

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

DEPT: PUBLIC WORKS  
Urgent \_\_\_\_\_ Routine

BOARD AGENDA # C-2  
AGENDA DATE NOVEMBER 4, 2003

CEO Concurs with Recommendation YES \_\_\_\_\_ NO \_\_\_\_\_  
(Information Attached)

4/5 Vote Required YES \_\_\_\_\_ NO

SUBJECT: AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE AND EXECUTE AN AGREEMENT TO LEASE THE COUNTY'S PROPERTY LOCATED GENERALLY NORTH AND WEST OF THE FINK ROAD LANDFILL TO LENT BURDEN FARMING, INC.

STAFF RECOMMENDATIONS: AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE AND EXECUTE AN AGREEMENT TO LEASE THE COUNTY'S AGRICULTURAL PROPERTY LOCATED GENERALLY NORTH AND WEST OF THE FINK ROAD LANDFILL TO LENT BURDEN FARMING, INC., FOR A PERIOD OF TWO YEARS.

FISCAL IMPACT: This lease will result in income in the amount of \$402,000 for the two-year lease term. This income will be placed in the Fink Road Landfill Enterprise Account.

BOARD ACTION AS FOLLOWS: No. 2003-1045

On motion of Supervisor Mayfield, Seconded by Supervisor Caruso  
and approved by the following vote,  
Ayes: Supervisors: Paul, Mayfield, Grover, Caruso, and Chairman Simon  
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: Christine Ferraro  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

SUBJECT: AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE AND EXECUTE AN AGREEMENT TO LEASE THE COUNTY'S PROPERTY LOCATED GENERALLY NORTH AND WEST OF THE FINK ROAD LANDFILL TO LENT BURDEN FARMING, INC.

PAGE: 2

**DISCUSSION:** In 1999, the County acquired 2,100 acres of real property adjacent to the Fink Road Landfill. Of this amount, approximately 1,040 acres (104 acres of non-productive almonds will be removed) remain agricultural land planted in almonds, walnuts, and in the past, barley. The agricultural property has been operated by a farm management company, Sunflower Farm Management, from 1999 to the present.

On August 12, 2003, the Board of Supervisors authorized staff to issue a Request for Proposals (RFP) to lease the agricultural property. Under the RFP, proposers were asked to submit a price to lease the entire 1,040 acres of agricultural land. Under the proposed lease, the tenant is required to assume the responsibility for all of the expenses for the land, including real property taxes. A lease approach is preferred to keep the property in a productive state to provide a source of income and to reduce risk to the County.

On October 1, 2003, staff received three proposals for the lease. The three proposals were:

◆ LENT BURDEN FARMING, INC. (LBFI)

LBFI develops and manages orchard and vineyard properties throughout California. Specializing in almonds, walnuts, and wine grapes, LBFI has developed over 5,600 acres of vineyards and orchards since 1993 and currently manages 4,104 acres; 990 acres are being developed for planting in January 2004. LBFI farm properties are concentrated in Lodi, Oakdale-Waterford, and the Central Coast. LBFI proposed to lease the 1,040 acres for \$201,000 per year.

◆ MARING AND BROOKS

Maring Farms, Inc., has been operating in the Westley/Patterson area in excess of 35 years in a variety of row and tree crops. Maring Farms, Inc., currently has approximately 1,120 acres in production. Robert Brooks is a licensed pest control advisor who is familiar with the County's agricultural property. Maring and Brooks proposed to lease the 1,040 acres for \$166,400 per year.

◆ VAN ELDEREN AND SONS

Van Elderen and Sons proposed to lease the 1,040 acres for \$104,000 plus a percentage of income.

RECOMMENDATION OF AWARD TO THE HIGHEST RESPONSIBLE PROPOSER

Section 4.24.010 of the Stanislaus County Code sets forth the procedure for the leasing of real property belonging to the County. The County is required to accept the highest proposal from qualified proposers, or it may reject all bids. Lent Burden Farming, Inc., is the highest qualified proposer, giving the County the highest return on the property, and it is recommended that the lease be awarded to LBFI.

**SUBJECT:** AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO NEGOTIATE AND EXECUTE AN AGREEMENT TO LEASE THE COUNTY'S PROPERTY LOCATED GENERALLY NORTH AND WEST OF THE FINK ROAD LANDFILL TO LENT BURDEN FARMING, INC.

**PAGE:** 3

**POLICY  
ISSUES:**

This action is consistent with the Board's direction of providing a safe and healthy community.

**STAFFING  
IMPACT:**

There is no staffing impact associated with this item.

**GWS:sp**

H:\GWS\Fink-Geer\Lent Burden Farming 2-yr Lease - AwardFormatted.BOS.wpd

## **FARM LEASE AGREEMENT**

1. **LEASE OF PROPERTY:** The County of Stanislaus, a political subdivision of the State of California herein called "Landlord", hereby leases for agricultural purposes to Lent Burden Farming, Inc. herein called "Tenant", the real property with all improvements thereon, herein called "Property", in the County of Stanislaus, State of California, described on Exhibit "A" attached hereto.
2. **TERM OF LEASE:** The initial term of this lease shall be for a period of two years, commencing on November 4, 2003, and terminating on November 3, 2005.
3. **ADDITIONAL LEASE TERMS:** This lease may be renewed by mutual agreement of Landlord and Tenant. Tenant agrees to contact Landlord prior to the termination date to consider renegotiating for the following year. The terms and conditions of the Lease are subject to renegotiation during any extension periods. Amendments and alterations to this lease shall be in writing and signed by both parties.
4. **EARLY TERMINATION:** Prior to the end of the lease term, the Landlord may terminate the lease on all or part of the Property. If the Landlord elects to terminate the lease on all or part of the Property, the Landlord shall reimburse Tenant all actual out of pocket costs relating to the property subject to termination, plus 15% of said costs, for the crop year in which termination occurs.
5. **NO PARTNERSHIP:** This lease shall not be deemed nor is it intended to give rise to a partnership relationship between the County and Tenant.
6. **PAYMENT:** Tenant agrees to pay to Landlord and Landlord agrees to accept as payment for the use and possession of the said Property the sum of Two Hundred One Thousand Dollars (\$201,000) per year, to be paid monthly, on or before the 4<sup>th</sup>-day of each month, at the rate of Sixteen Thousand Seven Hundred Fifty Dollars (\$16,750), in advance, at the office of the Stanislaus County Auditor-Controller, 1010 Tenth Street, Suite 5100, Modesto, California 95353.
7. **LATE RENT:** If rent is not paid when due, Tenant agrees to pay interest on the amount of unpaid rent at the rate of 10% per annum from the due date until paid.
8. **USE OF THE PROPERTY:** The Property is leased to Tenant for the purposes of planting, growing and harvesting of crops and for grazing purposes and for no other purposes.
9. **CONDITION OF THE PROPERTY;** Tenant hereby accepts the Property "as is" and in the condition existing as of the Commencement Date or the date that Tenant takes possession of the Property, whichever is earlier, and subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating

the use of the Property, and any covenants or restrictions of record. Tenant has determined that the Property is acceptable for Tenant's use and Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Property; the condition of the property; the soil or the crops; the productivity of the crops; the cost of production; the number of acres in production; its suitability or fitness for the conduct of Tenant's business or for any other purpose.

10. **AGRICULTURAL PRACTICES:** Tenant shall follow the agricultural practices that are generally recommended for and that are the best adapted to this type of farm and appropriate for the locality. Throughout the lease term, Tenant shall keep and maintain the Property in approximately the same condition as it is at the commencement of the lease term, normal aging of the trees and wear and tear excepted.
11. **COSTS OF OPERATION:** Tenant shall pay for all costs associated with the Property, including but not limited to labor, utilities, water, power, machinery, equipment, fertilizer, insecticides necessary and appropriate to operate and manage the Property.
12. **WEEDS:** Tenant shall manage weeds to prevent reseeding.
13. **INSECTICIDES; PESTICIDES:** Tenant shall store and use pesticides, fertilizers and other chemicals, and dispose of containers in accordance with state and federal laws and regulations. Tenant shall maintain and furnish to Landlord at Landlord's request a field by field record of the amount, kind and dates of applications of fertilizers and pesticides.
14. **UTILITIES:** Tenant shall pay for all water, sewer, gas, electricity, telephone, and all other services supplied to the Property.
15. **MAINTENANCE AND REPAIRS:** Tenant shall keep in good order, condition and repair the Property, including all buildings, irrigation systems, pumps, fencing, drains, and all other improvements to the Property. Tenant shall, at his own cost and expense, keep the Property in as safe and clean a condition as it was when received by him from Landlord. 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 because of Landlord's failure to keep the Property in good order, condition and repair.
16. **COMPLIANCE WITH LAWS AND REGULATIONS:** Tenant, at Tenant's expense, shall comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements (including but not limited to any requirements of the Americans with Disabilities Act) in effect during the term or any part of the term hereof, regulating the use by Tenant of the Property.
17. **WASTE OR NUISANCE:** Tenant shall not commit or permit the commission by others of any waste on the Property; 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 Property for any unlawful

purpose.

18. **TAXES AND OTHER CHARGES:** It is understood that the property interest created by this lease may be subject to property taxation and that Tenant will be subject to the payment of property 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 Property without contribution by Landlord.
19. **GRAZING LEASE:** Tenant acknowledges the Paul Clarot's tenancy under that Grazing Lease relating to the property described on Exhibit B attached hereto. Tenant shall not interfere with Paul Clarot's rights under the Grazing Lease and shall reasonably cooperate with Paul Clarot relating to his rights under the Grazing Lease.
20. **ENTRY BY OTHERS:** Tenant shall have the right to post signs forbidding trespass by persons other than Tenant or his employees upon the Property, and to deny entry upon the Property to unauthorized persons.
21. **INSURANCE:** Tenant shall obtain the following insurance:
  - a. **GENERAL LIABILITY:** \$1,000,000 combined single limit per occurrence for bodily injury, 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 this project, or the general aggregate limit shall be twice the required occurrence limit.
  - b. **AUTO LIABILITY:** Owned/Nonowned automobile liability insurance providing combined single limits covering bodily injury liability with limits of no less than \$100,000 per accident, and providing property damage liability of no less than \$100,000 per accident.
  - c. **WORKERS COMPENSATION:** Workers' Compensation insurance as required by the Labor Code of the State of California.
  - d. **DEDUCTIBLES:** Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by Landlord. At the option of the Landlord, either: the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds; or the Tenant shall provide a bond, cash or letter of credit guaranteeing payment of the self-insured retention, deductible, or payment of any and all costs, losses, related investigations, claim administration and defense expenses.
  - e. **ENDORSEMENTS:** The insurance policies are to contain, or be endorsed to contain, the following provisions:
    - i. **GENERAL LIABILITY:** Tenant shall provide a separate endorsement naming Landlord and Landlord's officers, officials, employees, and

volunteers as additional insureds. The coverage shall contain no special limitations on the scope of protection afforded to the Landlord or Landlord's officers, officials, employees, or volunteers.

- ii. **PRIMARY COVERAGE:** The Tenant's insurance coverage shall be primary insurance over any other insurance held by the Landlord and Landlord's officers, officials, employees and agents. Any insurance or self-insurance maintained by the Landlord or Landlord's officers, officials, employees, or agents shall be excess of the Tenant's insurance and shall not contribute with Tenant's insurance.
- iii. **WORKERS COMPENSATION - SUBROGATION:** The Tenant's insurer shall agree to waive all rights of subrogation against the Landlord and Landlord's officers, officials, employees, and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Tenant.

f. **ALL INSURANCE:**

- i. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Landlord.
- ii. Insurance shall be placed with a California admitted insurers (licensed to do business in California) or other insurer as approved by the Landlord. All insurance policies shall have a Best's rating of no less than B+:VII or as approved by the Landlord.
- iii. Prior to the effective date of the Lease, Tenant shall furnish Landlord with certificates of insurance and with original endorsements effecting coverage required by this section. 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 before any other term or condition of this Agreement is performed by Tenant. Landlord reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

22. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold harmless the Landlord, its officers, employees and agents, from any claims, liability, causes of action or costs arising from or related to the negligence or wrongful acts or omissions of Tenant, its officers, employees and agents.

23. **ALTERATIONS:** Tenant shall not make or permit any other person to make any

alterations to the Property or any improvement thereon without the prior written consent of the Landlord. Tenant shall not erect or permit to be erected any permanent structure to the Property. Tenant shall not remove any trees or structures located on the Property without the prior written consent of Landlord.

24. EROSION: 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.
25. DAMAGES: At the termination of the lease, Tenant shall pay to Landlord reasonable compensation for any damages to the Property caused by Tenant or its invitees, agents or employees, excepting ordinary wear and tear or depreciation.
26. INSPECTION BY LANDLORD: Tenant shall permit Landlord, its employees, agents, or representatives to enter the Property at all reasonable times.
27. ASSIGNMENT: Tenant shall have the right to sublet any portion of the Property, subject to the County's prior approval, which approval shall not be unreasonably withheld.
28. 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 and re-enter and regain possession of the Property in the manner then provided by the laws of unlawful detainer in the State of California then in effect.
29. 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:

Landlord - Stanislaus County Public Works  
1010 Tenth Street, Suite 3500  
Modesto, CA 95353

Tenant - Lent Burden Farming, Inc.  
Attn: Dennis Wittchow, President  
1211 "L" Street  
Modesto, CA 95354

30. FAILURE TO VACATE: Tenant agrees to vacate Property at the expiration of the lease term or upon the termination of the lease agreement, whichever occurs first. If Tenant fails to vacate as herein provided, Tenant agrees that Landlord, or its authorized agents, may enter upon the leased Property and remove all personal property therefrom and in this event, Tenant waives any and all claims for damages against Landlord, its agents or employees. Nothing herein shall be deemed a waiver of any rights of Landlord to



demand and obtain possession of said Property in accordance with law in the event of a violation of Tenant part of any of the terms or conditions hereof.

- 31. TIME OF ESSENCE: Time is expressly declared to be the essence of this lease.
- 32. 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.

Executed on \_\_\_\_\_, 2003, at Modesto, California.

STANISLAUS COUNTY

LENT BURDENT FARMING, INC.

\_\_\_\_\_  
BY: George Stillman  
Director of Public Works  
"Landlord"

\_\_\_\_\_  
Dennis Wittchow, President  
"Tenant"

APPROVED AS TO FORM:

\_\_\_\_\_  
BY: MICHAEL H. KRAUSNICK  
County Counsel

MICHAEL A. REIN  
TERESA VIG REIN

---

---

**REIN & REIN**  
A PROFESSIONAL LAW CORPORATION

---

---


(209)544-3688  
FAX: (209)544-3695

715 14<sup>TH</sup> STREET  
MODESTO, CA 95354

**TRANSMITTAL MEMO**

November 12, 2003

TO: Christine Ferraro Tallman, Board of Supervisors  
Jim Nelson, Purchasing  
Larry Haugh, Auditor

FROM: Terry Rein 

RE: Lent-Burden Farm Lease Agreement

2003 NOV 13 P 1:49  
BOARD OF SUPERVISORS

ENCLOSURES:

Original Farm Lease Agreement dated November 4, 2003.

*This agreement was approved by the Board of Supervisors on November 4, 2003, Item C-2.*

REMARKS: FOR YOUR PERMANENT RECORDS. The County will be receiving monthly income from the tenant in the amount of \$16,750 for the two year term of the lease. I gave the first check to George Stillman last week. All income should be credited to a separate account in the Fink Road Landfill Enterprise Account.

*If you have any questions, please do not hesitate to call. Thanks!!!*

cc: George Stillman (copy)  
Michael H. Krausnick (copy)  
David Nordell (copy)  
Ron Grider (copy)  
Michael Franck (copy)

## FARM LEASE AGREEMENT

1. LEASE OF PROPERTY: The County of Stanislaus, a political subdivision of the State of California herein called "Landlord", hereby leases for agricultural purposes to Lent Burden Farming, Inc. herein called "Tenant", approximately 1040 acres of real property with all improvements thereon including the cabin, shop, and mobile home, herein called "Property", in the County of Stanislaus, State of California, described on Exhibit "A" attached hereto.
2. TERM OF LEASE: The initial term of this lease shall be for a period of two years, commencing on November 4, 2003, and terminating on November 3, 2005.
3. ADDITIONAL LEASE TERMS: This lease may be renewed by mutual agreement of Landlord and Tenant. Tenant agrees to contact Landlord prior to the termination date to consider renegotiating for the following year. The terms and conditions of the Lease are subject to renegotiation during any extension periods. Amendments and alterations to this lease shall be in writing and signed by both parties.
4. EARLY TERMINATION: Prior to the end of the lease term, upon 30 days notice, the Landlord may terminate the lease on all or part of the Property. If the Landlord elects to terminate the lease on all or part of the Property, the Landlord shall reimburse Tenant all actual out of pocket costs relating to the property subject to termination, plus 15% of said costs, for the crop year in which termination occurs, payable on the termination date.
5. NO PARTNERSHIP: This lease shall not be deemed nor is it intended to give rise to a partnership relationship between the County and Tenant.
6. PAYMENT: Tenant agrees to pay to Landlord and Landlord agrees to accept as payment for the use and possession of the said Property the sum of Two Hundred One Thousand Dollars (\$201,000) per year, to be paid monthly, on or before the 4<sup>th</sup> day of each month, at the rate of Sixteen Thousand Seven Hundred Fifty Dollars (\$16,750), in advance, at the office of the Stanislaus County Auditor-Controller, 1010 Tenth Street, Suite 5100, Modesto, California 95353.
7. LATE RENT: If rent is not paid when due, Tenant agrees to pay interest on the amount of unpaid rent at the rate of 10% per annum from the due date until paid.
8. USE OF THE PROPERTY: The Property is leased to Tenant for the purposes of planting, growing and harvesting of crops and for grazing purposes and for no other purposes.

9. **CONDITION OF THE PROPERTY:** Tenant hereby accepts the Property “as is” and in the condition existing as of the Commencement Date or the date that Tenant takes possession of the Property, whichever is earlier, and subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Property, and any covenants or restrictions of record. Tenant has determined that the Property is acceptable for Tenant's use and Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Property; the condition of the Property; the soil or the crops; the productivity of the crops; the cost of production; the number of acres in production; its suitability or fitness for the conduct of Tenant’s business or for any other purpose.
10. **AGRICULTURAL PRACTICES:** Tenant shall follow the agricultural practices that are generally recommended for and that are the best adapted to this type of farm and appropriate for the locality. Throughout the lease term, Tenant shall keep and maintain the Property in approximately the same condition as it is at the commencement of the lease term, normal aging of the trees and wear and tear excepted. Tenant is not required to farm Block 62 consisting of 70 acres of almond trees, and Block 63 consisting of 34 acres of almond trees. Tenant shall control weeds on Blocks 62 and 63 (consisting of non farmed almond trees), and Blocks 60 and 65A (consisting of barley property).
11. **COSTS OF OPERATION:** Tenant shall pay for all costs associated with the Property, including but not limited to labor, utilities, water, power, machinery, equipment, fertilizer, insecticides necessary and appropriate to operate and manage the Property.
12. **WEEDS:** Tenant shall manage weeds to prevent reseeding.
13. **INSECTICIDES; PESTICIDES:** Tenant shall store and use pesticides, fertilizers and other chemicals, and dispose of containers in accordance with state and federal laws and regulations. Tenant shall maintain and furnish to Landlord at Landlord’s request a field by field record of the amount, kind and dates of applications of fertilizers and pesticides.
14. **UTILITIES:** Tenant shall pay for all water, sewer, gas, electricity, telephone, and all other services supplied to the Property.
15. **MAINTENANCE AND REPAIRS:** Tenant shall keep in good order, condition and repair the Property, including all buildings, irrigation systems, pumps, fencing, drains, and all other improvements to the Property. Tenant shall, at his own cost and expense, keep the Property in as safe and clean a condition as it was when received by him from Landlord. 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 because of Landlord’s failure to keep the Property in good order, condition and repair.
16. **COMPLIANCE WITH LAWS AND REGULATIONS:** Tenant, at Tenant’s expense, shall comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements (including but not limited to any requirements of

the Americans with Disabilities Act) in effect during the term or any part of the term hereof, regulating the use by Tenant of the Property.

17. WASTE OR NUISANCE: Tenant shall not commit or permit the commission by others of any waste on the Property; 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 Property for any unlawful purpose.
18. TAXES AND OTHER CHARGES: It is understood that the property interest created by this lease may be subject to property taxation and that Tenant will be subject to the payment of property 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 Property without contribution by Landlord.
19. GRAZING LEASE: Tenant acknowledges the Paul Clarot's tenancy under that Grazing Lease relating to the property described on Exhibit B attached hereto. Tenant shall not interfere with Paul Clarot's rights under the Grazing Lease and shall reasonably cooperate with Paul Clarot relating to his rights under the Grazing Lease.
20. ENTRY BY OTHERS: Tenant shall have the right to post signs forbidding trespass by persons other than Tenant or his employees upon the Property, and to deny entry upon the Property to unauthorized persons.
21. INSURANCE: Tenant shall obtain the following insurance:
  - a. GENERAL LIABILITY: \$1,000,000 combined single limit per occurrence for bodily injury, 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 this project, or the general aggregate limit shall be twice the required occurrence limit.
  - b. AUTO LIABILITY: Owned/Non-owned automobile liability insurance providing combined single limits covering bodily injury liability with limits of no less than \$100,000 per accident, and providing property damage liability of no less than \$100,000 per accident.
  - c. WORKERS COMPENSATION: Workers' Compensation insurance as required by the Labor Code of the State of California.
  - d. DEDUCTIBLES: Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by Landlord. At the option of the Landlord, either: the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds; or the Tenant shall provide a bond, cash or letter of credit guaranteeing payment of the self-insured retention, deductible, or payment of any and all costs, losses, related investigations, claim administration and defense expenses.

e. ENDORSEMENTS: The insurance policies are to contain, or be endorsed to contain, the following provisions:

- i. GENERAL LIABILITY: Tenant shall provide a separate endorsement naming Landlord and Landlord's officers, officials, employees, and volunteers as additional insureds. The coverage shall contain no special limitations on the scope of protection afforded to the Landlord or Landlord's officers, officials, employees, or volunteers.
- ii. PRIMARY COVERAGE: The Tenant's insurance coverage shall be primary insurance over any other insurance held by the Landlord and Landlord's officers, officials, employees and agents. Any insurance or self-insurance maintained by the Landlord or Landlord's officers, officials, employees, or agents shall be excess of the Tenant's insurance and shall not contribute with Tenant's insurance.
- iii. WORKERS COMPENSATION - SUBROGATION: The Tenant's insurer shall agree to waive all rights of subrogation against the Landlord and Landlord's officers, officials, employees, and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Tenant.

f. ALL INSURANCE:

- i. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Landlord.
- ii. Insurance shall be placed with a California admitted insurer (licensed to do business in California) or other insurer as approved by the Landlord. All insurance policies shall have a Best's rating of no less than B+:VII or as approved by the Landlord.
- iii. Prior to the effective date of the Lease, Tenant shall furnish Landlord with certificates of insurance and with original endorsements effecting coverage required by this section. 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 before any other term or condition of this Agreement is performed by Tenant. Landlord reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

22. INDEMNIFICATION: Tenant shall indemnify, defend and hold harmless the Landlord, its officers, employees and agents, from any claims, liability, causes of action or costs arising from or related to the negligence or wrongful acts or omissions of Tenant, its officers, employees and agents.
23. ALTERATIONS: Tenant shall not make or permit any other person to make any alterations to the Property or any improvement thereon without the prior written consent of the Landlord. Tenant shall not erect or permit to be erected any permanent structure to the Property. Tenant shall not remove any trees or structures located on the Property without the prior written consent of Landlord. Tenants shall not be required to replant trees lost to normal attrition.
24. EROSION: Tenant shall take reasonable steps to 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.
25. DAMAGES: At the termination of the lease, Tenant shall pay to Landlord reasonable compensation for any damages to the Property caused by Tenant or its invitees, agents or employees, excepting ordinary wear and tear or depreciation.
26. INSPECTION BY LANDLORD: Tenant shall permit Landlord, its employees, agents, or representatives to enter the Property at all reasonable times for any purpose, including entry for the removal of trees in Blocks 62 and 63, provided, however, Landlord, its employees, agents or representatives agree to assume all risks associated with such entry.
27. ASSIGNMENT: Tenant shall have the right to sublet any portion of the Property, subject to the County's prior approval, which approval shall not be unreasonably withheld or delayed.
28. 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 and re-enter and regain possession of the Property in the manner then provided by the laws of unlawful detainer in the State of California then in effect.
29. 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:


LANDLORD: Stanislaus County Public Works  
Attn: George Stillman, Director  
1010 Tenth Street, Suite 3500  
Modesto, CA 95353

TENANT: Lent Burden Farming, Inc.  
Attn: Dennis Wittchow, President  
1211 "L" Street  
Modesto, CA 95354


30. FAILURE TO VACATE: Tenant agrees to vacate Property at the expiration of the lease term or upon the termination of the lease agreement, whichever occurs first. If Tenant fails to vacate as herein provided, Tenant agrees that Landlord, or its authorized agents, may enter upon the leased Property and remove all personal property therefrom and in this event, Tenant waives any and all claims for damages against Landlord, its agents or employees. Nothing herein shall be deemed a waiver of any rights of Landlord to demand and obtain possession of said Property in accordance with law in the event of a violation of Tenant part of any of the terms or conditions hereof.
31. TIME OF ESSENCE: Time is expressly declared to be the essence of this lease.
32. 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.

Executed on November 4, 2003, at Modesto, California.

STANISLAUS COUNTY

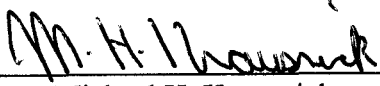
  
\_\_\_\_\_  
BY: GEORGE STILLMAN  
Director of Public Works  
"Landlord"

LENT BURDEN FARMING, INC.

  
\_\_\_\_\_  
DENNIS WITTCHOW, President  
"Tenant"

APPROVED AS TO FORM:

MICHAEL H. KRAUSNICK  
COUNTY COUNSEL

  
\_\_\_\_\_  
BY: Michael H. Krausnick  
Stanislaus County Counsel



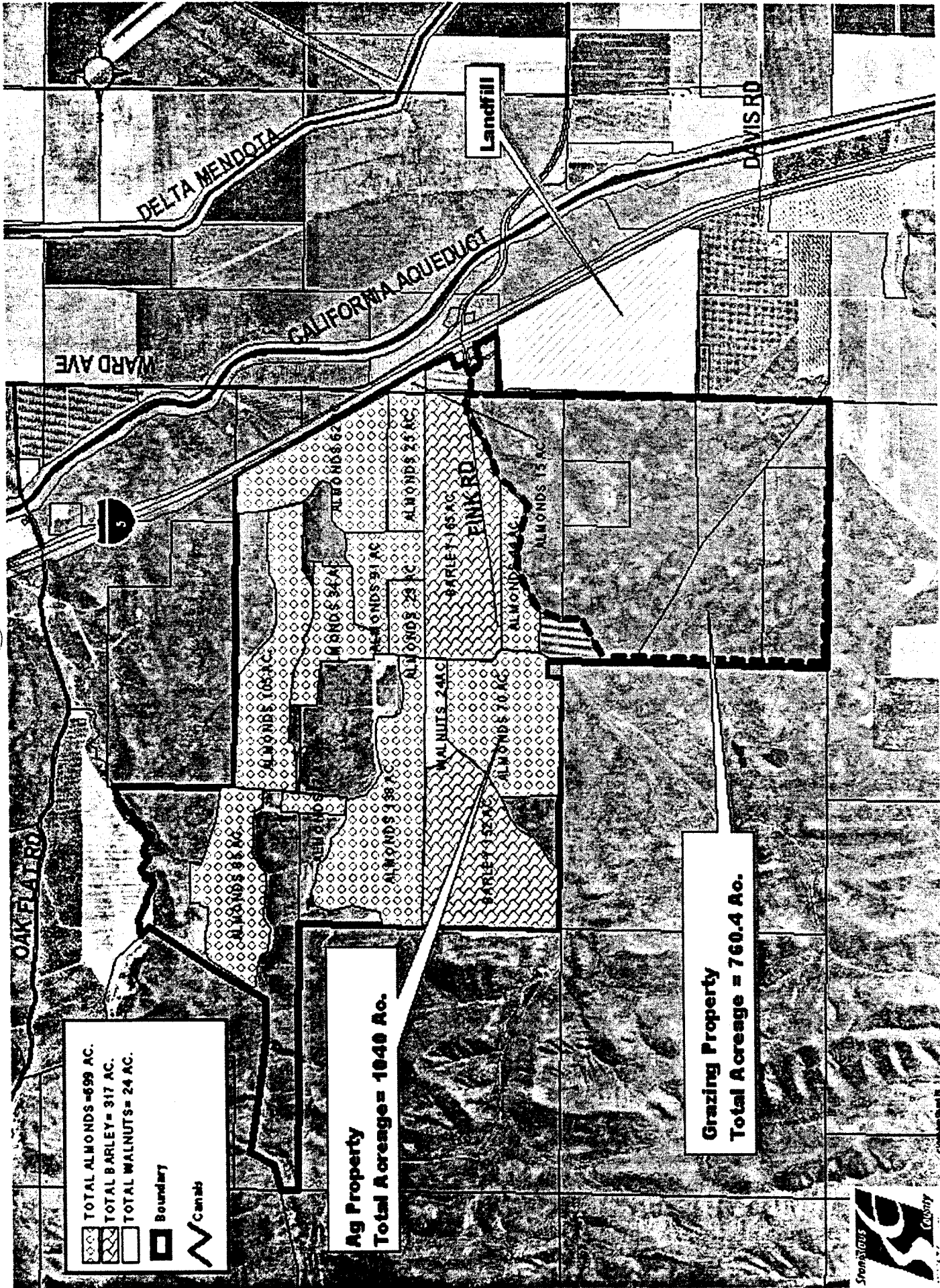
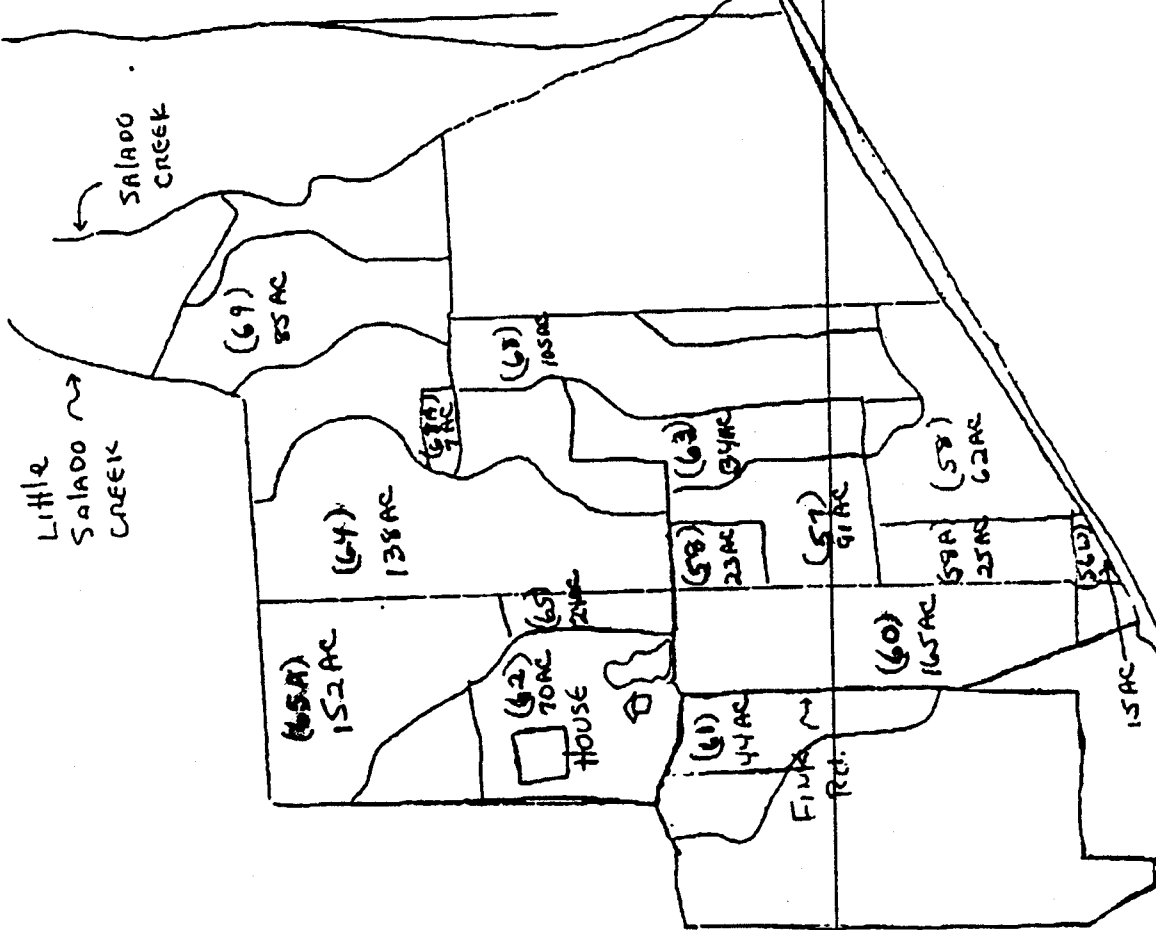
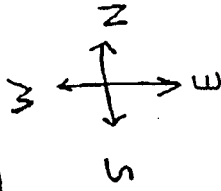


EXHIBIT "A"

County Property Only

Sunflower Ranch  
2002



Field #'s  
Total Barley: 217 Acres (60 + 65A)  
Total Almonds: 699 Acres (all others)  
Total Walnuts: 24 Acres (65)  
1,040 Acres