



City of
Los Banos
At the Crossroads of California

REQUEST FOR PROPOSALS
for
LEASE OF AGRICULTURAL PROPERTY
Project# 26-RFP-WT-001

Date Released: October 15, 2025

**Questions with regard to submissions, process, or proposals
can be emailed to:**

Joe Heim
Acting Public Works Director
joe.heim@losbanos.org
cc: jelene.demelo@losbanos.org

**Proposals must be received prior to 4:00 P.M. on November 12, 2025
at the office of City Clerk**

**City of Los Banos
520 J Street
Los Banos, CA 93635
www.losbanos.org**

TABLE OF CONTENTS

Request for Proposals
Lease of Agricultural Property
Located at City of Los Banos WWTP

Request for Proposals	2
Lease Description	4
Background	
Property Description	
City Requirements	
Submittal Requirements	
Selection Process	
Exhibit A: Land Description	7
Exhibit B: Site Map	8
Exhibit C: Sample Lease	9

NOTICE
Request for Proposals
For
Lease of Agricultural Parcel located at the
City of Los Banos Wastewater Treatment Plant

NOTICE IS HEREBY GIVEN that the City of Los Banos is soliciting proposals from qualified agricultural operators ("Lessee/Operator") to lease and maintain the Agricultural Parcel, APN 454-0200-001, consisting of approximately 243 acres of farmland located at the City's Wastewater Treatment Plant (WWTP).

All qualified persons interested in leasing the described property are invited to submit their proposals. The proposals will be evaluated and ranked according to the criteria provided in "Proposal Evaluation," of this Request for Proposal.

It shall be the Lessee's/Operator's responsibility to check the City of Los Banos' website (www.losbanos.org) to obtain any addenda that may be issued.

The Lessee's/Operator's attention is directed to Exhibit A, "Submittal Requirements."

Submit one (1) hard copy of the Lessee's/Operator's proposal. The hard copy shall be mailed or submitted in person to the City of Los Banos, 520 J Street, Los Banos, CA 93635, prior to **4:00 P.M. PDST on November 12, 2025**. Proposals shall be submitted in a sealed package clearly marked "**RFP for Lease of Agricultural Property**" and addressed as follows:

City of Los Banos
Attention: City Clerk
520 J Street
Los Banos, CA 93635

No late submittals will be accepted. The City may conduct interviews of the top ranking proposers in order to make a final selection. The successful proposer will be recommended to the City Council for authorization to enter into a Professional Services Agreement for Lease of Agricultural Parcel located at APN 454-0200-001.

Failure to comply with the requirements set forth in this Request for Proposal may result in disqualification. Proposals and/or modifications received subsequent to the hour and date specified above will not be considered. Submitted proposals may be withdrawn at any time prior to the submission time specified in this Request for Proposal, provided notification is received in writing before the submittal deadline. Proposals cannot be changed or withdrawn after the submittal deadline. No handwritten notations or corrections will be allowed. The responding Proposer is solely responsible for all costs related to the preparation of the proposal. The property is being leased in its current as-is condition.

The City of Los Banos reserves the right to reject all proposals and to waive any minor informalities or irregularities contained in this proposal. Acceptance of any proposal submitted

pursuant to this Request for Proposal shall not constitute any implied intent to enter into a contract.

The contract award, if any, will be made to the lessee/operator who, in the City's sole discretion, is best able to perform the required services in a manner most beneficial to the City.

The City intends to follow, but will not be bound by, the following selection timeline:

Release of Advertisement of RFP		October 15, 2025
Deadline to Submit Questions/Clarifications	5:00 P.M.	October 29, 2025
Addendum/Questions/Clarifications Posted	5:00 P.M.	October 31, 2025
Deadline for Proposal Submittal	4:00 P.M.	November 12, 2025
City Council Award Date	6:00 P.M.	December 3, 2025

Any questions with regard to submissions, process, or proposals can be emailed to Joe Heim, Acting Public Works Director at joe.heim@losbanos.org with cc to jelene.demelo@losbanos.org. Questions shall be submitted before 5:00 P.M. PDST on October 29, 2025. Any response to a request for clarification, questions and answers will be posted to the City's website at www.losbanos.org no later than 5:00 P.M. PDST on October 31, 2025 and if necessary, shall become a part of the proposal as an addendum.

The Request for Proposal can be viewed and/or obtained from the City of Los Banos website at www.losbanos.org.

No oral questions or inquiries about the RFP shall be accepted.

I. Background:

The Agricultural Parcel (APN 454-0200-001) is approximately 243 acres of open agricultural land. This land is not currently permitted under the City's WWTP discharge operations and is thus separate from effluent-irrigated pastures. The property is being leased in its current as-is condition.

The City's long-term vision is to eventually integrate this land into the broader effluent irrigation and discharge permit structure. However, in the short term, the land is available for lease for general agricultural use consistent with Merced County Farm Bureau guidelines.

II. Land Use & Oversight:

- Operators/Lesseees must comply with Merced County Farm Bureau rules and regulations.
- The City will not impose additional restrictions on farming activity, aside from what is outlined in this RFP and applicable laws.
- Use of the land is restricted to agricultural purposes and is being leased in as-is condition.
- Ongoing property and infrastructure maintenance is expected during the lease term.

III. Water Use:

- Irrigation of the parcel shall be the responsibility of the lessee.
- The lessee must negotiate and secure non-contracted water rights through local water districts, including Grassland Water District and Henry Miller Water District.
- The City will not guarantee or supply any water for the duration of the lease.

IV. Operator Requirements:

- Must demonstrate sufficient experience and capability in managing agricultural operations of comparable scale.
- Must be prepared to assume full operational control immediately upon execution of the lease.
- Must carry and maintain liability and general insurance coverage in amounts and types consistent with current City lease requirements.
- Must maintain fences, gates, and any existing infrastructure on the parcel.

V. Term:

- The term of the lease should be for a minimum of five (5) years, with an option to extend the lease by mutual agreement of both parties every year, for an additional two years.
- All terms and conditions of this solicitation and the proposed lease are tentative until approved by the City of Los Banos City Council.
- Sample/Template lease is included as Exhibit C. Proposers must indicate if there are any proposed changes to the sample lease requested.

VI. Submittal Requirements:

The guidelines are provided for standardizing the preparation and submission of the proposal by all operators. The intent of these guidelines is to assist operators in preparation of their qualifications, to simplify the review process, and to help assure consistency in format and contents.

Proposals shall contain the following information in the order listed:

1. Introductory Letter

The letter shall be addressed to:

Joe Heim, Acting Public Works Director
520 J Street
Los Banos, CA 93635

Said statement and proposed cost proposal for rental (paragraph B, below) shall be submitted to the above.

- Statement of qualifications should list the following:
 - Names of principals of proposed operating firm, partnership, or proprietorship
 - A brief statement of experience for all principals
 - A list of equipment owned or leased by the proposed operator to be used in operations
 - Any possible exceptions to the lease terms

2. Cost Proposal

In a separate envelope, proposed operators shall provide a written statement of the annual rental amount they are willing to pay to commence the lease.

- Lessee shall pay to Lessor, a yearly amount of \$_____, payable ½ on or before June 1st, and ½ on or before December 1st of each year of the proposed lease. In addition, a cost-of-living adjustment of 2% per year shall be applied after the first full year of the lease and every year thereafter.

VII. Selection Process:

Proposals shall be evaluated by City of Los Banos staff and a recommendation made to the City of Los Banos City Council for approval. Selection will be made on the basis of which proposal and qualifications are in the best interest of the City to accept. Such factors as reliability and continuity of operations shall be considered in addition to cost proposal in determining a recommended operator. If deemed necessary, the City may request interviews with the top candidates.

**EXHIBIT A
LAND DESCRIPTION**

REAL PROPERTY

APN 454-0200-001

EXHIBIT B SITE MAP



*Areas in red are included in the pasture lease

EXHIBIT C
SAMPLE/TEMPLATE LEASE AGREEMENT

Recording Requested By:

City of Los Banos

And When Recorded Mail to:

**Lucille Mallonee, City Clerk
City of Los Banos
520 J Street
Los Banos, CA 93635**

Exempt from Recording Fees
Pursuant to Gov't Cd 6103

APN: 084-10-009

Space above this line for Recorder's use.

**LEASE AGREEMENT BETWEEN
THE CITY OF LOS BANOS
AND _____**

THIS LEASE ("this lease" or the "Lease Agreement") is entered into on _____ --, 2025 by and between the CITY OF LOS BANOS, a California municipal corporation, ("Lessor") and _____ ("Lessee").

Lessor for and in consideration of the rent to be paid by Lessee and of the covenants and provisions to be kept and performed by Lessee under this lease, hereby leases to Lessee, and Lessee agrees to lease from Lessor, the real property in the County of Merced, State of California (the "Premises" or the "leased Premises"), more particularly described in Exhibit A attached hereto and incorporated herein by this reference on the following terms and conditions:

ARTICLE 1. TERM OF LEASE

Section 1.01. Term. The term of this lease shall commence on _____, 2025, and shall end on _____, 202_ (the "Term"), unless terminated earlier pursuant to the provisions of this lease.

Section 1.02. Holding Over. Any holding over after the expiration of the term of this lease with the consent of the Lessor expressed or implied shall not extend the term of this lease or renew the same, regardless of the period of holding over. Any such holding over shall constitute a tenancy from month to month upon each and every term, condition and covenant of this lease insofar as the same may be applicable.

///
///
///
///

ARTICLE 2. RENT

Section 2.01. Rent. Commencing January 1, 2020, Lessee agrees to pay to Lessor the sum of _____ Dollars (\$ _____) per year, payable ½ on or before January 1st and ½ on or before July 1st of each year of this lease agreement.

In the event rent is not paid within 5 days after due date, Lessee agrees to pay a late charge of Five Hundred Dollars (\$500.00), plus interest at the rate of 10% per annum on the delinquent amount. Lessee further agrees to pay Fifty dollars (\$50.00) for each dishonored bank check. The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.

ARTICLE 3. USE OF PREMISES

Section 3.01. Permitted Use. During the term of this lease, Lessee shall use the Premises solely for the purpose of planting, growing, and harvesting of agricultural crops and for no other purpose without the prior written consent of Lessor.

(a) No crops with harvest dates after the lease termination date will be planted without the prior written approval of Lessor.

Section 3.02. Approvals and Licensing. If any license, permit, or other governmental authorization is required for the services and/or activities provided by Lessee in connection with the use or occupancy of the Premises or any portion of the Premises, Lessee shall procure and maintain said approvals and licenses throughout the term of this lease. Failure to procure and maintain said approvals and licenses throughout the term of this lease shall be deemed a material breach of the lease. Lessee shall notify Lessor immediately upon suspension or revocation of any license, permit, or other governmental authorization.

Section 3.03. Compliance with Laws. Lessee shall, at Lessee's own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal relating to any use and occupancy of the Premises, whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. The violation of any such statute, ordinance, regulation, or requirement shall constitute grounds for termination of this lease by Lessor.

Section 3.04. Prohibited Uses. Lessee shall not use or permit the Premises or any portion of the Premises to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body, or entity. Furthermore, Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any statutory or decisional law applicable to the Premises or any part of the Premises.

Section 3.05. Right of Entry and Access to Premises. Lessor and its agents or representative shall have the right, during reasonable business hours, to enter upon the leased Premises, to inspect the same or any crops growing or harvested thereon or being removed therefrom, the improvements therein, appurtenances thereto, and all equipment located thereon.

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

Lessor shall also have the right to enter the leased Premises to exercise, protect or defend any of the rights reserved to the Lessor hereunder. Lessee shall supply Lessor and its agents or representatives with keys or other instruments necessary to affect entry only to the leased Premises.

Section 3.06. Farming Practices. Lessee shall carry on all of the activities specified under Section 3.01 in accordance with good husbandry and the best practices of the farming community in which the leased premises are situated. Lessee agrees to use the best known practices and measures to prevent the entry or growth of Johnson grass, morning glory, Bermuda grass, knapweed and other noxious weeds or grasses upon the leased premises, including necessary control measures on adjacent or adjoining public and private roads, ditches, banks, fence lines, lanes and ways. It shall be the obligation of Lessee to bear the expense of compliance with all lawful requirements governing extermination and destruction of noxious growth, rodents and harmful insects and protection against orchard and plant infection on leased and adjacent property.

Vegetation shall be managed as follows:

(a) With respect to any portion of the leased Premises used to farm cotton, Lessee shall shred all cotton stalks remaining on such portion and disc the soil of any such portion in full compliance with Merced County pink bollworm plow-down regulations.

(b) Following the harvest of any other crop, Lessee shall disc until all crop residue is thoroughly mixed with the soil.

(c) Any portion of the leased Premises planted and not harvested, or left fallow, shall be maintained to minimize weed and pest infestations. Methods for minimizing infestations of weeds and pest shall include but not be limited to semiannual disking and/or mowing, and the application of herbicides and pesticides.

(d) Grazing of livestock, although permitted as a part of this lease, is not considered by the Lessor to be a means of vegetation control and therefore does not satisfy the requirements of this section.

(e) Lessor reserves the right to direct Lessee as to the timing and preferred method(s) for complying with this section.

(f) Lessee shall provide a performance bond for the full term of this lease, for the benefit of the Lessor, to insure weed and vegetation control are conducted in accordance with these provisions. Said performance bond shall be provided to the Lessor prior to the execution of this lease. In lieu of a performance bond, Lessee may provide a refundable deposit of Twenty Five Dollars (\$25.00) per irrigable acre subject to this lease.

If Lessee fails to take any required action or conduct any operation in accordance with the best course of husbandry practiced in the farming community surrounding the leased Premises, Lessor may, after giving Lessee 15 days' written notice of the failure in the manner

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

prescribed in Section 8.04 of this lease, enter the leased Premises and take any reasonable action Lessor may deem necessary to protect Lessor's interest in this lease and the leased Premises. Lessee agrees to reimburse Lessor on demand for the cost of any reasonable actions taken by Lessor in accordance with the provisions of this paragraph.

3.07. Chemical Storage and Use. Lessee shall not apply to, use upon, possess or store upon the Premises, any substance or chemical as designated from time to time by the United States or State of California or any office or agency thereof, as causing cancer or reproductive toxicity, as determined in accordance with the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as Proposition 65) or any other law or regulation. Lessee further agrees and acknowledges that all herbicides and pesticide storage and applications must meet the restrictions and permits required by the County Agricultural Commissioner in the State of California and all other governmental regulations. Only chemicals designated and approved for use on the land associated with this lease may be stored on the Premises. Lessee agrees to control and dispose of containers according to legal requirements, and hold Lessor harmless for the use, storage, or disposal of any agricultural chemicals. Lessee agrees not to apply pesticides, insecticides, fungicides, herbicides, or other chemical treatments that will have a residual effect beyond the term of this lease except with the prior written consent of Lessor.

3.08 Water Supply. Lessor does not warrant the existence of or the water supply to the Premises. Lessee accepts the risk and is fully aware of the condition of the water supply system serving the Premises. Lessee understands that there may be legal constraints upon the sources of water made available to the leased Premises. **Lessee accepts the risk of a shortage or reduction in water supply which may arise from failures of wells, lack of legal authority to divert or deliver water and agrees hereby to waive any and all claims against Lessor for damages, loss or reduction in crop yield or any other nature of damage or expense which may arise from water unavailability, fluctuations, or degradation of the quality of water diverted.** Lessee agrees to indemnify the Lessor, its City Council, officers, directors, agents, employees and volunteers from any such claims or costs of defense of those claims which might be made against Lessor by third parties claiming through Lessee or as a beneficiary of Lessees. As to any water supply features such as wells, pumps or other apparatus which require repair or replacement during the term of the Lease Agreement, Lessee shall promptly repair or reconstruct these facilities at its cost during the term of the Lease Agreement (except if damage is caused by an act of God or nature) except that if such facilities shall be damaged due to the negligence of Lessor or its unreasonable omission to act, Lessor shall bear the costs of repair or replacement.

(a) Lessee is prohibited from taking any action that would have the effect of decreasing or removing any riparian or water supply rights attached to the Premises.

ARTICLE 4. OPERATING COSTS

4.01. Operating Costs. Lessee shall pay all costs in connection with Lessee's operations on the leased Premises, including but not limited to costs of preparing the leased Premises for planting of crops, production costs, costs of tools and labor, electricity, water charges, and other utilities.

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

4.02. Taxes and Assessments. Lessee shall pay, before delinquency, all personal property taxes or assessments levied on Lessee's personal property situated in or about the leased Premises during the term of this lease. On demand, Lessee shall provide to Lessor satisfactory evidence of payment of taxes. Lessor shall be responsible for the payment of real property taxes or assessments levied on the leased Premises.

ARTICLE 5. MAINTENANCE ALTERATIONS AND REPAIRS

5.01. Maintenance. Lessee shall keep in good condition and repair all buildings, fences, wells, pumping plants, and irrigation systems or other improvements now located upon the Premises, which are the property of the Lessor. Lessee shall provide Lessor annually a written report of all major repairs made during the previous twelve months. Upon the termination of this Lease, Lessee shall leave the same in as good repair as they now are, damage by the elements, acts of God and ordinary wear and tear excepted. Lessor shall not be called upon or required to make any repairs or incur any expenses of any kind or nature, upon or in connection with the leased Premises or improvements, for and during the term or this Lease. Within thirty days of execution of this Lease the parties shall jointly prepare an inventory of all improvements currently located on the leased premises.

5.02. Waste or Nuisance. Lessee shall not commit, or permit others to commit, any waste on the leased Premises. Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined by California Civil Code Section 3479 on the leased Premises. Lessee shall not use or permit the use of the leased Premises for any unlawful purpose.

5.03. Alterations and Mechanics' Liens. Lessee shall not construct, any new improvements upon said leased Premises without first obtaining the written consent of Lessor. Lessee shall pay for all materials joined or affixed to said leased Premises, and pay in full all persons that perform labor upon said Premises at Lessee's instance and request. Lessee shall not permit or suffer any mechanic's or materialmen's liens of any kind or nature to be enforced against said leased Premises for any work done, or materials furnished thereon, at Lessee's instance or request. Lessee agrees to indemnify and hold Lessor harmless against any and all such liens. Lessor shall have the right to pay any amount required to release any such lien or liens, or to defend any action brought thereon, and to pay any judgment entered therein. Lessee shall be liable to Lessor for all costs, damages and reasonable attorney's fees and any amounts expended in defending any proceedings, or in the payment of any of said liens or any judgment obtained therefor. Lessor may post and maintain upon the leased Premises notice of non-responsibility as provided by law.

5.04. Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter the leased Premises at all reasonable times to determine whether Lessee is complying with the terms of this lease and for the purpose of doing other lawful acts that may be necessary to protect the Lessor's interest in the leased premises.

5.05. Acceptance by Lessee. Lessee accepts the leased Premises, as well as the improvements on the premises and facilities appurtenant to the Premises, in their present

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

condition. Lessee agrees with, and represents to Lessor, that the leased Premises have been inspected by him and that Lessee has been assured by means independent of Lessor or Lessor's agents of the truth of all facts material to this lease and that the leased Premises are being leased by Lessee as a result of its inspection and investigation and not as a result of any representations made by Lessor or Lessor's agents.

5.06. No Warranty. Lessee expressly acknowledges that Lessor has made no warranty and no warranty shall be implied by reason of any term or provision of this Lease concerning the availability or sufficiency of water or any other utility for use upon the leased Premises; nor has Lessor made any warranty concerning the sufficiency of wells, pumping plants, canals, pipelines or any other irrigation equipment for provision of water to the crops, any dwellings or machinery upon the leased Premises; nor has Lessor made any warranty concerning the sufficiency of any provisions for the control of flooding of the leased Premises, nor has Lessor made any warranty concerning the sufficiency of adequacy of the land for the use or uses intended by Lessee.

5.07 Hazardous Materials.

(a) Lessee shall at all times in all respects comply with all environmental laws and any amendments thereto affecting Lessee's use of and operation on the leased Premises, including all federal, state and local laws, ordinances and regulations relating to Hazardous Material. 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) If Lessee causes, or permits the use or storage of hazardous materials resulting in contamination of the leased Premises, then Lessee shall indemnify, defend and hold Lessor harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses which arise during or after the Term of this Lease Agreement as a result of such contamination. This

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

indemnification of Lessor by Lessee 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 leased Premises, excepting pre-existing conditions. In no event shall Lessee be responsible for any contamination found on or under the leased Premises that existed prior to Lessee's occupancy. Without limiting the foregoing, if the presence of any Hazardous Material on the leased Premises caused or permitted by Lessee results in any contamination of the leased Premises, Lessee shall promptly take all actions at its sole expense as are necessary to render the leased Premises in compliance with all applicable environmental laws; provided that Lessor'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 leased Premises.

The provisions of this section shall survive the expiration or termination of this Lease Agreement.

5.08 Protected Natural Resources.

(a) Lessee shall at all times in all respects comply with all environmental laws and any amendments thereto affecting Lessee's use of and operation on the leased 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).

Lessee shall assume responsibility for and payment of any fines or penalties levied on either Lessor or Lessee by any applicable local, state or federal authority (hereinafter "Authority") for breaches by Lessee of the Authority's environmental regulation. Lessee agrees to be solely liable for the payment of all fines and penalties resulting from Lessee's breach of Authority's environmental regulations, except and in proportion to the extent caused by the negligence or willful misconduct of Lessor.

In addition, Lessee understands and acknowledges that, during the Term of this Lease Agreement, the environmental regulations implemented or imposed by the Authority on Lessor and Lessee may change and Lessee specifically agrees to comply with any future applicable environmental regulations implemented or imposed by the Authority on Lessor or Lessee.

The provisions of this section shall survive the expiration or termination of this Lease Agreement.

5.09 Cultural Resources. If any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains be encountered during any activities, work shall be immediately suspended and the find area shall be staked off. The Lessee shall immediately notify the Lessor. Lessor will coordinate any necessary

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

investigation of the find with appropriate specialists as needed. The Lessee shall be required to implement any mitigation deemed necessary for the protection of the cultural resources.

In addition, pursuant to Section 5097.97 of the State Public Resources Code and Section 7050.5 of the State Health and Safety Code, in the event of the discovery of human remains, all work is to immediately stop and there shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains and the Lessor and the County Coroner shall be immediately notified. If the remains are determined to be Native American, guidelines of the Native American Heritage Commission shall be adhered to in the treatment and disposition of the remains.

ARTICLE 6. INDEMNITY AND INSURANCE

Section 6.01. Indemnification. Lessee shall defend, indemnify, and hold harmless Lessor, its principals, officers, employees, agents, and volunteers from and against any claims, losses, injuries, suits, or judgments and from any and all liability for any and all claims, losses, injuries, suits, or judgments filed or brought by any and all persons (including, without limitation, attorney's fees, disbursements and court costs) because of, arising, from or resulting from, or in connection with the conduct by Lessee of any program, activity or service in, on, or about the Premises, or because of or arising from any negligent and or willful act or omission, its principals, officers, agents, employees, volunteers or subcontractors, or in any way connected with the Premises or with any improvements or personal property on the Premises, or some condition of the Premises or some building or improvement on the Premises except when caused by the sole negligence or willful misconduct of Lessor.

Section 6.02. Insurance. Lessee shall, at its own cost and expense, procure and maintain during the entire term of this lease public liability insurance and premises damage insurance insuring Lessor against loss or liability caused by or connected with Lessee's occupation and use of the Premises under this lease in amounts not less than:

(a) General Liability. Lessee shall maintain general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. Lessee, general liability policies shall be primary and shall not seek contribution from the Lessor's coverage, and be endorsed using Insurance Services Office form CG 20 10 to provide that Lessor and its officers, officials, employees, and agents shall be additional insureds under such policies.

(b) Auto Liability. Lessee shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than one million dollars (\$1,000,000) per accident. If Lessee owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

(c) Workers' Compensation. Lessee shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

(\$1,000,000). Lessee shall submit to Lessor, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Lessor, its officers, agents, employees, and volunteers.

The insurance required under this section shall be issued by a responsible insurance company or companies authorized to do business in California and shall be in a form reasonably satisfactory to Lessor. Lessee shall within 10 days of the date of this lease, deposit with Lessor a certificate showing that insurance to be in full force and effect.

Section 6.03. Cancellation Requirements. Each of the insurance policies shall be in a form reasonably satisfactory to Lessor and shall carry an endorsement that, before changing or canceling any policy, the issuing insurance company shall give Lessor at least 30 days' prior written notice. Duplicate originals or certificates of all such insurance policies shall be delivered to Lessor.

ARTICLE 7. DEFAULT, ASSIGNMENT, AND TERMINATION

Section 7.01. Restriction Against Subletting or Assignment. Lessee shall not encumber, assign, or otherwise transfer this lease, any right or interest in this lease, or any right or interest in the Premises or any of the Improvements that may now or hereafter be constructed or installed on the Premises without first obtaining the express written consent of Lessor. Lessee shall not sublet the Premises or any part of the Premises or allow any other person, other than Lessee's agents, servants, and employees, to occupy the Premises or any part of the Premises without the prior written consent of Lessor. A consent by Lessor to one assignment, one subletting, or one occupation of the Premises by another person shall not be deemed to be a consent to any subsequent assignment, subletting, or occupation of the Premises by another person. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Lessor, whether voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor, terminate this lease. The consent of Lessor to any assignment of Lessee's interest in this lease or the subletting by Lessee of the Premises or parts of the Premises shall not be unreasonably withheld.

Section 7.02. Default Defined. The occurrence of any of the following shall constitute a material default and breach of this lease by Lessee:

(a) Any failure by Lessee to pay the rent or to make any other payment required to be made by Lessee under this lease (when that failure continues for 3 days after written notice of the failure is given by Lessor to Lessee).

(b) The abandonment or vacation of the Premises by Lessee (the absence of Lessee from or the failure by Lessee to conduct business on the Premises for a period in excess of 14 consecutive days shall constitute an abandonment or vacation for purposes of this lease).

(c) A failure by Lessee to observe and perform any other provision of this lease to be observed or performed by Lessee, when that failure continues for 30 days after written notice of Lessee's failure is given by Lessor to Lessee; provided, however, that if the nature of that default

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

is such that it cannot reasonably be cured within 30-day period, Lessee shall not be deemed to be in default if Lessee commences that cure within the 30-day period and thereafter diligently prosecutes it to completion.

(d) The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, it is dismissed within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this lease, when possession is not restored to Lessee within 30 days; or the attachment, execution, or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this lease, when that seizure is not discharged within 30 days.

Section 7.03. Termination of Lease and Recovery of Damages. In the event of any default by Lessee under this lease, in addition to any other remedies available to Lessor at law or in equity, Lessor shall have the right to terminate this lease and all rights of Lessee hereunder by giving written notice of the termination. No act of Lessor shall be construed as terminating this lease except written notice given by Lessor to Lessee advising Lessee that Lessor elects to terminate the lease. In the event Lessor elects to terminate this lease, Lessor may recover from Lessee:

(a) The worth at the time of award of any unpaid rent that had been earned at the time of termination of the lease;

(b) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided;

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this lease after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; and

(d) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under this lease.

Section 7.04. Lessor's Right to Continue Lease in Effect.

(a) If Lessee breaches this lease and abandons the Premises before the natural expiration of the term of this lease, Lessor may continue this lease in effect by not terminating Lessee's right to possession of the Premises, in which event Lessor shall be entitled to enforce all its rights and remedies under this lease, including the right to recover the rent specified in this lease as it becomes due under this lease. For as long as Lessor does not terminate this lease, Lessee shall have the right to assign or sublease the Premises with the Lessor's prior written consent. Lessor shall not unreasonably withhold consent.

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

(b) No act of Lessor, including but not limited to Lessor's entry on the Premises, efforts to relet the Premises, or maintenance of the Premises, shall be construed as an election to terminate this lease unless a written notice of that intention is given to Lessee or unless the termination of this lease is decreed by a court of competent jurisdiction.

Section 7.05. Lessor's Right to Relet. In the event Lessee breaches this lease, Lessor may enter on and relet the Premises or any part of the Premises to a third party or third parties for any term, at any rental, and on any other terms and conditions that Lessor in its sole discretion may deem advisable, and shall have the right to make alterations and repairs to the Premises. Lessee shall be liable for all of Lessor's costs in reletting, including but not limited to remodeling costs necessitated by any modifications made by Lessee and required for the reletting. In the event Lessor relets the premises, Lessee shall pay all rent due under and at the times specified in this lease, less any amount or amounts actually received by Lessor from the reletting.

Section 7.06. Lessor's Right to Cure Lessee Defaults. If Lessee breaches or fails to perform any of the covenants or provisions of this lease, Lessor may, but shall not be required to, cure Lessee's breach. Any sum expended by Lessor, with the then maximum legal rate of interest, shall be reimbursed by Lessee to Lessor with the next due rent payment under this lease.

Section 7.07. Cumulative Remedies. The remedies granted to Lessor in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this lease.

Section 7.08. Waiver of Breach. The waiver by Lessor of any breach by Lessee of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee either of the same or another provision of this lease.

ARTICLE 8. MISCELLANEOUS

Section 8.01. Discrimination Prohibited. Neither Lessee nor any officer, employee, or agent of Lessee shall discriminate in the employment of persons providing services on the premises in any facility the use of which is authorized by this Agreement on account of race, color, national origin, ancestry, religion, sex, physical handicap, or medical condition, in violation of any federal or state law.

Section 8.02. Force Majeure--Unavoidable Delays. If the performance of any act required by this lease to be performed by either Lessor or Lessee is prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or any other cause except financial inability that is not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

Section 8.03. Attorneys' Fees. If any litigation is commenced between the parties to this lease concerning the Premises, this lease, or the rights and duties of either in relation to the

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

Premises or to this lease, the party prevailing in that litigation shall be entitled to, in addition to any other relief that may be granted in the litigation, a reasonable sum as and for its attorneys' fees in that litigation that are determined by the court in that litigation or in a separate action brought for that purpose.

Section 8.04. Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this lease or by law to be served on or given to either party to this lease by the other party to this lease shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to:

Lessor

City of Los Banos
520 J Street
Los Banos, CA 93635

Lessee

Either party, Lessor or Lessee, may change its address for the purpose of this section by giving written notice of that change to the other party in the manner provided in this section.

Section 8.05. Binding on Successors. This lease shall be binding on and shall inure to the benefit of the successors and assigns of Lessor and Lessee, but nothing in this section shall be construed as a consent by Lessor to any assignment of this lease or any interest therein by Lessee except as provided this lease.

Section 8.06. Partial Invalidity. If any provision of this lease is held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this lease shall remain in full force and effect unimpaired by the holding.

Section 8.07. Sole and Only Agreement. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the Premises, the leasing of the Premises to Lessee, or the lease term created under this lease, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

Section 8.08. Time of Essence. Time is expressly declared to be of the essence in this lease.

Section 8.09. No Partnership or Joint Venture. Nothing in this lease shall be construed to render Lessor in any way or for any purpose a partner, joint venturer, or associate in any

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

relationship with Lessee other than that of Lessor and Lessee, nor shall this lease be construed to authorize either to act as agent for the other.

Section 8.10. Oil, Gas, and Mineral Rights. All rights in any and all minerals, oil, gas, and other hydrocarbons located on or under the leased Premises are reserved to Lessor and are particularly excepted from the property covered by the terms of this lease.

Section 8.11. Hunting Rights. All of the hunting rights and privileges on the leased premises are reserved to Lessor. Lessee agrees that Lessee will not permit any hunting on the leased premises without the prior written consent of Lessor.

Section 8.12. ASCS/FSA Acreage Bases. All ASCS/FSA acreage bases of Lessor and Lessee shall not be affected by this lease agreement and shall be maintained in their original state with Lessor and Lessee as if the lease had not occurred. Lessee will be allowed to combine Lessor's farm number with Lessee's farm number for FSA farm payment purposes. All farm program payments will be the property of Lessee during the term of this lease.

Section 8.13. Crop Waiver. It is understood and agreed that Lessee may finance the growing of crops on the premises by a crop loan, and in this connection, if the lender to the Lessee shall require a waiver by the Lessor with respect to any crops growing on said demised premises to be mortgaged as security for such crop loan, the Lessor agrees that the Lessor will execute such waiver for one crop year at a time and only for the production of crops upon the demised premises for such crop year, provided that the advance cash rent for the subject crop year has been paid.

Section 8.14. Williamson Act Documentation. Lessee shall cooperate with Lessor in disclosing any necessary information relative to farming practices and crop production on the leased premises in connection with any forms required by the County of Merced and/or the State of California.

Section 8.15. Removal of Growing Crops. Lessee shall have thirty days after the termination of this lease to remove any then growing crops.

Section 8.16. Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. A signature transmitted by facsimile or as a pdf copy to electronic mail shall be treated as original for all purposes.

///
///
///
///

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

IN WITNESS THEREOF, this Lease Agreement was executed by the parties thereto on the date(s) set forth below.

LESSOR:
CITY OF LOS BANOS,
a California Municipal Corporation

By: _____
Michael Amabile, Mayor

Dated _____

ATTEST:

Lucille Mallonee, City Clerk

Dated _____

APPROVED AS TO FORM:

City Attorney

Dated _____

LESSEE:

By: _____

Dated _____

[SIGNATURES MUST BE NOTARIZED]

**EXHIBIT A
PROPERTY DESCRIPTION**

[TO BE INSERTED BY STAFF]

SAMPLE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Merced)

On _____, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

SAMPLE//TEMPLATE – SUBJECT TO CHANGE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Merced)

On _____, before me, _____,
(insert name of notary)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)