

## EXHIBIT 1

### NOTICE OF INTENT TO LEASE REAL PROPERTY

July 23, 2018 AT 5:00 PM IS THE DEADLINE FOR THE RECEIPT OF PROPOSALS TO LEASE APPROXIMATELY 14.23 ACRES OF REAL PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 126-240-039, LOCATED ON MOONEY BLVD. ¼ MILE SOUTH OF AVENUE 272, IN THE CITY OF VISALIA FOR A TERM OF 5 YEARS, COMMENCING WHEN THE LEASE IS EXECUTED BY THE TULARE COUNTY BOARD OF SUPERVISORS FOR A MINIMUM RENTAL RATE OF \$225 PER ACRE PER YEAR.

A COPY OF THE SEALED PROPOSALS, TOGETHER WITH A WRITTEN STATEMENT OF THE PROPONENT'S INTENDED USE AND QUALIFICATIONS TO FARM MUST BE FILED WITH THE CLERK OF THE BOARD OF SUPERVISORS AT THE COUNTY ADMINISTRATION BUILDING, 2800 WEST BURREL AVENUE, VISALIA.

SEALED PROPOSALS WILL BE OPENED AT THE BOARD OF SUPERVISORS MEETING ON July 24, 2018 AT 9:00 AM, FOLLOWED BY AN ORAL BIDDING. THE BOARD OF SUPERVISORS WILL EITHER ACCEPT THE PROPOSAL IT DEEMS TO BE IN THE BEST INTEREST OF THE COUNTY OR REJECT ALL PROPOSALS.

FOR QUESTIONS CONTACT JACALYNN WELLS, PROPERTY SPECIALIST WITH THE COUNTY OF TULARE, AT 559-624-7219.

## EXHIBIT 2

### SURPLUS PROPERTY LEASE AGREEMENT

THIS LEASE is entered into as of \_\_\_\_\_, 2018, between the COUNTY OF TULARE (LESSOR) and \*\*\*\*\* (LESSEE), who agree as follows:

**1. LEASE.** LESSOR leases to LESSEE, and LESSEE leases from LESSOR, 14.23 farmable acres in the City of Visalia, County of Tulare, State of California, known as Assessor's Parcel Number (APN) 126-240-039, hereinafter referred to as the "Premises" and more particularly depicted in Exhibit A, attached hereto and incorporated by reference, and described as Parcel No. 1 of Parcel Map No. 535, in the City of Visalia, County of Tulare, State of California, as per Map recorded in Book 6, Page 35 of Parcel Maps, Tulare County Records.

**2. TERM/OPTION TO RENEW.** The term of the agreement shall commence on August 1, 2018, hereinafter referred to as the "Effective Date", and shall continue through July 31, 2023. LESSEE shall have the option to renew this lease for an additional TWO (2), FIVE (5) year terms under the same terms and conditions, subject to reductions in acreage and increases in rental amount, by serving a written Notice to Exercise of the option to renew to LESSOR NINETY (90) days prior to the end of the term. Any option to renew is subject to LESSOR's written approval LESSOR's written approval or denial is due to LESSEE within FORTY-FIVE (45) days of LESSOR's receipt of LESSEE's Notice to Exercise.

**3. REDUCTION IN ACREAGE.** At any time during the initial or any extended term of this Agreement, LESSOR may reduce the leased acreage by any amount deemed by LESSOR to be necessary for governmental purposes by giving LESSEE written notice thereof at least NINETY (90) days prior to any anniversary of the effective date of this Agreement. Any such reduction in acreage shall be effective on the next anniversary date following receipt of LESSOR's notice, and shall be accompanied by an equitable adjustment in the rent. LESSEE may elect to terminate this Lease on said next anniversary date by delivering to LESSOR, no less than THIRTY (30) days after receiving a notice of reduction in acreage, a Notice of Intent to Terminate.

**4. RENT.** The rental amount for the Premises shall be TWO HUNDRED AND TWENTY-FIVE DOLLARS (\$225.00) per acre per year, payable in advance, with the first year's rent payable to LESSOR in accordance with the advertised terms of bidding. Rent for the second and following years, including any option periods, shall be paid to the LESSOR on each anniversary of the Effective Date.

Upon LESSEE exercising an option to renew the rent shall be increased by TWENTY-FIVE DOLLARS (\$25.00) per acre per year, beginning on the date that the option goes into effect and the Agreement is extended.

**5. ACCEPTANCE.** LESSEE's taking possession of the Premises shall constitute LESSEE's acknowledgment that the Premises are accepted in "as is" condition.

**6. WATER:** LESSEE acknowledges that there is no operating well on the Premises. LESSEE may provide water to the Premises for irrigation or other purposes from a source outside the leased property, and LESSEE may, with the prior written approval of the LESSOR, and after meeting all statutory and regulatory requirements therefor, improve the Premises with a well and pumping plant. The acquisition and development of water for the Premises shall be at the sole cost and expense of the LESSEE. LESSEE shall take any and all reasonable measures to confine such water to the leased property and prevent it from flowing onto adjacent property not owned or controlled by LESSEE. Any pumps, pipes or other irrigation equipment shall be removed by LESSEE from the Premises immediately before the expiration or termination of this Lease Agreement, or within ten (10) days thereafter. Should LESSEE choose to not to remove any pumps, pipes or other irrigation equipment it will be forfeited to LESSOR provided that any well developed by LESSEE shall be left in useable condition. Upon LESSEE's removal of said equipment the well shall be capped and the remainder of the Premises shall be left in substantially the same condition as existed at the commencement of the original term.

**7. USE.** LESSEE shall use the Premises for growing crops and shall not commit or permit waste, nuisance or damage to the Premises. LESSEE shall not create or maintain any nuisance and shall not cause damage or injury to other premises or to the person or property of others in the course of farming the Premises. LESSEE understands the property is within the jurisdiction of the City of Visalia and shall apply with all municipal codes, including but not limited to, those requiring weed abatement.

**8. CONTAMINATION.** LESSEE shall comply with all laws, statutes, ordinances, rules, regulations, or orders of federal, state, and local governments in the use and occupancy of the Premises, particularly with respect to the storage or use of fertilizers, herbicides, pesticides, economic poisons, or other toxic substances. LESSEE shall promptly notify LESSOR of any pollution or contamination on the Premises caused by toxic substance spills, by dumping of toxics or any other cause, including accidents occurring during normal application of toxic materials in the course of farming the Premises. LESSEE shall, at LESSEE's sole expense, abate all such spills or dumping caused or permitted by LESSEE or agents of LESSEE.

**9. UTILITIES.** LESSEE shall make arrangements for, and provide at its own cost and expense, any and all utilities used by the Premises, including but not limited to: water, sewer, gas, electrical, and trash.

**10. TAXES, CHARGES, AND ASSESSMENTS.** LESSEE shall pay all taxes, charges, or assessments levied against the Premises, or for the acquisition or use of water, by any

governmental or private agency. LESSEE understands that this Lease Agreement may create a possessory interest subject to property taxation and that the LESSEE will be liable for the payment of any property taxes levied on such interest. LESSEE shall comply with and pay all costs associated with the California Regional Water Quality Control Board, Central Valley Region, Waste Discharge Requirements General Order No. R5-2013-0120.

**11. LESSOR'S EXISTING WELL, MONITORING WELLS.** LESSOR may enter the Premises for the purpose of abandoning the existing unused well, and may install and use groundwater monitoring wells on the Premises. LESSOR will conduct any such activities so as to cause a minimum of interference with LESSEE's farming operations.

**12. APPLICATION OF AGRICULTURAL CHEMICALS.** LESSEE shall comply with all laws, statutes, ordinances, rules, regulations, or orders of federal, state, and local governments in the use of and the application of any and all agricultural chemicals.

**13. LESSEE'S IMPROVEMENTS.** LESSEE shall not construct any buildings or structures on the Premises without the prior written consent of LESSOR. Any buildings, structures installed by LESSEE must comply with all zoning, building, fire and American with Disabilities Acts (ADA) regulations and codes. Any buildings or structures installed by LESSEE shall be promptly removed upon the expiration of this Agreement, leaving the Premises in the same condition as exists at the execution of this Agreement.

**14. ACCESS ROADWAYS.** LESSEE shall be responsible for maintaining any access roads on the Premises.

**15. LIENS.** LESSEE will not cause or permit any lien to be imposed upon the Premise.

**16. INDEMNITY.** LESSEE agrees to hold harmless, defend and indemnify LESSOR, its officers, agents and employees, from liability, claims, actions, costs, damages, penalties or losses, including administrative enforcement actions, for property damage or injury, including death, or for violations of laws or regulations applicable to the Premises, arising out of LESSEE's activities upon the Premises or LESSEE's use, operation, maintenance or sub-letting thereof during the full term hereof and any renewal period or period of holding over. This obligation will continue beyond the term of this Agreement as to any act or omission which occurred during this Agreement or during any extension thereof or period of holding over.

**17. INSURANCE.** LESSEE shall provide and maintain insurance for the duration of the this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with performance under the Agreement by the LESSEE, his agents, representatives, employees, or contractors. Prior to approval of this agreement by LESSOR,

LESSEE shall provide evidence of the required insurance as set forth in Exhibit B, attached hereto and incorporated by reference.

**18. QUITE ENJOYMENT.** Upon payment of the rent to be paid and the performance of all covenants by the LESSEE as provided herein, LESSEE shall peaceably and quietly hold and enjoy the Premises during the term of this Agreement AND any extension thereof, except as otherwise provided herein.

**19. ASSIGNMENT, SUBLETTING.** LESSEE shall not assign, mortgage, sublet, encumber, or otherwise transfer any interest in the Premises, including hunting or fishing privileges, to any person firm, corporation or government agency during the term of this Agreement, or any extension thereof, without the prior written consent of LESSOR. Assignment of this Agreement shall not excuse any delay or default in the performance of LESSEE's obligations under this Agreement, and LESSEE shall remain liable for the timely performance of all of LESSEE's obligations under this Agreement.

**20. DEFAULT.** The occurrence of any of the following shall constitute a default by LESSEE:

- a. Abandonment and vacation of the Premises;
- b. Failure to perform any other provision of this Lease Agreement if the failure to perform is not cured within a reasonable time after notice has been given of same to LESSEE.

Notices given under this section shall specify the alleged default and the applicable provisions of this Agreement, and shall demand that LESSEE perform the provisions within the applicable period of time, or quit the Premises. If LESSEE fails to remedy the default within TEN (10) calendar days after receiving written notice from LESSOR the LESSOR may terminate this Lease Agreement, enter upon the Premises and retake possession thereof, including any crops thereon. The purpose of the notice requirements set forth in this section is to extend the notice requirements of the unlawful detainer statutes of California.

In the event of a default, the parties shall have the remedies now or later allowed by law.

**21. SIGNS.** LESSEE may not install, or permit any other person to install, any sign, awning, canopy, marquee, or other advertising on the Premises without LESSOR's prior written consent. Upon expiration or termination of this Lease Agreement, LESSOR may remove and destroy any items which were permitted to be installed in accordance with the terms of this section.

**22. LESSOR'S ENTRY ON PREMISES.** LESSOR and its authorized representatives shall have the right to enter the Premises at all times for any of the following purposes:

- a. To determine whether the Premises are in good condition and whether LESSEE is complying with its obligations under this Agreement;

b. To do any necessary maintenance and to make any restoration to the Premises other improvements in which the Premises are located that LESSOR has the right or obligation to perform;

c. To serve, post, or keep posted any notices required or permitted under this agreement;

**23. SURRENDER.** Prior to the termination of this agreement LESSEE will remove all crops, trees, vines, or plantings of any kind from the Property. Further, LESSEE shall properly disc the Property after the removal of said plantings.

**24. TERMINATION.** The right to terminate this Agreement under this provision may be exercised without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this Agreement.

(a). With Cause: This Agreement may be terminated by LESSOR should LESSEE:

(1) be adjudged a bankrupt, or

(2) become insolvent or have a receiver appointed, or

(3) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or

(4) materially breach this Agreement.

For any of the occurrences except item (4), termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the satisfaction of the non-defaulting party within TEN (10) days of written notice specifying the breach. If the breach is not remedied within that TEN (10) day period, the non-defaulting party may terminate the Agreement on further written notice specifying the date of termination.

If the nature of the breach is such that it cannot be cured within a TEN (10) day period, the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination.

(b) Without Cause: Either party shall have the right to terminate the tenancy at any time with NINETY (90) days prior written notice of same to the other party.

**25. HOLDOVER.** If LESSEE holds over with the written consent of the LESSOR after expiration of the original or extended term, said holding over shall be from year-to-year, for a period not to exceed five years, provided that LESSEE pays the annual rent due on or before the first day of each year of holding over. All other terms and conditions of this Lease Agreement of this lease shall apply to any such holding over.

**26. SUCCESSORS.** This Agreement shall be binding on, and inure to, the benefit of the parties, their successors and assigns, except as otherwise limited by this Agreement.

**27. NOTICE.** Any notice, demand, request, consent, approval or other communication required or permitted under this Agreement shall be in writing and either served personally or sent by prepaid, first class mail, certified return receipt requested, and addressed to the other party at the address indicated below:

COUNTY: Board of Supervisors  
County of Tulare Administration Building  
2800 W. Burrell Ave.  
Visalia, CA 93291

COPY TO: County of Tulare  
General Services Agency – Property Management  
5953 S. Mooney Blvd.  
Visalia, CA 93277

LESSEE: \*\*\*\*\*

Notice shall be deemed communicated FIVE (5) days from the time of mailing as provided in this section.

**28. WAIVER.** LESSOR's consent to or approval of any act by LESSEE shall not be deemed to waive or render unnecessary LESSOR's consent to or approval of any subsequent act by LESSEE.

**29. INTEGRATION.** This instrument contains all the agreements of the parties relating to the Premises and cannot be modified or amended except by a subsequent agreement in writing.

**30. SEVERABILITY.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions of the Agreement unenforceable, invalid, or illegal.

**31. GOVERNING LAW.** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this Agreement is made and shall be performed in Tulare County, California.

**32. NON-DISCRIMINATION.** LESSEE shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

**33. NO THIRD-PARTY BENEFICIARIES INTENDED.** Unless specifically set forth in this Agreement, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

**34. CONSTRUCTION.** This Agreement reflects the contributions of all undersigned parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

**35. EXHIBITS.** The exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

**36. HEADINGS.** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

**37. DISPUTE RESOLUTION.** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

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**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first written.

LESSEE

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

By \_\_\_\_\_

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

By \_\_\_\_\_

[Pursuant to Corporations Code section 313, County policy requires that contracts with a Corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president (or another officer having general, operational responsibilities), and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer (or another officer having recordkeeping or financial responsibilities), unless the contract is accompanied by a certified copy of a resolution of the corporation's Board of Directors authorizing the execution of the contract. Similarly, pursuant to California Corporations Code section 17703.01, County policy requires that contracts with a Limited Liability Company be signed by at least two managers, unless the contract is accompanied by a certified copy of the articles of organization stating that the LLC is managed by only one manager.]

COUNTY

County of Tulare

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

By \_\_\_\_\_

Chairman, Board of Supervisors

ATTEST: MICHAEL C. SPATA  
County Administrative Officer/  
Clerk of the Board of Supervisors

By \_\_\_\_\_, Deputy

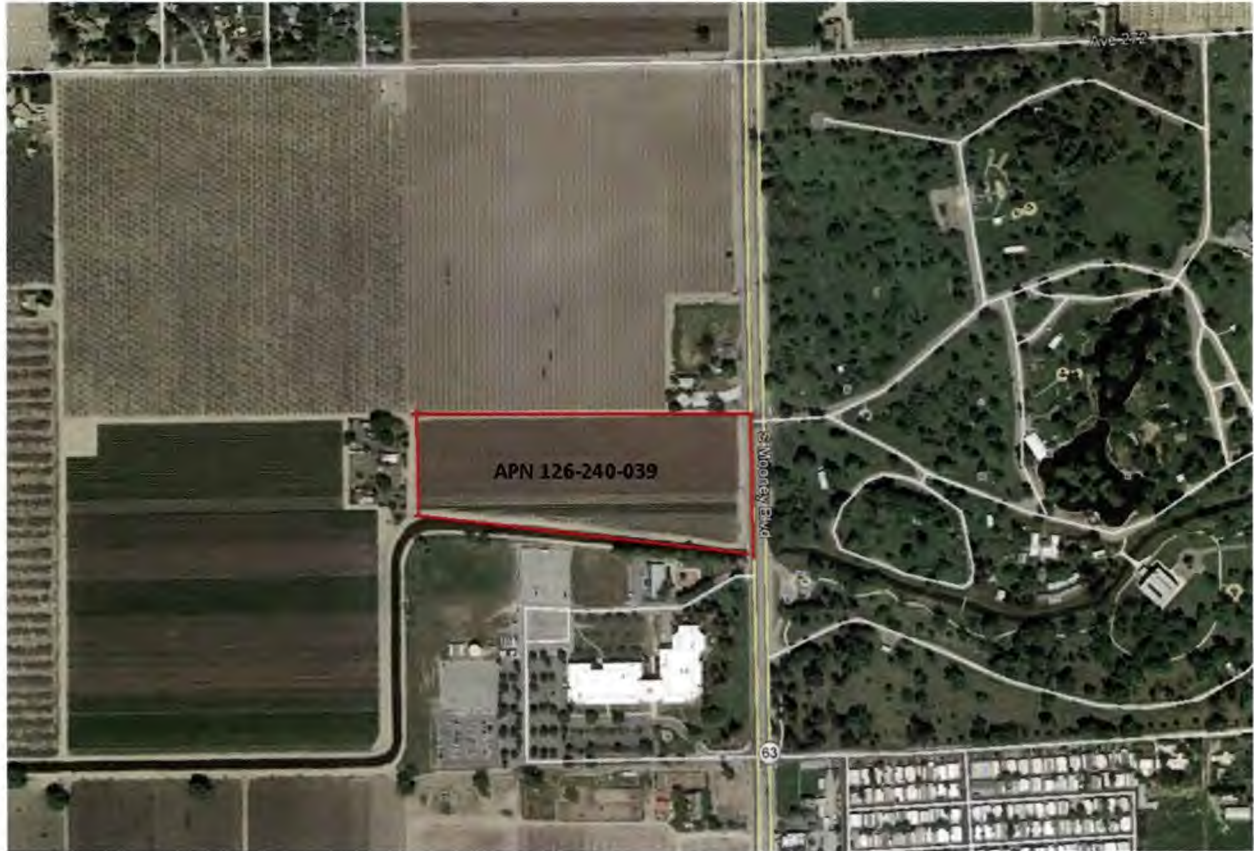
Approved as to form:  
County Counsel

By \_\_\_\_\_, Deputy

Matter ID: 2018872

**Exhibit A**  
APN 126-240-039

“The Premises”,



**Exhibit B**  
**LEASES WITH COUNTY AS LESSOR**

**INSURANCE REQUIREMENTS**

LESSEE shall procure and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with, performance under the Agreement by the LESSEE, his agents, representatives, employees and subcontractors, if applicable.

A. Minimum Scope & Limits of Insurance

1. Insurance Services Office Commercial General Liability coverage of \$1,000,000 combined single limit per occurrence (occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury and personal & advertising injury. If an annual aggregate limit shall apply separately to this location or the general aggregate shall be \$2,000,000.
2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, (any auto) of \$1,000,000 per occurrence. If an annual aggregate applies it must be no less than \$2,000,000.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Property Insurance against all risks of loss on all real property being leased, that the COUNTY owns including improvements and betterment. Limits of full replacement cost with no coinsurance penalty provision.

B. Specific Provisions of the Certificate

1. If any of the required insurance is written on a claims made form, the retroactive date must be before the date of the contract and must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract work.
2. The General Liability and Property Insurance policies must be endorsed and endorsements must be provided to COUNTY reflecting the following provisions:
  - a. *The COUNTY, its officers, agents, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the LESSEE including materials, parts, or equipment furnished in connection with such work or operations in the form of an endorsement to the LESSEE's policy at least as broad as ISO CG 20 10 .*

- b. *For claims related to this lease, the LESSEE's insurance coverabe shall be primary insurance as respects the COUNTY, its officers, agents, officials, employees and volunteers and shall be at lease as broad as ISO CG 20 01 04 13. Any insurance or self-insurance maintained by the COUNTY, its officers, agents, officials, employees or volunteers shall be excess of the LESSEE's insurance and shall not contribute with it.*
- c. *Each insurance policy required by this agreement shall be endorsed to state that coverage shall not be canceled, except after written notice has been provided to the COUNTY.*
- d. *LESSEE hereby grants to COUNTY a waiver of any right to subrogations which any insurer of the LESSEE may acquire against the COUNTY by virtue of the payment of any loss under such insurance. LESSEE agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.*

3. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the COUNTY for all work performed by the LESSEE, its employees, agents and subcontractors. LESSEE waives all rights against the COUNTY and its officers, agents, officials, employees and volunteers for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.

C. Deductibles and Self-Insured Retentions

Self-insured retentions must be declared and the COUNTY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A-:VII and a Standard & Poor's Rating (if rated) of at least BBB and from a company approved by the Department of Insurance to conduct business in California. Any waiver of these standards is subject to approval by the County Risk Manager.

E. Verification of Coverage

Prior to approval of this Agreement by the COUNTY, the LESSEE shall file with the Tulare County Board of Supervisors, certificates of insurance with original endorsements effecting coverage in a form acceptable to the COUNTY. Endorsements must be signed by persons authorized to bind coverage on behalf of the insurer. The COUNTY reserves the right to require certified copies of all required insurance policies at any time.

### Exhibit 3

### Vicinity Map

APN 126-240-039

