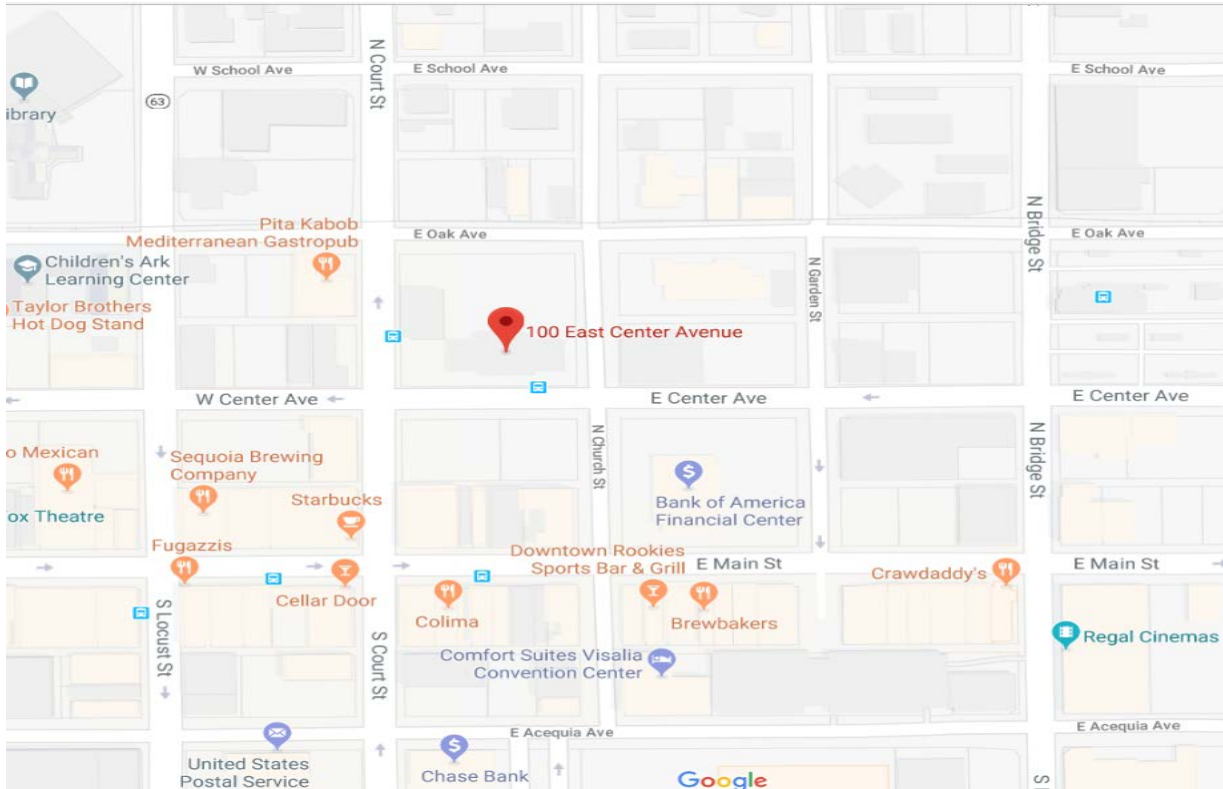


Exhibit 1

Vicinity Map 100 E. Center Ave., Visalia, CA



Recording Requested by:
First American Title Company

When recorded, mail to:
Courthouse Square Ventures, LLC
324 S. Santa Fe St., Suite A
Visalia, CA 93292

(This space for Recorders use only.)

APN 094-287-001, 094-281-007

GSA PM 18-1

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the COUNTY OF TULARE hereby **GRANT(S)** to the **Courthouse Square Ventures, LLC** the following described real property situated in the County of Tulare, State of California:

See Exhibit A

Dated this _____ day of _____, 2018

COUNTY OF TULARE

By: _____
J. Steven Worthley
Chairman, Board of Supervisors

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 Tulare)

On _____, before me _____, a 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 _____

EXHIBIT A

PARCEL A

That portion of Block 21 of the City of Visalia as per map recorded in Volume 3 of Maps, at Page 48, of Tulare County Records, located in the Southwest quarter of Section 29, Township 18 South, Range 25 East, Mount Diablo Base and Meridian, City of Visalia, County of Tulare, State of California, described as follows.

Commencing at the intersection of Center Avenue and Church Street;
Thence South 89°16'54" West, along the centerline of said Center Avenue, 230.11 feet;
Thence North 00°43'06" West, 33.00 feet, to a line on the South line of said Block 21 said line also being the North Right of way line of Center Avenue and the TRUE POINT OF BEGINNING;
Thence North 00°43'37" East, 81.49 feet, to the northwesterly corner of an existing building;
Thence North 88°59'17" East along the northerly line of said building, 4.30 feet, to an angle point therein;
Thence North 00°24'37" West along the westerly line of said building, 6.42 feet to an angle point therein;
Thence North 89°03'41" East along said northerly line, 43.79 feet to an angle point therein;
Thence North 01°15'41" West along said westerly line, 14.15 feet to an angle point therein;
Thence North 01°58'11" West, 3.76 feet to a point on the back of the existing sidewalk;
Thence North 89°52'34" East along said existing sidewalk, 34.33 feet;
Thence North 00°08'39" West, 50.33 feet;
Thence South 88°47'41" East, 8.53 feet;
Thence North 00°30'54" West, 85.88 feet;
Thence North 00°42'00" West, 22.12 feet, to the North line of said Block 21 and the South Right of Way line of Oak Street;
Thence North 89°18'49" East along said North line, 102.77 feet, to the Northeast corner of said Block 21;
Thence South 00°51'21" East along the East line of said Block 21 and the West Right of Way of Church Street, 263.60 feet, to the Southeast corner of said Block 21;
Thence South 89°16'54" West along said South line of Block 21 and the North Right of Way line of Center Avenue, 197.03 feet, to the TRUE POINT OF BEGINNING;

PARCEL B

Block 21 of the City of Visalia as per map recorded in Volume 3 of Maps, at Page 48, of Tulare County Records, located in the Southwest quarter of Section 29, Township 18 South, Range 25 East, Mount Diablo Base and Meridian, City of Visalia, County of Tulare, State of California, EXCEPTING THEREFROM, that portion described as follows.

Commencing at the intersection of Center Avenue and Church Street;
Thence South 89°16'54" West, along the centerline of said Center Avenue, 230.11 feet;
Thence North 00°43'06" West, 33.00 feet, to a line on the South line of said Block 21 said line also being the North Right of way line of Center Avenue and the TRUE POINT OF BEGINNING;
Thence North 00°43'37" East, 81.49 feet, to the northwesterly corner of an existing building;

Thence North 88°59'17" East along the northerly line of said building, 4.30 feet, to an angle point therein;
Thence North 00°24'37" West along the westerly line of said building, 6.42 feet to an angle point therein;
Thence North 89°03'41" East along said northerly line, 43.79 feet to an angle point therein;
Thence North 01°15'41" West along said westerly line, 14.15 feet to an angle point therein;
Thence North 01°58'11" West, 3.76 feet to a point on the back of the existing sidewalk;
Thence North 89°52'34" East along said existing sidewalk, 34.33 feet;
Thence North 00°08'39" West, 50.33 feet;
Thence South 88°47'41" East, 8.53 feet;
Thence North 00°30'54" West, 85.88 feet;
Thence North 00°42'00" West, 22.12 feet, to the North line of said Block 21 and the South Right of Way line of Oak Street;
Thence North 89°18'49" East along said North line, 102.77 feet, to the Northeast corner of said Block 21;
Thence South 00°51'21" East along the East line of said Block 21 and the West Right of Way of Church Street, 263.60 feet, to the Southeast corner of said Block 21;
Thence South 89°16'54" West along said South line of Block 21 and the North Right of Way line of Center Avenue, 197.03 feet, to the TRUE POINT OF BEGINNING;



PARCEL C

Real property in the City of Visalia, County of Tulare, State of California, described as follows:

LOTS 5 AND 6 IN BLOCK 16 OF THE PLAT OF VISALIA, AS PER MAP RECORDED IN BOOK 3 PAGE 48 OF MAPS, TULARE COUNTY RECORDS.

APNs: 094-287-001-000, 094-281-007-000

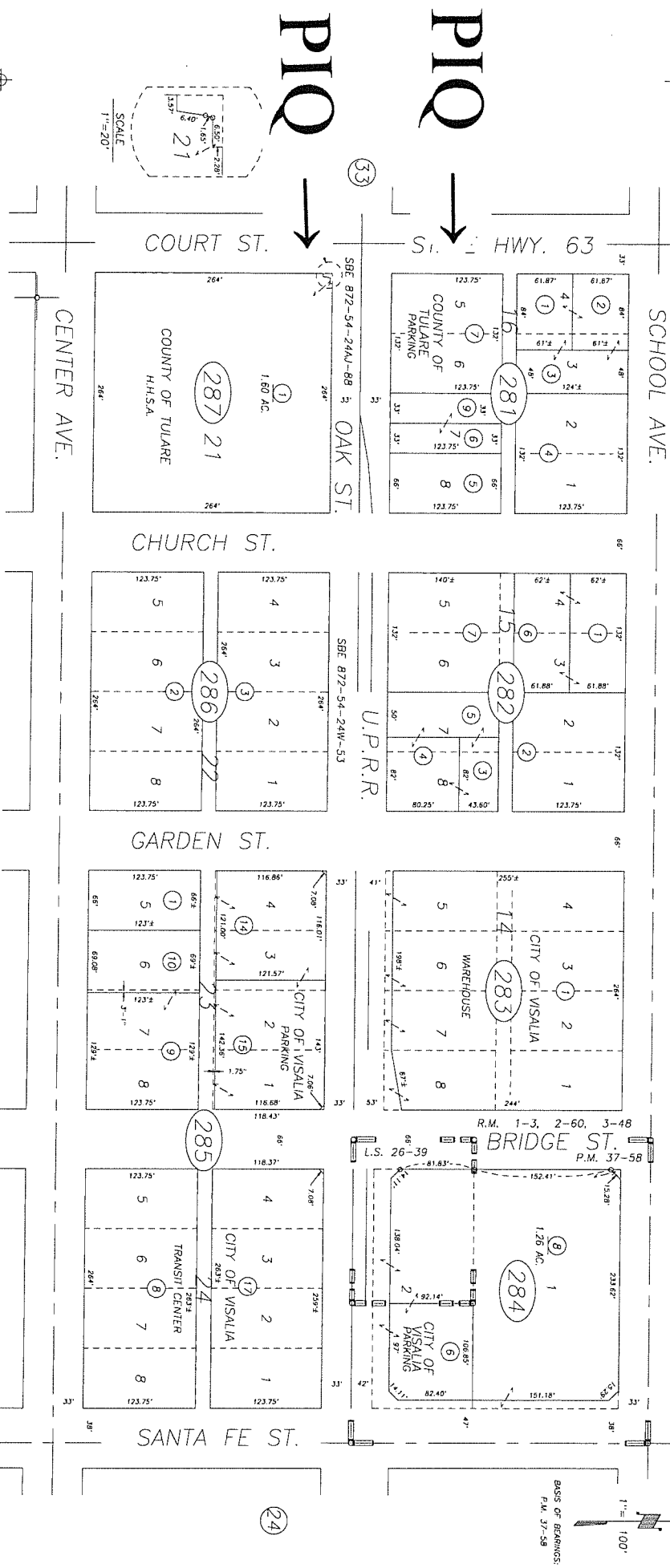
Exhibit B, Page 2

DISCLAIMER
 THIS MAP WAS PREPARED FOR LOCAL PURPOSES AND IS NOT A GUARANTEE OF ACCURACY. THE PARCELS SHOWN HEREON MAY NOT COMPLY WITH STATE AND LOCAL LAWS, ORDINANCES, AND REGULATIONS. THE ASSUMPTIONS AND LIMITATIONS OF THE INFORMATION SHOWN HEREON.

N1/2 OF NE1/4 OF SW1/4 SEC.29, T.18R., R.25E., M.D.B.&M.

Tax Area Codes 094-28

006-216
 006-217
 006-218
 006-219



POR. PLAT OF VISALIA, R.M. 1-3, 2-60, 3-48
 PARCEL MAP 3655, P.M. 37-58
 RECORD OF SURVEY, L.S. 26-39

CITY OF VISALIA
 ASSESSOR'S MAPS BK. 094, PG. 28
 COUNTY OF TULARE, CALIFORNIA, U.S.A.

NOTE: Assessor's Parcel Numbers Shown in Circles (1) (123)
 Assessor's Block Numbers Shown in Ellipses (281) (286)

2013-1-REVIEW	11/12/2013	LLB
REVISION	DATE	TECH

PIQ →

COURT ST.

281
 1.80 AC.
 287 21
 COUNTY OF TULARE
 H.H.S.A.

CHURCH ST.

282
 286
 283
 WAREHOUSE
 CITY OF VISALIA

GARDEN ST.

284
 1.26 AC.
 CITY OF VISALIA

BRIDGE ST.

285
 TRANSIT CENTER
 CITY OF VISALIA

SANTA FE ST.

286

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Notice of Exemption

Fee Exempt per Government Code Section 6103

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

Tulare County Clerk
Room 105, Courthouse
221 South Mooney Boulevard
Visalia, California 93291

Lead Agency: Tulare County – Resource Management Agency
5961 South Mooney Blvd.
Visalia, CA 93277

Applicant(s): Tulare County General Services Agency PH. (559) 624-7240
5957 South Mooney Blvd.
Visalia, CA 93277

<i>Date Filed by Tulare County Clerk</i>

Activity/Project Title: Sale of Property

Activity / Project Location – Specific: 210 N. Court; 100 E. Center; and 306 N. Court, Visalia, CA, in Tulare County

Activity / Project Location- Section, Township, Range: N/A

Activity / Project Location – City: Visalia, CA

Activity / Project Location - County: Tulare County

Description of Nature, Purpose, and Beneficiaries of Activity / Project: The subject property contains a vacant 4-story, 22,300 sq. ft. building; an occupied 12,000 sq. ft. single-story building; and a 16,368 sq. ft. parking lot (all located in downtown Visalia). The buyer proposes to remodel the 4-story building and lease out the 12,000 sq. ft. occupied building. Sale of these under-utilized, County-owned properties, will allow them to be placed back on the tax rolls and potentially revitalize the property and surrounding downtown area after the remodel.

Exempt Status:

- Ministerial (PRC Sections 21080(b)(1); 15268);
- Declared Emergency (PRC Sections 21080(b)(3);15269(a));
- Emergency Project (PRC Sections 21080(b)(4);15269(b)(c));
- Categorical Exemptions: General Rule Exemption: (14 Cal. Code Regs. Section 15061(b)(3))**
- Statutory Exemptions: N/A.

Reasons Why Activity/Project are Exempt from CEQA: The project is for the sale of existing buildings and a constructed parking lot. The sale of the subject property is exempt from CEQA pursuant to the “general rule” or “common sense” exemption on the ground that it can be seen with certainty that there is no possibility that the activity (sale of existing buildings and a parking lot) may have a significant effect on the environment (14 Cal. Code Regs., §15061, subd. (b)(3)). Therefore, it can be concluded that the proposed project is exempt from California Environmental Quality Act per Section 15061, subd. (b)(3).

Name of Public Agency Approving Activity / Project: Tulare County General Services Agency
Activity/Project Representative: Robert Newby, Property Manager **Telephone:** (559) 624-7240

Signature: _____ Date: _____ Title: Chief Environmental Planner
Hector Guerra

Signature: _____ Date: _____ Title: Environmental Assessment Officer
Reed Schenke RMA Director

Signed by Lead Agency

Date received for filing at OPR: N/A

LEASE AGREEMENT FOR PROPERTY LOCATED AT 100 E. CENTER AVENUE, VISALIA

This Lease Agreement (“Lease”) is entered into on _____, 2018, between COURTHOUSE SQUARE VENTURES, LLC, a California limited liability company, referred to as “LESSOR”; and the COUNTY OF TULARE, a political subdivision of the State of California, referred to as “COUNTY”, who agree as follows:

1. **LEASE.** LESSOR leases to COUNTY, and COUNTY leases from LESSOR, the real property located at 100 E. Center Avenue, Visalia (“Annex”), County of Tulare, State of California, consisting of approximately 12,001 square feet of office space located entirely within Parcel A of that certain plat map attached to this Lease as Exhibit A and incorporated by reference (“Premises”), together with the exclusive use by COUNTY and its guests and invitees of parking located adjacent to the Premises (“Central Parking Lot”), as limited in Section 2 below, and non-exclusive use of the 16,368 square foot parking lot located on the northeast corner of Court Street and Oak Avenue in Visalia (“North Parking Lot”). A site plan is depicted in Exhibit B attached hereto and incorporated by reference.

2. **PARKING LOT SECURITY AND USE:** LESSOR agrees to the exclusive use of twenty-six (26) parking spaces in the Central Parking Lot, all of which will be located solely within Parcel A and clearly marked, and the non-exclusive use of the North Parking Lot, by COUNTY and its guests and invitees. COUNTY agrees that all remaining parking spaces of the Central Parking Lot, located solely within Parcel B and clearly marked, will not be accessible or used by any person for COUNTY purposes and those spaces will be reserved for the exclusive use of the occupier of Parcel B, including that occupier’s guests and invitees. The COUNTY understands that the parking lots will be secured. Lessor shall ensure that parking lots will remain accessible to the public during business hours, and 24-hour access shall be provided to employees of the COUNTY only in the gated parking lots, both during construction and after completion of construction. The portion of the Central Parking Lot located within Parcel B shall

be secured by Lessor for use during construction with adequate pedestrian ingress/egress, including from the north entrance of the Annex to the portion of the Central Parking Lot located within Parcel A. LESSOR agrees not to utilize non-exclusive parking areas for construction activities during the Term, including any renewals thereof, without prior approval of COUNTY.

3. **TERM/OPTION TO RENEW.** LESSOR and COUNTY acknowledge and agree the property on which the Premises is located is currently in escrow per Tulare County Agreement No. 28444 and First American Title Company escrow number 54075599335. Said escrow is between County of Tulare (seller) and COURTHOUSE SQUARE VENTURES, LLC (purchaser). This Lease shall commence on the first day of the first full month following close of said escrow (the "Effective Date"). The Lease shall expire two (2) years after the Effective Date (the "Term"). COUNTY will have the option and right to renew this Lease for two (2), one (1) year extensions upon the same terms and conditions by providing ninety (90) days written notice to LESSOR prior to the end of the Term or extended Term, as the case may be.

4. **RENT.** Upon close of Escrow, COUNTY shall pay to LESSOR monthly rent, without deduction, set off, prior notice, or demand of SIXTEEN THOUSAND TWO HUNDRED AND ONE DOLLARS AND THIRTY-FIVE CENTS (\$16,201.35) per month for the Annex (Premises), exclusive use of a portion of the Central Parking Lot, located solely in Parcel A, and non-exclusive use of the North Parking Lot, payable in advance on the first day of each month and continuing during the Term, including any extensions thereof. Rent shall be prorated for any partial month at the rate of 1/30th of the monthly rent per day. The first month's tenancy will be a partial month and rent will be prorated and paid through escrow commencing on the Effective Date.

5. **ACCEPTANCE.** On the Effective Date, Lessor shall deliver the Premises to the COUNTY in good condition. As of the Effective Date, COUNTY is currently in possession of the Premises, and COUNTY's continued possession of the Premises on the Effective Date shall

constitute COUNTY's acknowledgment that, to the best of its knowledge, the Premises are in good condition.

6. **USE.** COUNTY shall use the Premises as office space for the COUNTY. COUNTY shall not use the Premises in any manner that will constitute waste or nuisance.

7. MAINTENANCE.

- LESSOR will provide, at LESSOR's expense, all ongoing maintenance, preventative maintenance, repair, and upkeep of the Premises, including, but not limited to, the parking areas, sidewalks, grounds, building and improvements, and equipment and fixtures attached thereto. Such responsibility shall include, without limitation, the following:

- i. The structural parts of the building and other improvements in which the Premises are located, which structural parts include the foundations, bearing and exterior walls, subflooring, and roof;

- ii. The exposed and unexposed electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems lying outside the Premises;

- iii. Window frames, gutters, and down spouts on the building and other improvements in which the Premises are located;

- iv. Heating, ventilating, and air-conditioning systems (HVAC) servicing the Premises;

- 1. The HVAC shall be inspected at least once every twelve (12) months, and any problems found during these inspections shall be corrected within thirty (30) days from discovery.

- 2. Results of inspections of and maintenance actions taken for the HVAC system shall be documented in writing. The LESSOR shall record the name of the individual(s) inspecting and/or maintaining the system, the date of any inspections and

maintenance, and the specific finding and action taken. The LESSOR shall ensure that the records are kept for at least five (5) years.

- v. Light fixtures and replacement bulbs;
- vi. Pest control;
- vii. Custodial services to the exterior of the Annex and grounds of Parcel A;

- LESSOR will be responsible for complying with all codes or laws requiring alterations, maintenance or restoration of the Premises and parking areas during the Term, at no cost to COUNTY, including all ADA standards for accessible design requirements and codes, requiring fire extinguishers or other fire suppression equipment, and related signage. If LESSOR is required by code or regulation to construct any alteration as a result of COUNTY's particular and specific use of the Premises, or subsequent COUNTY alteration of the Premises, common area, or parking areas; or if LESSOR is required to repair any deterioration or damage to the Premises, common areas, or parking areas caused by COUNTY's clients or invitees, or by COUNTY's lack of ordinary care, COUNTY will either pay or reimburse LESSOR for the reasonable cost thereof.

- In case of emergency the LESSOR will take immediate steps to protect persons and property. If the LESSOR does not take the necessary steps within a reasonable time after COUNTY's notice to LESSOR of the emergency, COUNTY will have the right to repair or contract to repair and to be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within ten (10) days after COUNTY's delivery to LESSOR of a written statement bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from subsequent monthly rent payments.

- Except for cases of emergency, LESSOR will make all repairs as soon as is possible. If, after thirty (30) days, LESSOR has not made a repair requested by COUNTY in a

written notice, COUNTY will have the right to repair or contract to repair and be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within ten (10) days after COUNTY's delivery to LESSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from subsequent monthly rent payments.

8. **ALTERATIONS.** COUNTY shall not undertake any construction, reconstruction, erection, alteration, renovation, improvement, demolition, painting, or repainting project on or to the Premises or the parking areas without LESSOR's express written consent, which consent shall not be unreasonably withheld. However, COUNTY shall have the right without cost to the LESSOR to make, with LESSOR's consent, nonstructural alterations to the interior of the Premises that COUNTY requires in order to conduct its operations on the Premises.

Notwithstanding any provision to the contrary herein, COUNTY shall be solely liable for any and all work or alterations of any kind conducted on or made to the Premises, the parking areas, or any other part of the PREMISES that (i) is requested by, conducted by, or at the direction of, COUNTY AND (ii) is, or determined to be at a later time, a "Public project" under Public Contract Code § 22002(d) or a "public work" under Labor Code § 1720(a), or otherwise subject to prevailing wage.

Upon termination of the tenancy, if COUNTY is not then in default of any of the provisions of this Lease, COUNTY shall have the right to remove from the Premises immediately before the termination of the tenancy any fixtures COUNTY has added to the Premises, as long as the removal will not cause any structural damage to the Premises, AND COUNTY at its cost promptly restores any damage caused by the removal. Examples of fixtures include, but are not limited to, signage and cubicle components.

9. **PREVAILING WAGE AND OTHER LABOR LAWS.** LESSOR acknowledges that any potential work or any subsequent alterations LESSOR makes to the Premises under the

terms of this Lease, may be subject to such prevailing wage, apprenticeship, and anti-discrimination provisions of the Labor Code as are applicable to public works projects contracted for by COUNTY, including Labor Code section 1771. Said prevailing wage and labor law provision shall only apply to work requested by, or conducted by, or at the direction of, COUNTY for the Premises ("Applicable Work"), and shall not apply to LESSOR'S remodel work to the building addressed as 210 N. Court, Visalia, CA located on Parcel B or any other work on any other portion of the property. LESSOR will require all contractors and subcontractors who complete Applicable Work to: (a) maintain accurate and certified payroll records pursuant to Labor Code section 1776; (b) to make such records available for inspection by COUNTY and the Division of Labor Standards Enforcement of the Department of Industrial Relations, on a weekly basis and at no cost; and (c) to comply with all other applicable prevailing wage requirements. In addition, LESSOR's construction contract(s) for "Public projects" on the Premises (and only the Premises) will require contractor(s) and subcontractor(s) to maintain complete and accurate records with respect to the funds expended on such work, and will require that the contractor(s) and subcontractor(s) provide access to the Tulare County Auditor and to the State of California auditors, and to their agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of this Lease. LESSOR will require that all such records be prepared in accordance with generally accepted accounting procedures, be clearly identified, and be readily accessible within the County of Tulare, upon request.

10. ASSURANCES OF NON-DISCRIMINATION. LESSOR will not discriminate in employment or the performance of the work or in the provision of services called for under this Lease on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

11. MECHANICS LIENS. COUNTY shall pay all costs for construction done by it or caused to be done by it on the Premises as permitted under this Lease. COUNTY shall keep the

building, other improvements, and land on which the Premises are located free and clear of all mechanics liens resulting from construction done by or for COUNTY.

12. **DISCLOSURES.** COUNTY acknowledges that it is the prior owner of the Premises and has not relinquished possession of the Premises since LESSOR acquiring ownership. COUNTY represents that it is in possession of all information or reports required by law to be disclosed to it by LESSOR and waives, to the fullest extent allowed by law, any further disclosures.

13. **UTILITIES.** COUNTY shall make all arrangements for, and pay for, all utilities and services furnished or to be used by COUNTY, including, without limitation, gas, electricity, and for all connection charges therefor. LESSOR shall provide water, sewer and trash collection. COUNTY shall furnish, at its own expense, all janitorial services within the Annex. COUNTY shall arrange for the installation of any and all telephones it shall require, and pay for any and all charges relating thereto. COUNTY shall be responsible for all costs associated with any future telephone or IT networking needs, including relocation of existing telephone/IT/data that traverses or is in conflict with the adjacent four-story building remodel, located at 210 N. Court St., Visalia, CA (on Parcel B). LESSOR approval shall be obtained prior to any additional IT network/cable work being completed by COUNTY.

14. **INDEMNITY.** To the fullest extent permitted by law, COUNTY will hold harmless, defend and indemnify LESSOR and its officers, agents, volunteers, contractors, and employees from and against any liability, claims, actions, costs, damages or losses and expenses for injury, including without limitation, death of any person or damage to any property, resulting from: (a) the negligent or intentionally wrongful acts or omissions of COUNTY or COUNTY's officers, agents, employees, guests, or contractors with respect to the Premises; or (b) enforcement actions under California Prevailing Wage laws or under other applicable statute or ordinance with respect to work conducted, requested, or directed by COUNTY on or to the Premises.

COUNTY's obligation will continue beyond the expiration or termination of this Lease as to any act or omission which occurred during the term of this Lease, or any renewal or holdover period.

To the fullest extent permitted by law, LESSOR will hold harmless, defend and indemnify COUNTY and its officers, agents, volunteers, contractors, and employees from and against any liability, claims, actions, costs, damages, losses and expenses for injury, including without limitation, death of any person or damage to any property, resulting from: (a) the negligent or intentionally wrongful acts or omissions of LESSOR or LESSOR's officers, agents, employees, guests, or contractors with respect to the Premises; or (b) enforcement actions under California Prevailing Wage laws or under other applicable statute or ordinance with respect to work done by LESSOR on or to the Premises without COUNTY's prior request. LESSOR's obligation will continue beyond the expiration or termination of this Lease as to any act or omission which occurred during the term of this Lease, or any renewal or holdover period.

15. INSURANCE. LESSOR acknowledges and agrees that COUNTY is a self-insured entity and waives any requirement that COUNTY procure and/or maintain insurance of any kind, including liability and/or fire/extended coverage insurance. Prior to execution of this Lease by COUNTY, LESSOR shall file with the Clerk of the Board of Supervisors, evidence of the insurance as set forth in Exhibit C attached, which outlines the minimum scope, specifications and limits of insurance required under this Lease. Additional insured endorsements required as outlined in Exhibit C shall not be used to reduce limits available to COUNTY as an additional insured from the LESSOR's full policy limits. Insurance policies shall not be used to limit liability or to limit the indemnification provisions and requirements of this Lease or act in any way to reduce the policy coverage and limits available from the insurer (s). Failure to maintain or renew coverage, or to provide evidence of insurance renewal, for the duration of COUNTY's tenancy, including any Lease renewal or holdover period, may be considered a material breach of this Lease.

16. **DESTRUCTION.** In the event the Premises, or the annex located on the Premises is totally or partially destroyed by fire, earthquake, or other casualty so as to render such property unfit for COUNTY's use, in whole or in part, COUNTY shall be entitled to a reduction in the rental during the period that such part remains unrepaired or unrestored, in the proportion of the amount of floor space unfit for occupancy to the total floor space included in this Lease; provided, however, that if it should reasonably appear that LESSOR cannot or will not restore or repair the Premises within ninety (90) days from the date of such damage, either Party shall be entitled to terminate this Lease by giving the other Party notice in writing of intention to so terminate ten (10) days before the proposed date of termination.

17. **CONSTRUCTION IMPACTS.** The COUNTY acknowledges that Parcel B and some portions of Parcel A and the parking lots will be a construction zone throughout the duration of this Lease; whereby potential temporary impacts to COUNTY operations could be encountered; including electrical backbone reconfiguration, water supply impacts, sewer lateral relocations, data/networking reconfigurations, grading operations, concrete removal and reconstruction, fencing installation, landscape repairs and replacement, exterior building upgrades of the Premises, ingress/egress impacts, noise, dust, traffic, and various other items as required during the normal course of construction. The LESSOR will provide the COUNTY as much notice as possible in advance of each occasion of potential impacts and make every effort to limit the impacts to COUNTY, but will not be able to mitigate every impact, which COUNTY acknowledges.

18. **CONDEMNATION.** If, during the tenancy, there is any taking by condemnation of all or part of the building, other improvements, or land of which the Premises are a part, or any interest in the tenancy, the rights and obligations of the Parties shall be determined as follows:

- If the Premises are totally taken by condemnation, the tenancy shall terminate on the date of the taking and COUNTY shall be entitled to a refund on any rent paid in advance;

- If any portion of the Premises is taken by condemnation the tenancy shall remain in effect, except that: (i) the rent shall be reduced by an amount that is in the same ratio to monthly rent as the value of the area of the portion of the Premises taken bears to the total value of the Premises immediately before the taking; and (ii) COUNTY may elect to terminate the tenancy by giving notice of same within ten (10) days of the date of the taking.

19. **ASSIGNMENT.** COUNTY shall not assign or encumber its interest in the tenancy, or sublease all or any part of the Premises, without the consent of LESSOR, which such consent shall not be unreasonably withheld.

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

- Failure to pay rent when due, if the failure continues for ten (10) days after notice has been given to COUNTY;
- COUNTY's abandonment and vacation of the Premises;
- Failure to perform any other provision of this Lease if the failure to perform is not cured within a reasonable time after notice has been given of same to COUNTY.

Notices given under this section shall specify the alleged default and the applicable provisions of this agreement, and shall demand that COUNTY perform the provisions within the applicable period of time, or quit the Premises.

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.** COUNTY may not install, or permit any other person to install, any sign, awning, canopy, marquee or other advertising on any exterior wall, door, or window on the Premises without LESSOR's prior written consent, which consent shall not be unreasonably

withheld. On the expiration or termination of this Lease, LESSOR may remove and destroy any items that were permitted to be installed in accordance with the terms of this section.

22. LESSOR'S ENTRY ON PREMISES. LESSOR and LESSOR's authorized representatives shall have the right to enter the Premises at all reasonable times, and after reasonable notice to COUNTY, for any of the following purposes:

- To determine whether the Premises are in good condition and whether COUNTY is complying with the obligations under this Lease;
- To do any necessary maintenance and to make any restoration to the Premises or the building and other improvements in which the Premises are located that LESSOR has the right or obligation to perform;
- To serve, post, or keep posted any notices required or permitted under this Lease;
- To show the Premises to prospective brokers, agents, buyers, and prospective COUNTYs at any time during the tenancy.

23. SURRENDER. On expiration or other termination of the tenancy, COUNTY shall surrender the Premises to LESSOR in good condition, ordinary wear and tear excepted. COUNTY shall remove all its personal property, and shall perform all restoration made necessary by the removal of any alterations, fixtures, or signs.

24. HOLDING OVER. If COUNTY, with LESSOR's consent, remains in possession of the Premises after the expiration of the initial Lease term or any renewal period, such possession shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' notice given at any time by either party. During any such month-to-month tenancy, COUNTY shall pay all rent required by this Lease, and all other provisions of this Lease shall apply to the month-to-month tenancy.

25. TERMINATION FOR CAUSE. Either party may terminate this Lease for cause upon five (5) days' prior written notice to the other party. For purposes of this section, "cause" shall be defined as the failure of either party to remedy any material breach of this Lease within thirty (30) days' written notice of the breach.

26. REDUCTION OF COUNTY'S FUNDING. LESSOR expressly understands and agrees that COUNTY is dependent upon certain Federal and/or State funding to pay the rent provided in this Lease. If such Federal and/or State funding is discontinued and/or reduced, COUNTY shall have the right to: (a) reduce the amount of office space occupied by COUNTY, or (2) terminate this Lease. In either event, COUNTY shall provide LESSOR with at least ninety (90) days' prior written notice of such reduction or termination.

In the event of a reduction in the amount of office space, the monthly rent shall be reduced by an amount equal to the ratio of the total remaining occupied office space in square feet divided by the total office space in square feet previously occupied by COUNTY.

In the event COUNTY reduces the amount of office space, LESSOR, in the exercise of its own absolute discretion, shall have the right to terminate this Lease by giving written notice of the exercise of such right to COUNTY within ten (10) days of its receipt of the notice of reduction from COUNTY. The tenancy shall then terminate thirty (30) days after service of LESSOR's notice that it is exercising its right to terminate pursuant to this paragraph.

27. SUCCESSORS. This Lease shall be binding on, and inure to, the benefit of the Parties, their successors and assigns, except as otherwise limited by this Lease.

28. NOTICE. Any notice, demand, request, consent, approval or other communication required or permitted under this agreement shall be in writing and must be either delivered in person or sent by certified mail, postage prepaid, to the follow addresses:

COUNTY: Board of Supervisors
County of Tulare Administration Building
2800 W. Burrel

Visalia, CA 93291

w/Copy to: Tulare County General Services Agency
Attn: Property Management
5953 S. Mooney Blvd.
Visalia, CA 93277

LESSOR: Courthouse Square Ventures, LLC
Attn: Matt Ainley
4147 W. Riggan Ave.
Visalia, CA 93291

If notice is mailed, it shall be deemed communicated four (4) business days from the time of mailing as provided in this section. Payments or refunds shall also be made at the above addresses.

29. **WAIVER.** The failure of either party to insist on strict compliance with any provision of this Lease will not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment will not be considered to be a waiver of any preceding breach of this Lease by the other party.

30. **EXHIBITS.** All Exhibits to this Lease are fully incorporated into and are integral parts of this Lease. Said Exhibits consist of:

- Exhibit A – Plat Map,
- Exhibit B – Site Plan,
- Exhibit C – Insurance Requirements,
- Exhibit D – Memorandum of Lease

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

32. NO THIRD-PARTY BENEFICIARIES. Unless specifically set forth, the parties to this Lease do not intend to provide any third-party benefit or enforceable legal or equitable right or remedy.

33. GOVERNING LAW. This Lease will 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 contract is made in and for legal purposes shall be deemed to be performed in Tulare County, California.

34. HEADINGS. Paragraph 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.

35. INTERPRETATION. This Lease reflects the contributions of both parties and accordingly the provisions of Civil Code Section 1654 shall not apply to address and interpret any uncertainty.

36. ACKNOWLEDGEMENT & RIGHT TO RECORD MEMORANDUM. LESSOR and COUNTY will sign a Memorandum of Lease in the form set forth in Exhibit D, and cause their signatures to the Memorandum to be acknowledged before a Notary Public. Either party may thereafter record the Memorandum, and give the other party notice of such recording. Upon the expiration or earlier termination of the Term, either party upon request will execute a document for recordation to terminate such memorandum.

37. CONFLICT WITH LAWS OR REGULATIONS; SEVERABILITY. This Lease is subject to all applicable laws and regulations. If any provision of this agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision will be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of this Lease to either party is lost, this Lease may be terminated at the option of the affected party. In all other cases the remainder of this Lease will continue in full force and effect.

38. **AUTHORITY.** Each person executing this Lease on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind, and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right to enter into this Lease and perform all of its obligations hereunder.

39. **ESTOPPEL CERTIFICATE:** If requested by the LESSOR, the COUNTY within 14 days will sign and return to LESSOR an estoppel certificate created by the COUNTY that states the condition of this Lease.

40. **COUNTERPARTS.** This Lease may be executed in two or more counterparts, and by facsimile, all of which shall be considered one and the same agreement.

[SIGNATURES ON FOLLOWING PAGE]

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

LESSOR

COURTHOUSE SQUARE VENTURES, LLC, a California Limited Liability Company

By: ELDERWOOD CAPITAL, LLC, a California Limited Liability Company

Its: Manager

By: _____
Name: MATTHEW AINLEY
Title: Managing Member

By: _____
Name: ROBERT AINLEY
Title: Managing Member

COUNTY

COUNTY OF TULARE

By: _____
Chairman, Board of Supervisors

[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.]

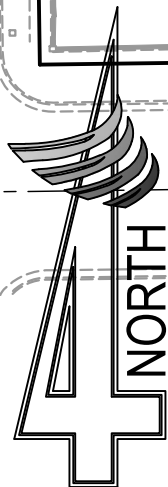
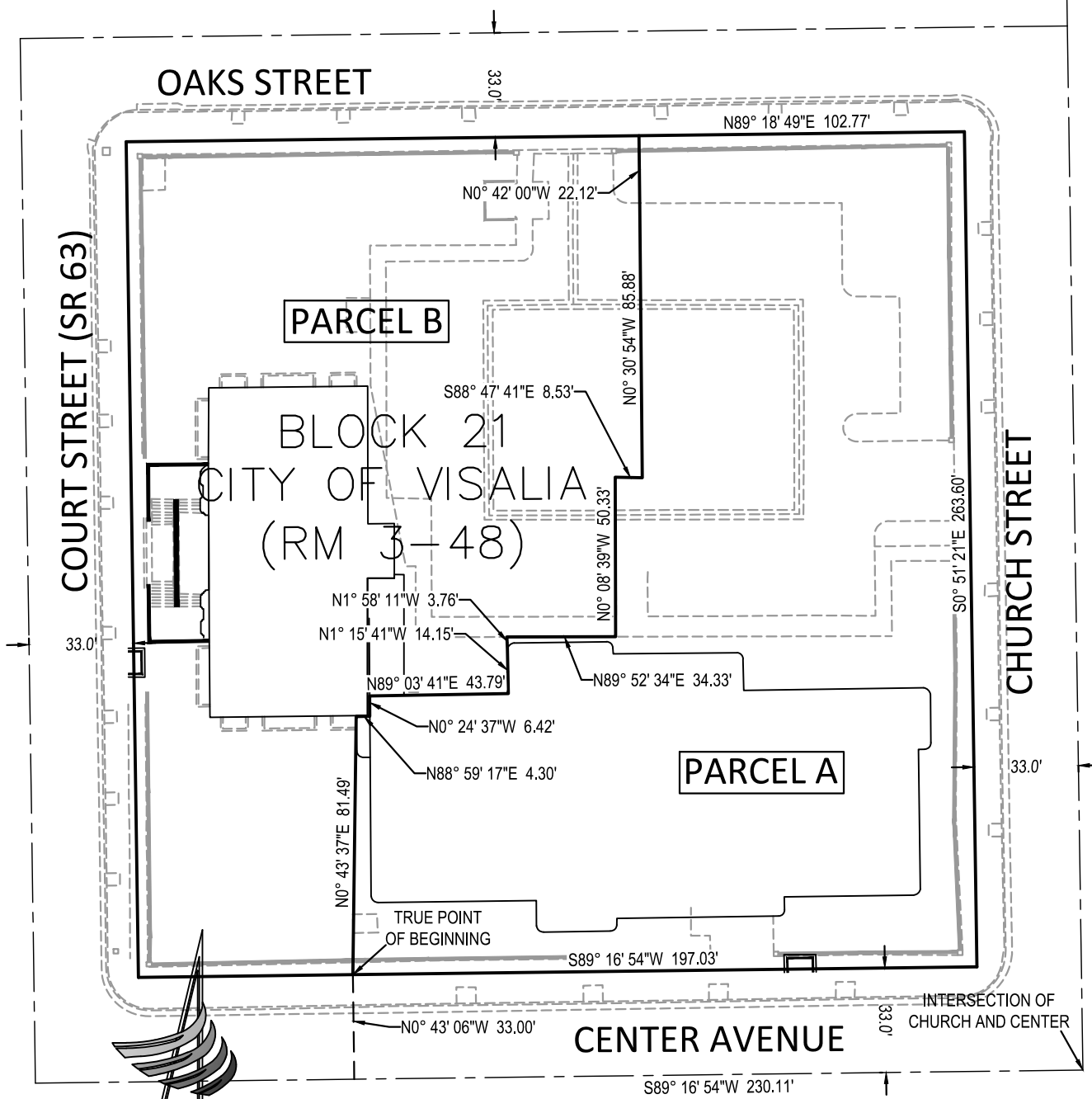
ATTEST: MICHAEL C. SPATA
County Administrative Officer/ Clerk of
the Board of Supervisors

By: _____

Approved as to form:
County Counsel

By: _____
Deputy County Counsel

EXHIBIT A - PLAT MAP



324 S. SANTA FE, STE. A
VISALIA, CA 93292
(559) 802-3052

Exhibit B – Site Plan



EXHIBIT C

LEASES WITH COUNTY AS LESSEE **INSURANCE REQUIREMENTS**

LESSOR 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 a general aggregate applies, either the general 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 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 ownership maintenance or use of that part of the premises leased to the COUNTY.*
 - b. *For claims related to this lease, the LESSOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, agents, officials, employees and volunteer and shall be at least 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 LESSOR'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. *LESSOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of the LESSOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. LESSOR 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 LESSOR, its employees, agents and subcontractors. LESSOR 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 LESSOR 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 D
100 E. Center Ave., Visalia, CA

Recording Requested by:
County of Tulare,
General Services Agency

When recorded, mail to:
County of Tulare
Clerk of the Board of Supervisors
2800 W Burrel Avenue
Visalia, CA 93291

(This space for Recorders use only.)

No recording fee required; this document is exempt from fee pursuant to Sections 6103 and 27383 of the California Government Code.

MEMORANDUM OF LEASE

This Memorandum of Lease (“Memorandum”) dated as of _____ is entered into between the Courthouse Square Ventures, LLC (Lessor), and the County of Tulare (COUNTY)

- A. On or about _____, Lessor and County entered into a Lease Agreement on file with the Clerk of the Board of Supervisors of the County of Tulare as Agreement No. _____ (the “Lease”).

- A. Pursuant to the Lease, LESSOR leases to COUNTY, and COUNTY leases from LESSOR, the real property located at 100 E. Center Avenue, Visalia (“Annex”), County of Tulare, State of California, consisting of approximately 12,001 square feet of office space located entirely within Parcel A of that certain parcel map attached to this Lease as Exhibit 1 and incorporated by reference (“Premises”), together with the use by COUNTY and its guests and invitees of parking located adjacent to the Premises (“Central Parking Lot”) limited to the exclusive use of twenty-six parking spaces situated solely within Parcel A and clearly marked, and non-exclusive use of the 16,368 square foot parking lot located on the northeast corner of Court Street and Oak Avenue in Visalia (“North Parking Lot”). A site plan is depicted in Exhibit 2 attached hereto and incorporated by reference.

- B. Lessor and COUNTY desire to execute this Memorandum to provide constructive notice to all third parties of COUNTY’s rights under the Agreement.

For good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

- 1. Term: Lessor leased the Premises to COUNTY for the term set forth in the Lease.

- 2. Lease Terms: Lessor leased the Premises to COUNTY pursuant to the terms described in the Lease, which is incorporated in this memorandum by reference, and as may be amended from time to time.

- 3. Successors and Assigns: This Memorandum and Agreement shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns.

//

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

LESSOR

COURTHOUSE SQUARE VENTURES,
LLC, a California Limited Liability
Company

Date: _____

By: ELDERWOOD CAPITAL, LLC, a
California Limited Liability
Company
Its: Manager

By: _____
Name: MATTHEW AINLEY
Title: Managing Member

By: _____
Name: ROBERT AINLEY
Title: Managing Member

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 Clerk

Approved as to form: County Counsel

By _____
Deputy County Counsel