



# County of Fresno

INTERNAL SERVICES DEPARTMENT

Facilities • Fleet • Graphics • Purchasing • Security • Technology

May 6, 2022

Lajhbir S. Gill Farms  
Attn: Amarinder Gill  
12911 South Fruit  
Caruthers, CA 93609

Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Rent Due, and Termination of Lease if Rent Due is not Timely Paid – Extension of Termination Date

(Agt. #14-675; FL-118 - American 238 Acres Gill Farm/PWP Resources/9026)

Dear Mr. Gill:

On April 6, 2022, the County of Fresno (“County”) issued a notice (“Notice”) to Lajhbir S. Gill Farms (“Lessee”) of the Lessee’s material breach of the terms of Lease Agreement #14-675, dated November 4, 2014, and amended on March 15, 2016 (“Lease”), including the Lessee’s failure to pay rent to the County (“Lessor”), for the lease periods from June 1, 2018 through the current month, pursuant to Section 3 of the Lease. The Notice is attached to this letter.

The Notice provided that, pursuant to Section 4 of the Lease, if all past-due and current rent owed to the Lessor, in the amount of \$1,104,703.32, was not paid in full within 30 Days of the issuance of the Notice, the Lease would be immediately terminated without any further notice to the Lessee, however, the Lessee shall continue to owe the cumulative amount of rent due as of that future date, plus any other amounts that the County, as Lessor, may incur and/or charge to the Lessee pursuant to law, including as a result of the Lessee’s material breach of the Lease.

**You have indicated a desire to enter into a payment plan for the past-due rent owed under the Lease. This letter extends the automatic termination date of the Lease until June 30, 2022, at 11:59pm, to allow time for you to engage in good faith negotiation with the County, in the hopes of reaching an acceptable resolution of the issues outlined in the Notice.**

Although it is not necessary for you to acknowledge receipt of this Notice in order for it to be effective, I would appreciate, as a courtesy, if you would let my staff know you have received this Notice, by giving Bryan Burton a phone call at (559) 600-5847.

If you have any questions, please contact me at (559) 600-5847.

Lajhbir S.Gill Farms

Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Past Rent Due, and Termination of Lease if Past Rent Due is not Paid – Extension of Termination Date

May 6, 2022

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Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Bash', with a long horizontal flourish extending to the right.

Robert Bash

Director of Internal Services/Chief Information Officer

County of Fresno

Enclosed: Notice of Material Breach of Lease Agreement, Demand for Payment of Rent Due, and Termination of Lease if Rent Due is not Timely Paid, dated April 6, 2022



# County of Fresno

INTERNAL SERVICES DEPARTMENT

Facilities • Fleet • Graphics • Purchasing • Security • Technology

April 6, 2022

Lajhbir S. Gill Farms  
Attn: Amarinder Gill  
12911 South Fruit  
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Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Rent Due, and Termination of Lease if Rent Due is not Timely Paid

(Agt. #14-675; FL-118 - American 238 Acres Gill Farm/PWP Resources/9026)

Dear Mr. Gill:

This letter is the County of Fresno's ("County") notice ("Notice") to Lajhbir S. Gill Farms ("Lessee") of the Lessee's material breach of the terms of Lease Agreement #14-675, dated November 4, 2014, and amended on March 15, 2016 ("Lease"), including the Lessee's failure to pay rent to the County ("Lessor"), for the lease periods from June 1, 2018 through the current month, pursuant to Section 3 of the Lease.

**This Notice is the only notice that you will receive from the County concerning this matter, and the Lessee's failure to timely comply with this Notice will result in the County, as Lessor, taking action against the leased property and the Lessee.**

As discussed below, this Notice also includes a demand for Lessee's payment of rent due, and termination of the Lease if such rent due is not timely paid.

This Lease is for 238 acres of land, including the grape vineyard, located east of Butte Ave, between Central Avenue and American Avenue, Fresno, CA, APN's 020-210-01s and 020-230-22s.

On March 22, 2022, at its regular meeting, the Board of Supervisors ("Board") considered this item, and issued its determination that the Lessee is in material breach of the terms of the Lease, and directed County staff to issue this Notice to the Lessee.

The references, below, to certain provisions are a summary of the Lease, and do not waive, modify, limit, amend, or alter the County's rights, remedies, or defenses as Lessor, under the Lease. For the terms and conditions of the Lease, please refer to the Lease, a copy of which is attached to this Notice.

## **Past Due Rent Due to Material Breach**

The total amount of past due rent due to the Lessor as of February 28, 2022 is **\$1,057,715.00**, calculated as follows:

Internal Services / 333 W. Pontiac Way / Clovis, California 93612 / (559) 600-6200 / Fax (559) 600-5927

*\* The County of Fresno is an Equal Employment Opportunity Employer \**

Lajhbir S. Gill Farms

Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Past Rent Due, and Termination of Lease if Past Rent Due is not Paid

April 6, 2022

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| Due Date   | Lease Period                           | Days Past Due | Amount      |
|------------|--|---------------|-------------|
| 5/21/2018  | June 1, 2018 - June 30, 2018           | 1405          | \$18,758.60 |
| 6/19/2018  | July 1, 2018 - July 31, 2018           | 1376          | \$22,362.08 |
| 7/17/2018  | August 1, 2018 - August 31, 2018       | 1348          | \$22,362.08 |
| 8/13/2018  | September 1, 2018 - September 30, 2018 | 1321          | \$22,362.08 |
| 9/20/2018  | October 1, 2018 - October 31, 2018     | 1283          | \$22,362.08 |
| 10/22/2018 | November 1, 2018 - November 30, 2018   | 1251          | \$22,921.14 |
| 11/15/2018 | December 1, 2018 - December 31, 2018   | 1227          | \$22,921.14 |
| 12/11/2018 | January 1, 2019 - January 31, 2019     | 1201          | \$22,921.14 |
| 1/15/2019  | February 1, 2019 - February 28, 2019   | 1166          | \$22,921.14 |
| 2/13/2019  | March 1, 2019 - March 31, 2019         | 1137          | \$22,921.14 |
| 3/13/2019  | April 1, 2019 - April 30, 2019         | 1109          | \$22,921.14 |
| 4/15/2019  | May 1, 2019 - May 31, 2019             | 1076          | \$22,921.14 |
| 5/14/2019  | June 1, 2019 - June 30, 2019           | 1047          | \$22,921.14 |
| 6/12/2019  | July 1, 2019 - July 31, 2019           | 1018          | \$22,921.14 |
| 7/18/2019  | August 1, 2019 - August 31, 2019       | 982           | \$22,921.14 |
| 8/19/2019  | September 1, 2019 - September 30, 2019 | 950           | \$22,921.14 |
| 9/17/2019  | October 1, 2019 - October 31, 2019     | 921           | \$22,921.14 |
| 10/15/2019 | November 1, 2019 - November 30, 2019   | 893           | \$22,921.14 |
| 11/18/2019 | December 1, 2019 - December 31, 2019   | 859           | \$22,921.14 |
| 12/10/2019 | January 1, 2020 - January 31, 2020     | 837           | \$22,921.14 |
| 1/21/2020  | February 1, 2020 - February 29, 2020   | 795           | \$22,921.14 |
| 2/18/2020  | March 1, 2020 - March 31, 2020         | 767           | \$22,921.14 |
| 3/18/2020  | April 1, 2020 - April 30, 2020         | 738           | \$22,921.14 |
| 4/16/2020  | May 1, 2020 - May 31, 2020             | 709           | \$22,921.14 |
| 5/21/2020  | June 1, 2020 - June 30, 2020           | 674           | \$22,921.14 |
| 6/17/2020  | July 1, 2020 - July 31, 2020           | 647           | \$22,921.14 |
| 7/23/2020  | August 1, 2020 - August 31, 2020       | 611           | \$22,921.14 |
| 8/24/2020  | September 1, 2020 - September 30, 2020 | 579           | \$22,921.14 |
| 9/15/2020  | October 1, 2020 - October 31, 2020     | 557           | \$22,921.14 |
| 10/14/2020 | November 1, 2020 - November 30, 2020   | 528           | \$23,494.16 |
| 11/13/2020 | December 1, 2020 - December 31, 2020   | 498           | \$23,494.16 |
| 12/10/2020 | January 1, 2021 - January 31, 2021     | 471           | \$23,494.16 |
| 1/15/2021  | February 1, 2021 - February 28, 2021   | 435           | \$23,494.16 |
| 2/10/2021  | March 1, 2021 - March 31, 2021         | 409           | \$23,494.16 |
| 3/11/2021  | April 1, 2021 - April 30, 2021         | 380           | \$23,494.16 |
| 4/15/2021  | May 1, 2021 - May 31, 2021             | 345           | \$23,494.16 |
| 5/17/2021  | June 1, 2021 - June 30, 2021           | 313           | \$23,494.16 |
| 6/14/2021  | July 1, 2021 - July 31, 2021           | 285           | \$23,494.16 |
| 7/20/2021  | August 1, 2021 - August 31, 2021       | 249           | \$23,494.16 |
| 8/20/2021  | September 1, 2021 - September 30, 2021 | 218           | \$23,494.16 |
| 9/20/2021  | October 1, 2021 - October 31, 2021     | 187           | \$23,494.16 |
| 10/20/2021 | November 1, 2021 - November 30, 2021   | 157           | \$23,494.16 |

Lajhbir S.Gill Farms

Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Past Rent Due, and Termination of Lease if Past Rent Due is not Paid

April 6, 2022

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|                              |                                      |     |                       |
|------------------------------|--------------------------------------|-----|-----------------------|
| 11/22/2021                   | December 1, 2021 - December 31, 2021 | 124 | \$23,494.16           |
| 12/22/2021                   | January 1, 2022 - January 31, 2022   | 94  | \$23,494.16           |
| 1/24/2022                    | February 1, 2022 - February 28, 2022 | 61  | \$23,494.16           |
| 2/24/2022                    | March 1, 2022 - March 31, 2022       | 30  | \$23,494.16           |
| 3/31/2022                    | April 1, 2022 – April 30, 2022       | 6   | \$23,494.16           |
| <b>Total Amount Past Due</b> |                                      |     | <b>\$1,081,209.16</b> |

### **Current Rent Due**

In addition to the past due rent described above, the upcoming amount of monthly rent is due by April 30, 2022, for the period of May 1, 2022, through May 31, 2022, in the amount of **\$23,494.16**. We have not received that payment, and because of its closeness in time to this notice, we bring it to your attention.

### **Total Rent Due if Lease is Not Terminated**

Accordingly, the total amount of outstanding rents that must be paid to the Lessor in order to bring the Lease current is **\$1,104,703.32** (*i.e.*, **past due amount of \$1,081,209.16 plus forthcoming monthly payment of \$23,494.16**).

### **Total Rent Due Upon Termination Due to Material Breach**

If the material breach is not corrected by May 6, 2022 (30 days from the date of this Notice), then the result will be as follows:

- The Lease will terminate, effective May 6, 2022, at 11:59 pm without further notice to the Lessee.
- The Lessee will owe, and must pay, the following amounts to the County, as Lessor, under the Lease:
  - The Past-Due Rent Due to Material Breach, in the amount of **\$1,081,209.16**.
  - The prorated monthly rent ("Prorated Monthly Rent") for the period of May 1, 2022 through the termination date of May 6, 2022, in the amount of **\$4,547.26**.
  - **The total amount of rent due to the County if the breach is not cured, and the Lease is terminated, shall be \$1,085,756.42 (Past Due Rent Due to Material Breach of \$1,081,209.16, plus Prorated Monthly Rent of \$4,547.26).**
  - **As discussed below the foregoing amounts are not a limitation on the amount the Lessee owes under the Lease to the County, as Lessor.**

Rent continues to be owed if not paid, and the amount of unpaid rent due is not a limitation on any amounts that the County, as Lessor, may lawfully incur and/or charge to the Lessee as a result of the Lessee's material breach of the Lease.

Pursuant to Section 4 of the Lease, if all past-due and current rent owed to the Lessor, in the amount of **\$1,104,703.32** as described above, is not paid in full within 30 Days of the issuance of this Notice, the Lease shall be immediately terminated without any further notice to the Lessee, however, the Lessee shall continue to owe the cumulative amount of rent due as of that future date, plus any other amounts that the County, as Lessor, may incur and/or charge to the Lessee pursuant to law, including as a result of the Lessee's material breach of the Lease.

Lajhbir S.Gill Farms

Subject: Notice of Material Breach of Lease Agreement, Demand for Payment of Past Rent Due, and Termination of Lease if Past Rent Due is not Paid

April 6, 2022

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Pursuant to Section 6 of the Lease, if the Lease is terminated, Lessee shall remove any trees or vines planted on the leased premises by Lessee, any rubbish, trash, discarded equipment, cuttings from vines or trees on the Premises, and restore the Premises to bare agricultural land. The Lessee's failure to comply with this requirement, and County's restoration of the leased premises to such original condition, shall be an additional cost that the Lessee owes to the County, as Lessor, under the Lease.

Pursuant to Section 6 of the Lease, Lessee may remove all improvements constructed by Lessee, with the exception of fences constructed by Lessee, on the leased premises during the term of the Lease. Improvements shall become the property of the County if not removed within ninety (90) days after termination of the Lease. If Lessee does not remove its improvements and plantings, including trees and vines, within this ninety (90) day period, they will be forfeited to the County.

Although it is not necessary for you to acknowledge receipt of this Notice in order for it to be effective, I would appreciate, as a courtesy, if you would let my staff know you have received this Notice, by giving Bryan Burton a phone call at (559) 600-5847.

If you have any questions, please contact me at (559) 600-5847.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Bash", written over a white background.

Robert Bash  
Director of Internal Services/Chief Information Officer  
County of Fresno

Enclosed: Lease Agreement #14-675  
First Amendment to Lease Agreement #14-675

FL-118 AADS/238Acres  
Sran/PWPResouces

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LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "LEASE") is made and entered into this 4<sup>th</sup> day of November 2014 by and between the COUNTY OF FRESNO, a political subdivision of the State of California, 2220 Tulare Street, 21st Floor, Room 2101, Fresno, CA 93721-2106 (hereinafter "LESSOR"), and LAJHBIR S. GILL FARMS, 12911 South Fruit, Caruthers, CA 93609 (hereinafter "LESSEE").

WITNES S:

WHEREAS, the below-described property of the LESSOR is not now and may not during the term of this LEASE be needed for County purposes; and

WHEREAS, LESSEE made the highest bid received by LESSOR at a public auction on September 12, 2014.

NOW, THEREFORE, in consideration of the rents, covenants and agreements hereinafter contained and upon the terms and conditions set forth, the LESSOR hereby leases to LESSEE that certain agricultural land hereinafter described, upon the following terms and conditions:

1. LEASED PREMISES - LESSOR leases to LESSEE approximately 238 acres (APN's 020-210-01s and 020-230-22s) as shown on Exhibit "A" attached hereto and incorporated herein by reference, (hereinafter "Premises").

2. TERM - The initial term of this LEASE shall be twenty (20) years, November 4, 2014 to October 31, 2034 (hereinafter "Initial Term"). Thereafter, this LEASE shall renew for five (5) additional periods of one year, such one-year renewals to take place automatically unless one of the parties provides the other with written notice to the contrary 180 days prior to the expiration of the then current LEASE term. The County Administrative Officer, Director of Internal Services/Chief Information Officer, or the Director of Public Works and Planning, or a designee of one of them, is hereby authorized to provide written notice of non-renewal. In no event shall the term of this LEASE extend beyond October 31, 2039.

3. RENT - LESSEE shall pay rent (hereinafter "Rent") to LESSOR for the Premises every three (3) months, with the first rent payment due on or before November 1, 2014, and

1 then in advance every three (3) months thereafter with no payment made more than thirty (30)  
2 days prior to the quarterly due date. The rent shall increase by 2.5% on November 1, 2016,  
3 and every two years thereafter. The Rent for this LEASE is shown on the following schedule:

| Rent Period      | Rent         |
|------------------|--------------|
|                  | Per Month    |
| November 1, 2014 | \$ 21,816.67 |
| November 1, 2015 | \$ 21,816.67 |
| November 1, 2016 | \$ 22,362.08 |
| November 1, 2017 | \$ 22,362.08 |
| November 1, 2018 | \$ 22,921.14 |
| November 1, 2019 | \$ 22,921.14 |
| November 1, 2020 | \$ 23,494.16 |
| November 1, 2021 | \$ 23,494.16 |
| November 1, 2022 | \$ 24,081.52 |
| November 1, 2023 | \$ 24,081.52 |
| November 1, 2024 | \$ 24,683.56 |
| November 1, 2025 | \$ 24,683.56 |
| November 1, 2026 | \$ 25,300.64 |
| November 1, 2027 | \$ 25,300.64 |
| November 1, 2028 | \$ 25,933.16 |
| November 1, 2029 | \$ 25,933.16 |
| November 1, 2030 | \$ 26,581.49 |
| November 1, 2031 | \$ 26,581.49 |
| November 1, 2032 | \$ 27,246.03 |
| November 1, 2033 | \$ 27,246.03 |
| Year to Year     |              |
| November 1, 2034 | \$ 27,927.18 |
| November 1, 2035 | \$ 27,927.18 |
| November 1, 2036 | \$ 28,625.36 |
| November 1, 2037 | \$ 28,625.36 |
| November 1, 2038 | \$ 29,340.99 |

22 The Rent shall be payable to the County of Fresno and submitted to the following  
23 address: County of Fresno, Attn: Resources AADS Principal Engineer (FL-118), 2220 Tulare  
24 Street, 6<sup>th</sup> Floor, Fresno, CA 93721.

25 4. TERMINATION AND RENT REIMBURSEMENT - During the Term of this LEASE,  
26 LESSOR may immediately terminate this LEASE for cause if LESSEE has committed a  
27 material breach of the LEASE provisions herein and has not cured such breach within thirty  
28 (30) days after receiving written notice of same. Under such circumstances, no Rent shall be



1 returned to LESSEE.

2 This LEASE may also be terminated if LESSOR elects to utilize the property for County  
3 of Fresno purposes. If the LESSOR intends to terminate this LEASE to utilize the Premises for  
4 County purposes, LESSOR shall provide LESSEE with at least one hundred eighty (180) days  
5 written notice prior to October 1 of the current lease year with possession to be provided to  
6 LESSOR upon completion of the annual crop harvest for the year in which the termination date  
7 falls.

8 In the event LESSEE has planted permanent crops on the leased premises, i.e. trees  
9 and/or vines, and LESSOR provides LESSEE with a termination notice due to the LESSOR  
10 electing to commence utilizing the property for County purposes, then the LESSOR will  
11 compensate the LESSEE for its costs of establishing permanent plantings as follows:

- 12 a) Prior to five (5) years after commencement of this LEASE: reimburse all  
13 LEASE payments.
- 14 b) Five (5) years after commencement of this LEASE, but prior to ten (10)  
15 years after commencement of this LEASE: reimburse four (4) years of  
16 LEASE payments.
- 17 c) Ten (10) years after commencement of this LEASE, but prior to fifteen  
18 (15) years after commencement of this LEASE: reimburse three (3)  
19 years of LEASE payments.
- 20 d) Fifteen (15) years after commencement of this LEASE: no  
21 reimbursements.

22 If LESSOR terminates this LEASE to utilize the Premises, LESSOR shall be  
23 responsible for tree or vine removal.

24 In the case of the LESSOR terminating this LEASE, the Board of Supervisors must  
25 approve the termination and the County Administrative Officer, or Director of Internal  
26 Services/Chief Information Officer, or the Director of Public Works and Planning, or one of their  
27 respective designees, shall have the authority to provide written notice to terminate this  
28 LEASE.

1           LESSEE may terminate this LEASE during the Initial Term by providing at least one  
2 hundred eighty (180) days written notice prior to October 1 of the current lease year.

3           5. UTILITIES - LESSEE shall be responsible for all costs associated with electricity  
4 and/or natural gas used on the Premises for pumps, if any, that provide water, and all other  
5 equipment LESSEE may use on the Premises. This shall include any deposits required by the  
6 utility company.

7           6. IMPROVEMENTS AND USE - LESSEE agrees to use the Premises for  
8 agricultural purposes only. LESSEE further agrees to keep fences, if any, or other such  
9 improvements on the Premises in good repair. Upon termination of this LEASE, LESSOR  
10 agrees to permit LESSEE to remove all improvements constructed by LESSEE, with the  
11 exception of fences constructed by LESSEE on the Premises during the term of this LEASE.  
12 Improvements shall become the property of the LESSOR if not removed within ninety (90) days  
13 after termination of this LEASE. Subject to the foregoing exceptions, it is understood that  
14 LESSEE shall, at its sole cost and within ninety (90) days after the expiration of this LEASE or  
15 sooner termination by LESSEE remove any trees or vines planted on the Premises, any  
16 rubbish, trash, discarded equipment, cuttings from vines or trees on the Premises, and restore  
17 the Premises to bare agricultural land. LESSOR shall only be obligated to remove any  
18 plantings on the Premises if LESSOR elects under Section 4. hereinabove to terminate this  
19 LEASE to use the Premises for County purposes during the Initial Term or during any  
20 automatic renewal period.

21           LESSOR makes no guarantee, representation, or warranty that the Premises are safe  
22 or suitable for LESSEE'S intended use, or are in compliance with any or all applicable laws,  
23 ordinances and regulations for use of the Premises.

24           7. WATER WELLS/IRRIGATION PIPING - LESSOR makes no guarantee and does  
25 not represent that the existing water well or irrigation systems, if any, located on the Premises  
26 will provide water. LESSEE, at its sole expense, is responsible for water to the Premises,  
27 which may include refurbishing the water well, drilling new water wells, installing and/or  
28 maintaining underground irrigation systems, and providing pumps for water wells. Further

1 LESSEE shall be responsible to maintain and repair all equipment associated with any water  
2 wells.

3 There is no ditch water available for the Premises. LESSOR will not be responsible to  
4 deliver any water to the Premises.

5 8. MAINTENANCE OF LEASED PREMISES - LESSEE agrees not to commit,  
6 suffer or permit any waste or nuisance on the Premises, and not to use or permit the use of the  
7 Premises for any illegal or immoral purposes. LESSEE further agrees to comply with all  
8 applicable Federal and State laws, local ordinances or other governmental regulations.  
9 LESSEE further agrees to maintain fire breaks as necessary to protect the premises from fire;  
10 control the growth of noxious weeds and wild grasses; and control premises of any pest  
11 required by local, state, and federal government. If crops are grown, LESSEE shall use  
12 accepted practices for maintaining the soil in the condition it was received.

13 9. INDEPENDENT CONTRACTOR - In performance of the work, duties and  
14 obligations assumed by LESSEE under this LEASE, it is mutually understood and agreed that  
15 LESSEE, including any and all of the LESSEE'S officers, agents, and employees will at all times  
16 be acting and performing as an independent contractor, and shall act in an independent capacity  
17 and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the  
18 LESSOR. Furthermore, LESSOR shall have no right to control or supervise or direct the manner  
19 or method by which LESSEE shall perform its work and function. However, LESSOR shall retain  
20 the right to administer this LEASE so as to verify that LESSEE is performing its obligations in  
21 accordance with the terms and conditions thereof.

22 LESSOR and LESSEE shall comply with all applicable provisions of law and the rules and  
23 regulations, if any, of governmental authorities having jurisdiction over matters the subject  
24 thereof.

25 Because of its status as an independent contractor, LESSEE shall have absolutely no right  
26 to employment rights and benefits available to LESSOR'S employees. LESSEE shall be solely  
27 liable and responsible for providing to, or on behalf of, its employees all legally-required  
28 employee benefits. In addition, LESSEE shall be solely responsible and save LESSOR

1 harmless from all matters relating to payment of LESSEE'S employees, including compliance  
2 with Social Security withholding and all other regulations governing such matters. It is  
3 acknowledged that during the term of this LEASE, LESSEE may be providing services to  
4 others unrelated to the LESSOR or to this LEASE.

5 10. POSSESSORY TAX - The LESSEE agrees to pay any possessory interest tax  
6 which may be levied upon the Premises. In this respect, the LESSEE understands that a  
7 leasehold interest of property owned by a tax exempt public agency may be subject to property  
8 taxation and that the LESSEE (the party in whom the possessory interest is vested) is subject  
9 to the payment of property taxes levied on such interest.

10 11. ASSIGNMENT - The LESSEE shall not assign or transfer its rights or obligations  
11 under this LEASE, or sub-lease said Premises, or any portion thereof, without prior written  
12 consent of the LESSOR, which consent shall not be unreasonably withheld.

13 12. HOLD HARMLESS - LESSEE agrees to indemnify, save, hold harmless, and at  
14 LESSOR'S request, defend the LESSOR, its officers, agents, and employees from any and all  
15 costs and expenses, damages, liabilities, claims, and losses occurring or resulting to LESSOR  
16 in connection with the performance, or failure to perform, by LESSEE, its officers, agents, or  
17 employees under this LEASE, and from any and all costs and expenses, damages, liabilities,  
18 claims, and losses occurring or resulting to any person, firm, or corporation who may be injured  
19 or damaged by the performance, or failure to perform of LESSEE, its officers, agents, or  
20 employees under this LEASE. This LEASE is made upon the expressed condition that the  
21 LESSOR is to be free of all liability, damages or injury arising from the Premises unless caused  
22 by the negligence or willful misconduct of LESSOR, its officers, agents or employees.

23 The parties acknowledge that as between LESSOR and LESSEE, each is responsible  
24 for the negligence of its own employees and invitees.

25 13. INSURANCE - Without limiting the LESSOR'S right to obtain indemnification from  
26 LESSEE or any third parties, LESSEE, at its sole expense, shall maintain in full force and  
27 effect, the following insurance policies or a program of self-insurance, throughout the term of  
28 this LEASE:

- 1 a. Commercial General Liability - Commercial General Liability Insurance with limits of  
2 not less than One Million Dollars (\$1,000,000) per occurrence and an annual  
3 aggregate of Two Million (\$2,000,000). This policy shall be issued on a per  
4 occurrence basis. COUNTY may require specific coverages including completed  
5 operations, products liability, contractual liability, Explosion-Collapse-Underground,  
6 fire legal liability, or any other liability insurance deemed necessary because of the  
7 nature of this contract.
- 8 b. Property Insurance – Against all risk of loss to LESSOR property, at full replacement  
9 cost with no coinsurance penalty provision, naming LESSOR as additional loss  
10 payee.
- 11 c. Automobile Liability - Comprehensive Automobile Liability Insurance with limits for  
12 bodily injury of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) per  
13 person, Five Hundred Thousand Dollars (\$500,000.00) per accident and for  
14 property damages of not less than Fifty Thousand Dollars (\$50,000.00), or such  
15 coverage with a combined single limit of Five Hundred Thousand Dollars  
16 (\$500,000.00). Coverage should include owned and non-owned vehicles used in  
17 connection with this Agreement.
- 18 d. Worker’s Compensation - A policy of Worker’s Compensation insurance may be  
19 required by the California Labor Code.

20 LESSEE shall obtain endorsements to the Commercial General Liability insurance  
21 naming the County of Fresno (hereinafter “County”), its officers, agents, and employees,  
22 individually and collectively, as additional insured, but only insofar as the operations under this  
23 LEASE are concerned. Such coverage for additional insured shall apply as primary insurance  
24 and any other insurance, or self-insurance, maintained by, County, its officers, agents, and  
25 employees shall be excess only and not contributing with insurance provided under LESSEE’S  
26 policies herein. This insurance shall not be cancelled or changed without a minimum of thirty  
27 (30) days advance written notice given to County.

28 Within (30) days from date LESSEE executes this LEASE, LESSEE shall provide

1 certificates of insurance and endorsement as stated above for all of the foregoing policies, as  
2 required herein, to the County of Fresno, Attn: ISD Lease Services (FL-118), 2220 Tulare  
3 Street, 21<sup>st</sup> Floor, Room 2101, Fresno, CA 93721-2106, stating that such insurance coverages  
4 have been obtained and are in full force; that the County, its officers, agents and employees  
5 will not be responsible for any premiums on the policies; that such Commercial General  
6 Liability insurance names the County, its officers, agents, and employees, individually and  
7 collectively, as additional insured, but only insofar as the operations under this LEASE are  
8 concerned; that such coverage for additional insured shall apply as primary insurance and any  
9 other insurance, or self- insurance shall not be cancelled or changed without a minimum of  
10 thirty (30) days advance, written notice given to County.

11 In the event LESSEE fails to keep in effect at all times insurance coverage as herein  
12 provided, the County may, in addition to other remedies it may have, suspend or terminate this  
13 LEASE upon the occurrence of such event.

14 All policies shall be with admitted insurers licensed to do business in the State of  
15 California. Insurance purchased shall be purchased from companies possessing a current A.M  
16 Best Company rating of A FSC VII or better.

17 LESSOR shall maintain during the term of this LEASE the following policies of insurance,  
18 which coverages may be provided in whole or in part through one or more programs of self-  
19 insurance:

- 20 a. Commercial General liability insurance with limits of not less than One Million  
21 Dollars (\$1,000,000.00) per occurrence and an annual aggregate of not less than  
22 Two Million Dollars (\$2,000,000.00). This policy shall be issued on an occurrence  
23 basis.
- 24 b. All-Risk property insurance.

25 14. HAZARDOUS SUBSTANCES - LESSEE shall not cause or permit any Hazardous  
26 Material (as defined below) to be generated, brought onto, used, stored, or disposed of in or  
27 about the Premises by LESSEE or its agents, employees, contractors, subtenants, or invitees,  
28 except for such substances that are required in the ordinary course of LESSEE'S farming the

1 Premises, such as approved farm chemicals and fertilizers, or other substances as may be  
2 approved by LESSOR. LESSEE shall:

3 a. Use, store, and dispose of all such permitted Hazardous Material in strict compliance  
4 with all applicable statutes, ordinances, and regulations in effect during the term of this LEASE that  
5 relate to public health and safety and protection of the environment ("Environmental Laws"),  
6 including, without limitation, those Environmental Laws identified below; and

7 b. Otherwise comply at all times during the term of this LEASE with all Environmental  
8 Laws.

9 If, during the term of the LEASE, either LESSOR or LESSEE becomes aware of (i) any  
10 actual or threatened release of any Hazardous Material on, under, or about the Premises, or  
11 (ii) any inquiry, investigation, proceeding, or claim by any government agency or other person  
12 regarding the presence of Hazardous Material on, under, or about the Premises, that Party shall  
13 give the other Party written notice of the release or investigation within five (5) days after learning  
14 of it and shall simultaneously furnish to the other Party copies of any claims, notices of violation,  
15 reports, or other writings received by the Party providing notice that concern the release or  
16 investigation.

17 As used in this Section 14, the term "Hazardous Material" shall mean any hazardous or  
18 toxic substance, material, or waste at any concentration that is or becomes regulated by the United  
19 States, the State of California, or any local government authority having jurisdiction over the  
20 Premises. Hazardous Material includes, without limitation:

21 a. Any "hazardous substance," as that term is defined in the Comprehensive  
22 Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States  
23 Code Sections 9601-9675);

24 b. "Hazardous waste," as that term is defined in the Resource Conservation and  
25 Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-6992k);

26 c. Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or  
27 substance, within the meaning of any other applicable federal, state, or local law, regulation,  
28 ordinance, or requirement (including consent decrees and administrative orders imposing liability

1 or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or  
2 material, now or hereafter in effect);

3 d. Petroleum products;

4 e. Radioactive material, including any source, special nuclear, or byproduct material as  
5 defined in 42 United States Code Sections 2011-2296b-7;

6 f. Asbestos in any form or condition; and

7 g. Polychlorinated biphenyls (PCBs) and substances or compounds containing PCBs.

8 15. MATERIAL SAFETY DATA SHEETS – LESSEE shall submit Material Safety Data  
9 Sheets (MSDS) upon application for any chemicals used on the property. A copy of the MSDS  
10 sheets shall be submitted annually on or before April 1 during the term of this LEASE to:

11 County of Fresno, Department of Public Works and Planning – Resources Division, Attn:  
12 AADS Principal Engineer, 2220 Tulare, Suite 600, Fresno, CA 93721. The MSDS submittal  
13 shall also include the application dates and estimated quantities of the said chemicals.

14 16. AMENDMENT - This LEASE may be amended in writing by the mutual consent of  
15 the parties without in any way affecting the remainder.

16 17. NOTICES - All notices to be given under this LEASE by either Party to the other  
17 Party shall be in writing, and given by any one of the following methods:

18 (A) Personal delivery; or

19 (B) Sent by certified United States mail, first class postage prepaid, with  
20 return receipt requested, to the applicable addresses as set forth below, in which case such notice  
21 shall be deemed given three (3) business days if LESSOR is the recipient, or three (3) LESSEE  
22 business days if LESSEE is the recipient, after such deposit and postmark with the United States  
23 Postal Service; or

24 (C) Sent by a reputable overnight commercial courier, in which case  
25 such notice shall be deemed given one (1) business day if LESSOR is the recipient, or one (1)  
26 LESSEE business day if LESSEE is the recipient, after such deposit with that courier to the  
27 applicable addresses as set forth below; or

28 The addresses and telephone numbers of the Parties for purposes of giving receiving



1 notices under this LEASE are as follows:

|   |   |                           |
|---|---|---------------------------|
| 2 | <b>LESSOR:</b>                            | <b>LESSEE:</b>            |
| 3 | County of Fresno                          | Gill Farms                |
| 4 | Director of Internal Services (FL-118)    | Attn: Amarinder Gill      |
| 5 | ISD Lease Services                        | 12911 S. Fruit            |
| 6 | 2220 Tulare Street, 21st Floor, Room 2101 | Caruthers, CA 93609       |
| 7 | Fresno, CA 93721-2106                     | Telephone: (559) 970-9922 |
| 8 | Telephone: (559) 600-5800                 |                           |

9 Provided however, such notices may be given to such person or at such other place as  
10 either of the Parties may from time to time designate by giving written notice to the other Party, and  
11 provided further however, in any event notices of changes of address, telephone numbers, or  
12 termination of this LEASE shall not be effective until actual delivery of such notice. Notices given  
13 hereunder shall not be amendments or modifications to this LEASE.

14 18. RIGHT OF ENTRY/TRASH REMOVAL - LESSOR, or its representative(s), shall  
15 have the right to enter the Premises to confirm LESSEE'S use of the Premises in accordance  
16 with this LEASE, and/or as necessary to remove litter that may migrate onto the Premises from  
17 the adjacent American Avenue Disposal Site. LESSEE shall be responsible to remove its trash  
18 or agricultural waste or trash dumped onto the Premises by unknown parties. The normal  
19 business of LESSEE or its invitees shall not be unnecessarily inconvenienced by LESSOR'S  
20 entry.

21 19. GOVERNING LAW - Venue for any action arising out of or relating to this LEASE  
22 shall only be in Fresno County, California. This LEASE shall be governed by the laws of the  
23 State of California.

24 20. AUTHORITY - Each individual executing this LEASE on behalf of LAJHBIR S.  
25 GILL FARMS represents and warrants that each such individual is duly authorized to execute  
26 and deliver this LEASE on behalf of LAJHBIR S. GILL FARMS and that this LEASE is binding  
27 upon LAJHBIR S. GILL FARMS in accordance with its terms. The terms of this LEASE are  
28 intended by the parties as a final expression of their agreement with respect to such terms as  
are included in this LEASE and may not be contradicted by evidence of any prior or  
contemporaneous agreement, arrangement, understanding or negotiation (whether oral or

1 written).

2 21. ENTIRETY - This LEASE constitutes the entire LEASE between the LESSOR and  
3 LESSEE with respect to the subject matter hereof and supersedes all prior leases,  
4 negotiations, proposal, commitments, writings, advertisements, publications, and  
5 understandings of any nature whatsoever unless expressly referenced in this LEASE.

6 IN WITNESS WHEREOF, the parties hereto have caused this LEASE to be

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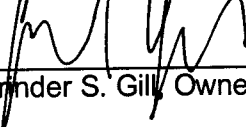
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executed as of the day and year first above written.

LESSOR:  
COUNTY OF FRESNO

LESSEE:  
LAJHBIR S. GILL FARMS

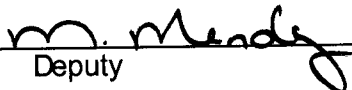
By   
Andreas Borgeas, Chairman  
Board of Supervisors

By   
Amarinder S. Gill, Owner


Date 11.4.14

Date 10-15-14

ATTEST: BERNICE E. SEIDEL, CLERK  
BOARD OF SUPERVISORS

By   
Deputy


APPROVED AS TO LEGAL FORM:  
DANIEL C. CEDERBORG, COUNTY COUNSEL

By   
Deputy

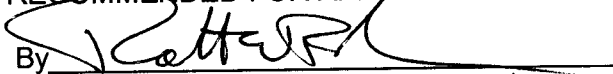
APPROVED AS TO ACCOUNTING FORM:  
VICKI CROW, C.P.A.  
AUDITOR-CONTROLLER/TREASURER-  
TAX COLLECTOR

By 

RECOMMENDED FOR APPROVAL:

By   
Alan Weaver, Director, Department of  
Public Works and Planning

RECOMMENDED FOR APPROVAL:

By   
Robert W. Bash, Director of Internal  
Services/Chief Information Officer

Fund 0700  
Subclass 15000  
Org No. 9026  
Acct. No. 3404

FL-118/GillFarms/PWPResources(9026)



Exhibit "A"  
FL-118

American Avenue  
Disposal Site

238.57 acres  
Leased

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FL-118 American238acres  
GillFarm/PWPRResources/9026

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AMENDMENT I TO LEASE AGREEMENT NO. 14-675

This AMENDMENT I to Lease Agreement No. 14-675 (hereinafter "AMENDMENT") is made and entered into this 15th day of March, 2016, by and between the COUNTY OF FRESNO, a political subdivision of the State of California, 2220 Tulare Street, 21st Floor, Room 2101, Fresno, CA 93721-2106 (hereinafter "LESSOR"), and LAJHBIR S. GILL FARMS, 12911 South Fruit, Caruthers, CA 93609 (hereinafter "LESSEE"). LESSOR and LESSEE may, hereinafter, be referred to collectively as "Parties" or individually as "Party".

WITNESS:

WHEREAS, Lease Agreement No. 14-675 (hereinafter "ORIGINAL AGREEMENT") was executed on November 4, 2014 for two hundred thirty-eight (238) acres of farmland located at the American Avenue Disposal site, with rent paid quarterly beginning November 1, 2014; and

WHEREAS, LESSEE has requested to change the rent payment terms from quarterly to monthly; and

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

Section 3. RENT is deleted and replaced with the following:

"3. RENT – LESSEE shall pay rent (hereinafter "Rent") to LESSOR for the Premises every three (3) months for the period November 4, 2014 to April 30, 2016 with the first rent payment due on or before November 1, 2014. Beginning May 1, 2016, the Rent shall be paid monthly, and then in advance every one month thereafter with no payment made more than thirty (30) days prior to the monthly due date. The rent shall increase by 2.5% on November 1, 2016, and every two years thereafter. The Rent for this LEASE is shown on the following schedule:

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| Rent Period      | Rent Per Month |
|------------------|----------------|
| November 1, 2014 | \$ 21,816.67   |
| November 1, 2015 | \$ 21,816.67   |
| November 1, 2016 | \$ 22,362.08   |
| November 1, 2017 | \$ 22,362.08   |
| November 1, 2018 | \$ 22,921.14   |
| November 1, 2019 | \$ 22,921.14   |
| November 1, 2020 | \$ 23,494.16   |
| November 1, 2021 | \$ 23,494.16   |
| November 1, 2022 | \$ 24,081.52   |
| November 1, 2023 | \$ 24,081.52   |
| November 1, 2024 | \$ 24,683.56   |
| November 1, 2025 | \$ 24,683.56   |
| November 1, 2026 | \$ 25,300.64   |
| November 1, 2027 | \$ 25,300.64   |
| November 1, 2028 | \$ 25,933.16   |
| November 1, 2029 | \$ 25,933.16   |
| November 1, 2030 | \$ 26,581.49   |
| November 1, 2031 | \$ 26,581.49   |
| November 1, 2032 | \$ 27,246.03   |
| November 1, 2033 | \$ 27,246.03   |
| November 1, 2034 | \$ 27,927.18   |
| November 1, 2035 | \$ 27,927.18   |
| November 1, 2036 | \$ 28,625.36   |
| November 1, 2037 | \$ 28,625.36   |
| November 1, 2038 | \$ 29,340.99   |

The Rent shall be payable to the County of Fresno and submitted to the following address: County of Fresno, Attn: Resources AADS Principal Engineer (FL-118), 2220 Tulare Street, 6th Floor, Fresno, CA 93721.”

The Parties agree that this AMENDMENT I is sufficient to amend the LEASE and that, upon the Parties' execution of this AMENDMENT I, the LEASE and this AMENDMENT I shall together be considered the LEASE. All provisions set forth in the

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LEASE and not amended herein shall remain in full force and effect.

LESSOR:  
COUNTY OF FRESNO

LESSEE:  
LAJHBIR S. GILL FARMS

By Ernest Buddy Mendes  
Ernest Buddy Mendes, Chairman  
Board of Supervisors

By Amarinder S. Gill  
Amarinder S. Gill, Owner

ATTEST: BERNICE E. SEIDEL, CLERK  
BOARD OF SUPERVISORS

By Bernice E. Seidel  
Deputy

APPROVED AS TO LEGAL FORM:  
DANIEL C. CEDERBORG, COUNTY COUNSEL

By Daniel C. Cederborg  
Deputy

APPROVED AS TO ACCOUNTING FORM:  
VICKI CROW, C.P.A.  
AUDITOR-CONTROLLER/TREASURER-  
TAX COLLECTOR

By Vicki Crow

RECOMMENDED FOR APPROVAL:

By Robert W. Bash  
Robert W. Bash, Director of Internal  
Services/Chief Information Officer

RECOMMENDED FOR APPROVAL:

By Alan Weaver  
Alan Weaver, Director, Department of  
Public Works and Planning

Fund 0700  
Subclass 15000  
Org No. 9026  
Acct. No. 3404

FL-118/GillFarms/PWPResources(9026)