k) **Certificates of Insurance.** Prior to the commencement date of this Lease, Tenant shall furnish Landlord with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of Tenant. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in Landlord's sole and absolute discretion, approved by Landlord. Landlord reserves the right to require complete copies of all required insurance policies and endorsements, at any time. The limits of insurance described herein shall not limit the liability of Tenant and Tenant's officers, employees, agents, representatives or subcontractors.

18) **EARLY TERMINATION:** Notwithstanding any other provisions for termination contained in this Lease, County may terminate this Lease at any time for any reason whatsoever. In such event, County must provide Tenant a minimum of 180 days prior written notice, identifying the termination date. Tenant shall remain obligated to pay (i) Rent and Insurance Expenses through the Lease termination date as otherwise provided in this Lease. Tenant must pay all such amounts no later than the Lease termination date.

19) **DEFENSE AND INDEMNIFICATION:** Tenant shall defend, indemnify and hold Landlord, board, its officers, agents and employees, free and harmless from and against any and all claims, losses, costs, damage, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, law or equity, or otherwise), charges, assessments, fines, and penalties of any kind (including Tenant and expert expenses; court costs; and attorney fees actually incurred ("Claims")) from any cause arising out of or relating (directly or indirectly) to this Lease, the tenancy created under this Lease, or the use and occupancy of the Premises. Notwithstanding the foregoing; Tenant's indemnification obligations shall not apply to any Claims caused by or arising out of the active negligence of Landlord. Tenant's obligation to defend, indemnify and hold Landlord and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Lease for Tenant to procure and maintain a policy of insurance.

20) **HAZARDOUS MATERIALS.**

a) **Tenant's Compliance with Environmental Laws.** Tenant shall at all times in all respects comply with all environmental laws and any amendments thereto affecting Tenant's use of and operation on the Premises, including all federal, state and local laws, ordinances and regulations relating to Hazardous Material. Without limiting the

generality of the forgoing, reference is made to the provisions requiring disclosure of any Hazardous Materials used or stored on the Premises, and providing to Landlord copies of Material Safety Data Sheets (MSDS) from the manufacturer on each product. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste that is or becomes regulated by any local government authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (1) defined as "Hazardous Waste," "Extremely Hazardous Waste" or "Restricted Hazardous Waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "Hazardous Substance" under Section 25316 of the California Health and Safety Code, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (3) defined as a "Hazardous Material" or "Hazardous Substance" or "Hazardous Waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (4) defined as a "Hazardous Substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (5) petroleum or petroleum containing compounds; (6) asbestos; (7) listed under Article 9, or defined as Hazardous Wastes or Extremely Hazardous pursuant to Article 11, of Title 22 of the California Code of Regulations, Division 4, Chapter 20; (8) designated as a "Hazardous Waste" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1317); (9) defined as "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC Section 6901 et seq. (42 USC Section 6903); or (10) defined as a "Hazardous Substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601 et seq. (42 USC Section 9601).

b) Indemnification by Tenant for Hazardous Materials Contamination. If Tenant causes, or permits the use or storage of hazardous materials resulting in contamination of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses which arise during or after the Term of this Lease as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any reasonable investigation of site conditions or any cleanup, remedial action, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. In no event shall Tenant be responsible for any contamination found on or under the Premises that existed prior to Tenant's occupancy. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at Tenant's sole expense as are necessary to render the Premises in compliance with all applicable environmental laws; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse effect on the Premises. The provisions of this section shall survive the expiration or termination of this Lease.

c) Approval Required Regarding Hazardous Material. Except for Approved Substances, Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Tenant, Tenant's officers, members, agents, employees, guests, contractors or invitees without the prior written consent of Landlord. With respect to Hazardous Materials normally and routinely used in Tenant's operations, Landlord's approval shall be a continuing approval subject to review on such periodic basis as Landlord determines is appropriate.

d) Notices. Tenant shall promptly notify Landlord and Landlord shall promptly notify Tenant in writing of: (1) any enforcement, cleanup, removal or governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws; (2) any claim made by any person against Tenant or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claiming to result from any Hazardous Materials in or on the Premises; and (3) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises, including any complaints, notices, warning or asserted violations in connection therewith (but excluding routine manifests, records or receipts that are submitted to environmental agencies for purposes of documenting waste disposal or product receipt activities). Tenant shall also supply to Landlord and Landlord shall also supply to Tenant as promptly as possible, and in any event within ten (10) business days after the other first receives or sends the same, copies of all claims, reports, complaints, notices or warning or asserted violations relating in any way to the Premises or the other's use thereof.

e) Right of Entry. During the Term of this Lease, upon advance notice, Landlord, or those authorized by Landlord, shall have the right of entry to test and determine the extent of any contamination of the Premises provided that any such testing shall not unreasonably disrupt or interfere with Tenant's operations. The results of such tests (including any reports, documents or test results) shall be simultaneously provided to Landlord and Tenant.

f) No Warranty. Landlord does not warrant the environmental condition of the Lease Premises at any time;

including but not limited to the time of execution by Tenant, the Lease Commencement Date, or during the Term, of the Lease.

21) ENVIRONMENTAL REGULATIONS.

a) Environmental Laws. Tenant shall at all times in all respects comply with all environmental laws and any amendments thereto affecting Tenant's use of and operation on the Premises, including all federal, state and local laws, ordinances and regulations relating to endangered, threatened and other sensitive species. Without limiting the generality of the foregoing, reference is made to the provisions set forth in the California Endangered Species Act (California Fish and Game Code Section 2050, et seq.); the Federal Endangered Species Act (16 U.S.C. Sections 1531 - 1543); and the Federal Migratory Bird Treaty Act (16 U.S.C. Sections 703-712). Tenant understands and acknowledges that, during the Term of this Lease, the environmental regulations implemented or imposed by the Authority on Landlord and Tenant may change and Tenant specifically agrees to comply with any future applicable environmental regulations implemented or imposed by the Authority on Landlord or Tenant.

b) Fines and Penalties. Tenant shall assume responsibility for and payment of any fines or penalties levied on either Landlord or Tenant by any applicable local, state or federal authority for breaches by Tenant of environmental regulations. Tenant agrees to be solely liable for the payment of all fines and penalties resulting from Tenant's breach of environmental regulations, except and in proportion to the extent caused by the negligence or willful misconduct of Landlord.

c) Avoidance and Minimization. Tenant shall at all times engage in appropriate avoidance and minimization measures to prevent the unlawful take, possession or destruction of any protected species. This includes birds-of-prey, and the take, possession or destruction of the eggs and nests of any such bird.

d) Survival. The provisions of this section shall survive the expiration or termination of this Lease.

22) ALTERATIONS: Tenant shall not make or permit any other person to make any permanent alterations or installations to the Premises or any improvement thereon without the prior written consent of Landlord. Tenant shall not erect or permit to be erected any permanent structure to the Premises. Tenant shall not remove any trees or structures located on the Premises without the prior written consent of Landlord.

23) ENTRY BY LANDLORD: Landlord, its employees, agents, representatives, invitees, as well as the employees, agents or representatives of any Agencies, may enter the Premises at all reasonable times for any reasonable purpose.

24) ENTRY BY OTHERS: Tenant shall have the right to post signs forbidding trespass by persons other than Tenant or his employees upon the Premises, and to deny entry upon the Premises to unauthorized persons.

25) ASSIGNMENT: Tenant shall not assign this Lease, nor sublet any portion of the Premises, without Landlord's prior written approval.

26) DEFAULT BY TENANT: All covenants and agreements contained in this Lease are declared to be conditions to this Lease. Should Tenant default in the performance of any condition or agreement contained in this Lease, Landlord may terminate this Lease and re-enter and regain possession of the Premises in accordance with the laws of the State of California then in effect.

27) CONVEYANCE OF THE PREMISES: Upon conveyance or transfer of all or part of the Premises, Landlord shall be released from all obligations hereunder. Thereafter, Landlord's successor in title shall be responsible for performance of Landlord's obligations hereunder.

28) NOTICES: All notices required or permitted by this Lease or by law to be served on or given to either party hereto by the other party, shall be in writing and personally delivered to the party to whom it is directed, or in lieu of personal service when deposited in the United States mail addressed as follows:

To Landlord - Stanislaus County Purchasing Agent  
1010 Tenth Street Suite 5400  
Modesto, CA 95354

With a copy to: Stanislaus County Chief Executive Office  
1010 10th Street, Suite 6800

Modesto, CA 95354  
Attn: Patricia Hill Thomas  
(209) 525-6333

To Tenant: Dave Brown  
1560 Ellenwood Road  
Waterford, CA 95386  
(209)604-9798(cell)

Landlord hereby appoints Patricia Hill Thomas, Chief Administrative Officer/Assistant Executive Officer (209)525-6333, to act as Landlord's representative to serve as Landlord's point of contact during the term of this Lease.

29) **FAILURE TO VACATE:** Tenant shall promptly vacate Premises at the expiration or termination of this Lease, whichever occurs first. Any holdover beyond the term or extended term of this lease shall be on a month to month basis. If Tenant fails to vacate as herein provided, Tenant agrees that Landlord or its authorized agents may enter upon the Premises and remove all personal property and crops therefrom only as provided in this Lease. Except as expressly provided in this Lease, Tenant waives any rights under Civil Code of Procedure Section 1161. In the event of Tenant's violation of any of the terms or conditions hereof, nothing herein shall be deemed a waiver of Landlord's rights to demand and obtain possession of the Premises in accordance with applicable law.

30) **RESTORATION OF THE PREMISES:** Before the expiration or earlier termination of this Lease, Tenant shall restore the Premises to a condition approved by Landlord. In the event of damage or destruction to the Premises or any portion thereof by Tenant, Tenant's agents, officers, employees, or invitees, Tenant shall promptly repair or replace such Premises to the satisfaction of Landlord or compensate Landlord for the loss or damage to the Premises, as Landlord shall elect.

31) **LIENS:** Tenant shall promptly discharge or cause to be discharged any lien, claim or demand of any kind which at any time may arise or exist with respect to the Premises or materials or equipment furnished therefor, and if the same shall not be promptly discharged, Landlord may cause such lien or claim to be discharged at the expense of Tenant

32) **TIME OF ESSENCE:** Time is expressly declared to be the essence of this Lease.

33) **WAIVER:** The waiver of any breach of any of the provisions of this Lease by Landlord shall not constitute continuing waiver or a waiver of any subsequent breach by Tenant either of the same or of another provision of this Lease.

34) **SEVERABILITY:** If any portion of this Lease or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Lease or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Lease are severable.

35) **AMENDMENT:** This Lease may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Lease and attached to the original Lease to maintain continuity.

36) **ENTIRE AGREEMENT:** This Lease supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Upon execution of this Lease, the prior Lease with Tenant shall terminate. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Lease shall be valid or binding.

37) **ADVICE OF ATTORNEY:** Each party warrants and represents that in executing this Lease, it has received independent legal advice from its attorneys or has had the opportunity to seek such advice.

38) **CONSTRUCTION:** Headings or captions to the provisions of this Lease are solely for the convenience of the parties, are not part of this Lease, and shall not be used to interpret or determine the validity of this Lease. Any ambiguity in this Lease shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Lease.

38) ATTORNEYS' FEES: In the event of a claim, action or proceeding relating to this Lease, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

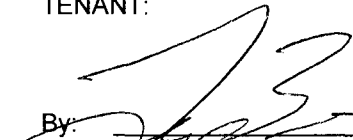
39) GOVERNING LAW AND VENUE: This Lease shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Lease shall have venue in the County of Stanislaus, State of California.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Lease as of the date first above written.

LANDLORD:  
COUNTY OF STANISLAUS

TENANT:

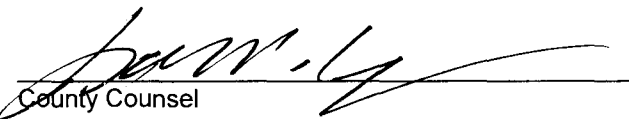
By:   
Patricia Hill Thomas, Chief Operations Officer

By:   
Dave Brown

Approved: BOS Resolution # 2017-378

By:   
Stanislaus County Purchasing Agent

APPROVED AS TO FORM:  
John P. Doering, County Counsel

By:   
County Counsel

**EXHIBIT 1**

**Map of the Premises**





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EXHIBIT2

Landlord and Tenant Property Condition Inventory Report

EFFECTIVE DATE

PROPERTY CONDITION

LEASE COMMENCEMENT DATE

January 1, 2017

Vacant farm land used for growing hay.

Property is delivered in its "as is" condition.

LEASE EXPIRATION OR TERMINATION DATE

December 31, 2021

FOR: LANDLORD (AUTHORIZED AGENT)

Name: Patricia Hill Thomas  
Patricia Hill Thomas

Initial: plw Date: 7/11/17

FOR TENANT: (AUTHORIZED AGENT)

Name: Dave Brown  
Dave Brown

Initial: \_\_\_\_\_ Date: \_\_\_\_\_