

**PURCHASE AGREEMENT
WITH ESCROW INSTRUCTIONS**

BY AND BETWEEN

THE COUNTY OF TULARE

AND

PALOMA DEVELOPMENT CO., INC.

This PURCHASE AGREEMENT WITH ESCROW INSTRUCTIONS (hereinafter "**Agreement**") is made and effective _____, 2020 (the "Effective Date"), by and between the COUNTY OF TULARE (hereinafter the "**COUNTY**") and **PALOMA DEVELOPMENT CO., INC.**, a California corporation (hereinafter the "**DEVELOPER**"). COUNTY and DEVELOPER are each a "Party" and collectively are the "**Parties**" to this Agreement

RECITALS

This Agreement is made with reference to the following facts, understandings, and intentions of the Parties:

WHEREAS, COUNTY owns all of the legal and beneficial interests in the parcel of real property identified as Assessor's Parcel Number (APN) 087-460-007; and

WHEREAS, consistent with the COUNTY initiative to strategically develop vacant or underutilized County properties the Board of Supervisors (hereinafter the "Board") on October 8, 2019 determined a 2.26 acre portion of APN 087-460-007 (hereinafter the "Property"), as more particularly described in **Exhibit "A"**, was surplus to the County's needs and declared its intent to sell the Property, with the restrictions of developing the property for food and retail use, for no less than \$1,165,000 and authorized the receipt of sealed bids no later than November 18, 2019 at 5:00 p.m. ; and

WHEREAS, DEVELOPER desires to acquire the Property; and

WHEREAS, on November 19, 2019 the Board opened sealed bids and called for oral bids. The DEVELOPER submitted the highest bid at \$1,450,000.

WHEREAS, on December 17, 2019 the Board approved the DEVELOPER as the top qualified successful bidder and directed staff to begin negotiations.

WHEREAS, COUNTY and DEVELOPER have negotiated in good faith and now desire to enter into this Agreement; and

WHEREAS, this Agreement is intended to ensure that DEVELOPER develops the Property for purposes identified herein and that it is not merely speculating in land.

AGREEMENT

NOW, THEREFORE, in consideration of the above-referenced facts, the mutual covenants of the Parties contained in this AGREEMENT and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale.

1.1. Agreement to Purchase and Sell. COUNTY agrees to sell to DEVELOPER and DEVELOPER agrees to purchase the Property from COUNTY for the Purchase Price and upon the terms and conditions hereinafter set forth in this Agreement.

2. Purchase Price and Terms of Payment.

2.1. Purchase Price. The Parties have agreed to a purchase price ("Purchase Price") of **ONE MILLION, FOUR HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,450,000)** for the Property.

2.2. Payment of Purchase Price. The Purchase Price shall be paid by DEVELOPER as follows:

2.3. Deposit. Within five (5) Business Days (defined below) after the Opening of Escrow (hereinafter described), DEVELOPER shall deposit the amount of **TWENTY FIVE THOUSAND ONE HUNDRED DOLLARS (\$25,100)** with the Visalia, California office of Chicago Title Company, located at 1750 West Walnut Avenue, Visalia, California 93279, acting as escrow holder hereunder ("**Escrow Holder**"), in cash, by a confirmed wire transfer or other electronic transfer of immediately available funds, the full amount of which plus all interest which has accrued thereon shall be a credit to DEVELOPER against the Purchase Price upon the Close of Escrow (as hereinafter described). Upon DEVELOPER'S payment of the \$25,100.00 into Escrow, Escrow Holder shall forthwith release \$100.00 of same (the "\$100.00 Payment") to COUNTY which shall be nonrefundable to DEVELOPER under all circumstances and shall be consideration to COUNTY for entering into this Agreement and for DEVELOPER'S right to terminate this Agreement prior to Closing Date (hereinafter described). The term "Deposit" shall hereinafter refer to the \$25,000.00 remaining after release of the \$100.00 Payment. The Deposit shall be refundable to DEVELOPER to and through the fifth (5th) Business Days before Close of Escrow. For purposes of this

Agreement, the term “**Business Days**” means Mondays through Fridays and excludes Saturdays, Sundays, and public holidays.

2.4. Escrow Holder Custody and Disposition of Deposit. Escrow Holder shall place all the Deposit upon receipt in the Escrow Holder’s trust account which is consistent with the timing requirements of this transaction and satisfactory to DEVELOPER and COUNTY (the “**Escrow Account**”), pending disbursement in accordance with the terms of this Agreement.

2.5. Application of Deposit. The Deposit shall be credited and applied as follows: (a) if the Closing Date occurs, the Deposit shall be applied to the payment of the Purchase Price pursuant to Section 2.7 below OR (b) if the provisions of Section 7.1 below apply, the Deposit shall be disbursed by Escrow Holder to COUNTY, without the necessity of any further instructions, consent or approval of DEVELOPER or any third party, and COUNTY shall have the right to the Deposit as the liquidated damages pursuant to Section 7.1 below.

2.6. Closing Funds. No later than 10:00 a.m. (Pacific Time) on the Closing Date, (hereinafter described), DEVELOPER shall deposit or cause to be deposited with Escrow Holder, in cash or by a confirmed wire transfer of immediately available funds, the sum of (a) an amount equal to the Purchase Price minus the Deposit (the “**Purchase Price Balance**”), plus (b) any amounts in addition to the Deposit and the Purchase Price Balance as are necessary to pay DEVELOPER’s share of closing costs, proration’s and charges payable pursuant to this Agreement.

2.7. Taxes, Fees & Cost. The Parties agree that any taxes, fees or cost incurred in connection with this transaction shall be paid as follows:

2.7.1. COUNTY shall pay the cost of any transfer tax required to be paid pursuant to this transaction;

2.7.2. Real estate taxes, ad valorem taxes, utilities, special assessments (if any) and any other matters typically prorated in the area where the Property is located shall be prorated between COUNTY and DEVELOPER as of the Closing Date. All tax proration shall be based on the last available known tax bill and COUNTY and DEVELOPER each acknowledge and agree that there will be no readjustment or re-proration of taxes, utilities and/or assessments after Closing.

2.7.3. DEVELOPER and COUNTY shall share (50/50) the cost of all closing charges of the Escrow Holder and the Title Company (as defined below), excluding, however, any title insurance premiums or costs, which costs shall be paid in accordance with Section 5.4 below;

2.7.4. COUNTY shall pay for all recording costs;

2.7.5. DEVELOPER and COUNTY shall pay their own attorney's, consultant's fees and expenses incurred with respect to this transaction.

2.7.6. Insurance premiums (if any) for property, liability, or fire insurance on the Property shall not be prorated. All such existing insurance policies (if any) shall be canceled at time of Closing and DEVELOPER acknowledges and agrees that COUNTY cannot endorse any such existing insurance policies to DEVELOPER; and

2.7.7. All costs and expenses incident to this transaction and the closing thereof, and not specifically described above, shall be paid by the Party incurring the same.

3. Development of Property.

3.1. The Project. DEVELOPER shall develop the Property as a mixed-use commercial property, including, to the extent feasible, food, beverage and commercial retail use, or a combination thereof (the "Project", which is in accordance with the restrictions listed in the Deed which is attached hereto as **Exhibit "B"**).

3.2. Permits. DEVELOPER shall initiate and diligently pursue, at DEVELOPER's expense, its application for any required permits from the City of Visalia for the Project.

3.3. Development Expenses. The Parties acknowledge that any expenses incurred as a result of the requirements of this Section 3 shall, as between the Parties, be the sole obligation of the DEVELOPER as identified herein, even if the proposed disposition does not close Escrow for any reason whatsoever.

4. Title

4.1. Title Objections. Within five (5) days following the Effective Date, County shall provide Developer with a preliminary report of title (the "Prelim") issued by Escrow Holder and legible copies of all recorded documents referenced in the Prelim (the "Title Documents"). The Prelim shall be at County's sole cost and expense. DEVELOPER shall have until five (5) business days delivery of the Prelim ("**Title Notice Deadline**") to either approve in writing of the exceptions to title and other matters contained in Title Documents or to deliver written notice to COUNTY and Escrow Holder (the "**Title Objection Notice**") specifying any title objections or other matters in the Title Documents to which DEVELOPER objects or conditionally approves (collectively, "**Title Objections**"). DEVELOPER's failure to timely deliver a Title Objection Notice shall be deemed to be DEVELOPER's unconditional approval of the condition of title and all matters of title set forth in the Title Documents. COUNTY shall have five (5) Business Days after receipt of the Title Objection Notice, to elect, in COUNTY's sole discretion, by written notice to DEVELOPER and Escrow Holder (the "**Title Response Notice**") to either (a) remove or cure some or all of the Title Objections (or to satisfy the conditions of DEVELOPER's approval thereof) prior

to or concurrent with the Closing Date (in each case, a “Cure”), or (b) except as described in Section 4.1.2, advise DEVELOPER that COUNTY is unable or unwilling to Cure any or all of the Title Objections. COUNTY may Cure any Title Objection by causing the Title Company to endorse or insure over such Title Objection in a manner reasonably acceptable to DEVELOPER. If COUNTY fails to timely deliver to DEVELOPER the Title Response Notice, it shall be conclusively deemed that COUNTY has informed DEVELOPER that COUNTY is unable or unwilling to attempt to cure any of the Title Objections. If COUNTY advises DEVELOPER in COUNTY’s Title Response Notice (or is deemed to have advised DEVELOPER) that COUNTY is unable or unwilling to attempt to Cure any or all of the Title Objections, then DEVELOPER shall have five (5) Business Days thereafter to either terminate this Agreement or to waive such Title Objections pursuant to a written notice delivered to COUNTY and Escrow Holder in accordance with Section 4.3, provided, however, that if DEVELOPER waives all Title Objections, same shall be deemed to be DEVELOPER’s election to waive all Title Objections with respect to the Title Documents and DEVELOPER’s approval of the Title Documents and all title exceptions and other matters disclosed thereby (other than those Title Objections which COUNTY has expressly elected to Cure) provided, further, however, that if DEVELOPER does not provide written notice by the fifth (5) Business Day prior to the Closing Date, same shall be deemed a termination of this Agreement pursuant to paragraph 4.3.

4.1.1. COUNTY’s Cure of Title Objections. Except as described in Section 4.1.2, COUNTY’s election pursuant to any Title Response Notice to Cure any Title Objection shall be at COUNTY’s sole option and discretion; it being understood COUNTY has no obligation to Cure any Title Objections other than as expressly provided in Section 4.1.2 below as to COUNTY Monetary Liens. If COUNTY does not elect to Cure any Title Objection, or if DEVELOPER is unreasonable in its rejection of COUNTY’s election to Cure any Title Objection by COUNTY’s causing the Title Company to endorse or insure over such Title Objection or if COUNTY elects to Cure any Title Objection but COUNTY is thereafter unable to Cure such Title Objection by the Closing Date then in each instance DEVELOPER’s sole recourse shall be to either: (a) terminate this Agreement, in which event (i) the Deposit shall be promptly returned to DEVELOPER, and (ii) except for the Surviving Obligations hereinafter described, neither COUNTY nor DEVELOPER shall have any further liability or obligation to the other under this Agreement, or (b) proceed to the Close of Escrow under this Agreement and take title to the Property subject to such Title Objections which have not been Cured without any reduction in the Purchase Price, in which case such Title Objections which have not been Cured shall become “**Permitted Title Exceptions.**” Notwithstanding the foregoing, COUNTY’S failure to Cure the COUNTY Monetary Liens shall be deemed a material default of this Agreement and DEVELOPER shall have the remedies described in paragraph 7.2.

4.1.2. COUNTY Monetary Liens. Notwithstanding anything to the contrary set forth above in this Section 4.1, COUNTY shall remove all COUNTY Monetary Liens as title exceptions from the Title Company on or before the Close of Escrow; provided, however, any COUNTY Monetary Liens may be contested by COUNTY so long as COUNTY causes such COUNTY Monetary Liens to be removed as exceptions to coverage in the Title Policy (defined below) by

providing the Title Company with an indemnity or other security acceptable to Title Company and is removed as an exception to title. As used herein, “**COUNTY Monetary Liens**” means any deed of trust or mortgage which secures payment of a loan obtained by COUNTY, and “**Title Policy**” means an owner’s policy of title insurance to be issued by the Title Company at the Close of Escrow in the amount of the Purchase Price in accordance with section 5.4 below.

4.2. Physical Inspections.

4.2.1. Inspections, Tests and Studies. After DEVELOPER has provided to COUNTY a certificate of insurance(s) evidencing procurement of a commercial general liability insurance policy acceptable to COUNTY and covering the activities of DEVELOPER and DEVELOPER’s agents, consultants, representatives and/or contractors, then COUNTY shall permit DEVELOPER and DEVELOPER’s authorized agents, consultants, representatives and contractors to enter upon the Property during reasonable business hours to make and conduct such reasonable non-invasive environmental evaluations and other non-invasive inspections, investigations, tests and studies of the physical condition of the Property as DEVELOPER may elect to make or obtain prior to the Closing Date (the “Physical Inspections”). Any evaluations, inspections, investigations, tests or studies made or conducted by or on behalf of DEVELOPER or any of DEVELOPER’s agents, consultants, representatives or contractors with respect to the Property and any entries by DEVELOPER or DEVELOPER’s agents, consultants, representatives or contractors in, on or about the Property are referred to herein collectively as the “**DEVELOPER’S Property Investigations**”. Notwithstanding anything to the contrary contained in this Agreement, DEVELOPER shall not be permitted to undertake any invasive, intrusive or destructive investigation, testing or study of the Property, including any “Phase II” environmental assessment or audit or any testing or sampling of the soil, surface water, groundwater, air or mold, without in each instance first providing written notice to COUNTY describing the proposed test, which shall then have five (5) Business Days to object in writing to the proposed test.

4.2.2. Approval or Disapproval of Inspections, Tests and Studies. DEVELOPER shall have to and through the fifth (5) Business Day prior to the Closing Date to approve in DEVELOPER’s sole and absolute discretion the results of all DEVELOPER’s Property Investigations as DEVELOPER deems appropriate to have made or performed by delivering written notice to COUNTY and Escrow Holder. DEVELOPER’s failure to deliver the foregoing written notice to COUNTY and Escrow Holder shall be deemed to be DEVELOPER’s disapproval of the DEVELOPER’s Property Inspections and this condition set forth in this Section 4.2.2 shall be deemed to have failed, and DEVELOPER shall be deemed to have elected to terminate this Agreement pursuant to Section 4.3 below.

4.3. Disapproval or Approval of Property; Agreement Termination Notice. If, for any reason or no reason whatsoever, any of DEVELOPER’s findings after any Physical Inspections are unsatisfactory in DEVELOPER’s sole and absolute discretion or DEVELOPER is not satisfied with any aspect of the Property, including the title issues, or the condition and suitability of the

Property for DEVELOPER's contemplated ownership and use thereof, then DEVELOPER may, at DEVELOPER's sole option, elect to terminate this Agreement by delivering a written notice of termination ("**Termination Notice**") to COUNTY and Escrow Holder no later than the fifth (5th) Business Day prior to the Closing Date. If DEVELOPER delivers such a Termination Notice to COUNTY and Escrow Holder, then (i) this Agreement shall automatically terminate, (ii) Escrow Holder shall return the Deposit to DEVELOPER without the necessity of any escrow cancellation or other instructions, consent or approval of COUNTY or any third party, and (iii) neither DEVELOPER nor COUNTY shall have any further rights or obligations under this Agreement, except for the Surviving Obligations.

4.4. Investigations, Obligations.

4.4.1. Inspection Obligations. DEVELOPER agrees that when entering the Property and conducting any investigations, inspections, tests and studies of the Property, DEVELOPER and DEVELOPER's agents, consultants, representatives and contractors shall be obligated to: (a) comply in all material respects with all terms of all applicable laws and regulations regarding entry to the Property; (b) not disturb the tenants or other occupants of the Property; (c) not damage any part of the Property, including any personal property owned or held by the tenants or any other occupants of the Property, or their respective agents, contractors and employees, or any other third party; (d) not injure or otherwise cause bodily harm to COUNTY's employees, the tenants or other occupants of the Property or any other third party; (e) promptly pay when due all costs incurred by DEVELOPER with regard to all inspections, tests, investigations, studies and examinations of the Property performed by or on behalf of DEVELOPER; (f) not permit any labor or materials liens to attach to the Property or any adjacent property by reason of the inspections, tests, investigations, studies and examinations performed by DEVELOPER and DEVELOPER's agents, consultants, representatives, and contractors, and promptly remove or cause to be removed (by bonding or otherwise) any such liens which attach (or purport to attach) to the Property or any adjacent property; (g) maintain commercial general liability (occurrence) insurance with a combined single liability limit per occurrence in the amount of Two Million Dollars (\$2,000,000) covering any accident arising in connection with the actions of DEVELOPER and DEVELOPER's agents, consultants, representatives and contractors on the Property and deliver a certificate of insurance verifying such coverage to COUNTY prior to any entry upon the Property (such insurance policy maintained by or on behalf of DEVELOPER shall insure the contractual liability of DEVELOPER and shall (1) name COUNTY (and COUNTY's successors, assigns and affiliates) as additional insureds, and (2) contain a cross-liability provision; (h) substantially restore the Property to the condition in which the same was found before any such inspections, tests or studies were undertaken; and (i) comply with the terms and provisions of Section 4.3.1.

5. Escrow.

5.1. Establishment of Escrow. Upon execution of this Agreement by both DEVELOPER and COUNTY, the Parties hereto shall deposit a copy of a fully-executed counterpart of this Agreement with Escrow Holder and this Agreement shall serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated by this Agreement. For purposes of this Agreement, the Escrow shall be deemed opened (the “**Opening of Escrow**”) on the date Escrow Holder shall have received both a fully executed original or originally executed counterparts of this Agreement from both COUNTY and DEVELOPER. DEVELOPER and COUNTY shall use their commercially reasonable efforts to cause the Opening of Escrow to occur no later than three (3) Business Day following the Opening of Escrow. Escrow Holder shall promptly notify DEVELOPER and COUNTY in writing of the date of the Opening of Escrow. COUNTY and DEVELOPER agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any such additional or supplementary escrow instructions, the terms of this Agreement shall control.

5.2. Close of Escrow.

5.2.1. Close of Escrow. As used in this Agreement, the “**Close of Escrow**” shall mean the consummation of the purchase and sale transaction contemplated by this Agreement, as evidenced by Escrow Holder’s commitment to record the Grant Deed in the Official Records of Tulare County, California (the “**Official Records**”), the delivery of the entire amount of the Purchase Price to COUNTY, and the Title Company’s commitment to issue the Title Policy in favor of DEVELOPER or its assignees. The Close of Escrow shall occur on the Closing Date in the Escrow through the offices of Escrow Holder. Each Party shall timely deposit with Escrow Holder the funds, documents and supplementary written escrow instructions required by this Agreement in order to consummate the Close of Escrow for the sale and transfer of the Property in accordance with this Agreement.

5.2.2. Closing Date. The Close of Escrow shall occur no later than 30 (thirty) calendar days after Opening of Escrow.

5.2.3. Time is of the essence with respect to such Closing Date, and such Closing Date may not be extended, except as otherwise provided in this Agreement, without the prior written approval of both COUNTY and DEVELOPER.

5.2.4. Possession. At the Close of Escrow, COUNTY shall deliver possession of the Property to DEVELOPER subject to the rights of the any occupants in possession, and the Permitted Title Exceptions.

5.2.5. Title Vesting. At the Close of Escrow, Title shall vest in DEVELOPER or its assignees, subject to the covenants and conditions agreed to herein.

5.3. Closing Deliveries.

5.3.1. COUNTY's Closing Documents. Upon the Close of Escrow, COUNTY shall deliver to Escrow Holder for delivery to DEVELOPER, as applicable, all of the following documents (collectively, the "**COUNTY Closing Documents**"): (a) a grant deed in substantially the same form attached as **Exhibit "C"** hereto (the "**Grant Deed**"), executed and acknowledged by COUNTY; (b) a reciprocal easement agreement in substantially the same form as attached **Exhibit "D"** hereto (the "**Reciprocal Easement Agreement**"), (c) evidence of the existence, organization and authority of COUNTY and of the authority of the person executing documents on behalf of COUNTY reasonably satisfactory to the Title Company; (d) all written disclosures required by law, including without limitation, a Natural Hazard Disclosure Statement and Toxic Mold disclosure; and (e) such other documents as may be reasonably required by Escrow Holder or the Title Company (provided, however, no such additional document shall expand any obligation, covenant, representation or warranty of COUNTY or result in any new or additional obligation, covenant, representation or warranty of COUNTY under this Agreement beyond those expressly set forth in this Agreement).

5.3.2. DEVELOPER's Closing Documents. At the Close of Escrow, in addition to the Deposits, the Purchase Price Balance and DEVELOPER's delivery of any additional funds necessary to pay DEVELOPER's share of prorations and closing costs hereunder, DEVELOPER shall deliver the following documents (collectively, the "**DEVELOPER Closing Documents**") to Escrow Holder for delivery to COUNTY upon the Close of Escrow: (a) evidence of the existence, organization and authority of DEVELOPER and of the authority of the person(s) executing documents on behalf of DEVELOPER reasonably satisfactory to the Title Company; (b) such reasonable and customary documents and other information reasonably agreeable to DEVELOPER as may be required to exempt the recordation of the Grant Deed and the conveyance of the Property from payment of Documentary Transfer Tax; and (c) such other documents as may be reasonably required by Escrow Holder or the Title Company.

5.4. Closing Costs.

5.4.1. COUNTY's Closing Costs. COUNTY shall pay (a) the basic premium for a CLTA standard coverage owner's policy of title insurance with respect to the Title Policy, as well as any additional costs to insure title pursuant to COUNTY's Cure of any Title Objections; (b) all legal and professional fees and fees of other consultants incurred by COUNTY; (c) all fees of the Title Company (or other qualified expert) for acting as the Natural Hazard Expert for COUNTY's delivery of a Natural Hazard Disclosure Statement.

5.4.2. DEVELOPER's Closing Costs. DEVELOPER shall pay (a) the cost of the Title Policy in excess of the basic premium for a CLTA standard coverage owner's policy of title insurance, except to the extent the excess is due to COUNTY's Cure of any Title Objections, (b) the cost of any endorsements to the Title Policy, (c) the cost of any title insurance coverage required by DEVELOPER's lender or any other party in connection with any funding appropriation, grant, loan or other financing obtained by DEVELOPER, (d) all legal and professional fees and fees of other consultants incurred by DEVELOPER, (e) any and all Escrow fees and costs and any other costs and expenses whatsoever related to any funding appropriation, grant, loan or other financing obtained by DEVELOPER, and (f) all fees, costs, charges, points, title insurance premiums, recording fees and other costs and expenses of any loan or other financing obtained by DEVELOPER.

5.5. Prorations.

5.5.1. General. The following items set forth below in this Section 5.5 are to be adjusted and prorated between COUNTY and DEVELOPER as of 11:59 p.m. (Pacific Time) on the day immediately preceding the day upon which the Close of Escrow occurs (the "**Adjustment Time**"). Such adjustments and prorations shall be calculated on the actual days of the applicable month in which the Close of Escrow occurs and all annual prorations shall be based upon a three hundred sixty-five (365)-day year. The net amount resulting from the prorations and adjustments provided for in this Section 5.5, along with the allocation of closing costs in accordance with Section 5.4 above, shall be added to (if such net amount is in COUNTY's favor) or deducted from (if such net amount is in DEVELOPER's favor) the funds to be delivered at Close of Escrow by DEVELOPER in payment of the Purchase Price. Any other closing prorations and adjustments which are customarily made in similar commercial real estate sales transactions and are not addressed in this Section 5.5 shall be made between DEVELOPER and COUNTY in accordance with the customary practice for commercial real estate transactions in Tulare County, California.

6. Representations, Warranties and Covenants.

6.1. COUNTY's Representations and Warranties. County represents and warrants to DEVELOPER that the following matters set forth below in this Section 6.1 are true and correct as of the Effective Date. Subject to Section 6.1.1 below, the representations and warranties in this Section 6.1 will be deemed to be remade by COUNTY as of the Close of Escrow as the facts then exist.

6.1.1. Authority. COUNTY has the legal right, power and authority to enter into this Agreement and the COUNTY Closing Documents required to be delivered by COUNTY pursuant to the terms of Section 5.3.1 above and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and the COUNTY Closing Documents by COUNTY have been, or as the Close of Escrow will be, duly authorized and no other action by COUNTY (including any vote or approval by the Board of

Supervisors of COUNTY) is or will be requisite to the valid and binding execution, delivery and performance of this Agreement and the COUNTY Closing Documents. This Agreement has been, and the COUNTY Closing Documents have been or as of the Close of Escrow will be, duly executed by COUNTY and this Agreement is, and the COUNTY Closing Documents when executed and delivered by COUNTY will be, legal, valid and binding obligations of COUNTY, enforceable against COUNTY in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization and other similar laws affecting the rights of creditors generally and general principles of equity. There are no actions, suits, material claims, legal proceedings, or any other proceedings pending which have been served on COUNTY affecting the Property, no written agreements or written obligations to which COUNTY is a party or which affect the Property or the development thereof except as described in this Agreement nor will this transaction result in a breach of or permit any party to terminate or accelerate the provisions of or result in the imposition of any lien or encumbrance upon the Property under the provisions of any agreement or other instrument to which COUNTY is a party. COUNTY has not received written notice of any violation of any law issued by any governmental authority with respect to the Property nor of a violation of any applicable environmental federal, State, or local laws, statutes, codes, ordinances, or regulations. To COUNTY'S knowledge, the Property does not contain any hazardous materials in a manner which violates any applicable federal, State, or local law, regulation, or other restriction. In the event of a material breach of any of the foregoing, DEVELOPER and its successors and assigns shall be indemnified and held harmless by COUNTY from and against any claims, costs, wages, remediation, lost profits, and other expenses brought against or incurred by DEVELOPER as a consequence of such breach.

6.2. DEVELOPER's Representations and Warranties. DEVELOPER represents and warrants to COUNTY that the following matters are true and correct as of the Effective Date and will also be true and correct as of the Close of Escrow:

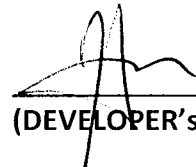
6.2.1. Authority. DEVELOPER has the legal right, power and authority to enter into this Agreement and the DEVELOPER Closing Documents required to be delivered by DEVELOPER pursuant to Section 6.3.2 above and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and the DEVELOPER Closing Documents by DEVELOPER have been duly authorized and no other action by DEVELOPER (including any vote or approval by the Board of Directors of DEVELOPER) is or will be requisite to the valid and binding execution, delivery and performance of this Agreement and the DEVELOPER Closing Documents.

6.3. Survival. The representations and warranties of COUNTY and the representations and warranties of DEVELOPER shall survive the Close of Escrow indefinitely.

7. Terminations and Remedies.

7.1. COUNTY's Remedies. If the Close of Escrow fails to occur as a result of a default by DEVELOPER hereunder, then COUNTY shall be released from COUNTY's obligation to sell the Property to DEVELOPER and COUNTY shall be entitled to retain the Deposit as liquidated damages. DEVELOPER and COUNTY hereby acknowledge and agree that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by COUNTY as a result of such default by DEVELOPER, and agree that the Deposit and the payment by DEVELOPER of all escrow and title cancellation charges and fees is a reasonable approximation thereof. Accordingly, in the event that DEVELOPER breaches this Agreement by defaulting in the completion of the purchase of the Property, the Deposit and the payment by DEVELOPER of all Escrow and Title cancellation charges shall constitute and be deemed to be the agreed and liquidated damages of COUNTY, and shall be paid by DEVELOPER to COUNTY as COUNTY's sole and exclusive remedy. COUNTY agrees to waive all other remedies against DEVELOPER which COUNTY might otherwise have at law or in equity by reason of such default by DEVELOPER; provided, however, the foregoing shall not apply to or limit COUNTY's rights or remedies, and shall not liquidate DEVELOPER's liability for, the ability and right of COUNTY to enforce the Surviving Obligations, The payment of the Deposit and the payment by DEVELOPER of Escrow and Title cancellation charges and fees as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to COUNTY pursuant to California civil code sections 1671, 1676 and 1677.

(COUNTY'S Initials)



(DEVELOPER'S Initials)

7.2. DEVELOPER's Remedies. If the Close of Escrow fails to occur as a result of a default by COUNTY hereunder, then DEVELOPER shall be entitled to elect, as DEVELOPER's sole remedy, either to: (a) terminate this Agreement by giving COUNTY and Escrow Holder timely written notice at or prior to the Close of Escrow, and upon such termination, the Deposit shall be returned to DEVELOPER; or (b) pursue the specific performance of this Agreement but only if DEVELOPER has tendered full performance of DEVELOPER's obligations under this Agreement including being ready, willing and able to deposit the Purchase Price or balance thereof into escrow hereunder. In the event DEVELOPER elects to terminate this Agreement pursuant to COUNTY's breach of any provision herein or COUNTY's inability to close Escrow, COUNTY shall also be liable for and pay all Escrow costs and fees, including cancellation fees of Escrow Holder.


8. Intentionally Omitted.

9. Condition of Property. DEVELOPER acknowledges and agrees that the Property shall be conveyed "as-is", in its current physical condition, with no warranties, express or implied, except as stated in Section 6.1, as to the physical condition thereof, the presence or absence of any latent or patent condition thereon or therein, including, without limitation, any hazardous materials thereon or therein, and any other matters affecting the Property. DEVELOPER hereby waives, releases, remises, acquits and forever discharges COUNTY, its officers, employees, and

agents of and from any and all suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorney's fees and expenses of whatever kind and nature, in law or in equity, known or unknown, which DEVELOPER ever had, now has, hereafter can, shall or may have or acquire or possess or arising directly or indirectly out of, or in any way connected with, the condition, status, quality, nature, contamination or environmental state of the Property as of the Close of Escrow except as represented and warranted in Section 6.1. Except for the representations in Section 6.1, this release includes claims against COUNTY arising under The Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), and Resource Conservation and Recovery Act ("RCRA"), and companion state laws, and state and federal common law, but is not intended to diminish, extinguish or interfere with claims against third parties who may be deemed Responsible or Liable parties under same. It is the intention of this Agreement that except as otherwise expressly set forth in this Agreement, any and all responsibilities and obligations of COUNTY to DEVELOPER, and any and all rights or claims of DEVELOPER, its successors and assigns and affiliated entities, as against COUNTY arising by virtue of the physical or environmental condition of the Property are by this release provision declared null and void and of no present or future effect as to such parties; provided, that notwithstanding any other provision of this Section, nothing contained in this Section shall be deemed to create an obligation on the part of DEVELOPER to indemnify, defend or hold harmless COUNTY or its directors, officers, shareholders, employees, or agents, or their respective heirs, successors, personal representatives and assigns, from or against any suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorney's fees or expenses of whatever kind and nature, in law or in equity, brought or asserted by any third party against COUNTY. With respect to the matters released pursuant to this Section, DEVELOPER, for itself and its successors, assigns, and affiliated entities agrees to and does hereby waive the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

(COUNTY'S Initials)



(DEVELOPER'S Initials)

10. Miscellaneous.

10.1. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered by U.S. mail, registered or certified, return receipt requested, postage prepaid, or by overnight delivery service showing receipt of delivery, or by personal delivery or when sent by confirmed facsimile

or when sent by electronic mail ("email"). Unless this Agreement expressly provides otherwise, notices must be delivered by one of the foregoing methods and notice by electronic mail shall not be effective. Such notices shall be sent to the Parties at the following addresses, or such other address as may otherwise be indicated by any such Party in writing. Notices shall be effective upon actual receipt, or when receipt is refused.

If to COUNTY:	County of Tulare 2800 W. Burrel Avenue Visalia, California 93291 Fax: 559-733-6318
and a copy to:	County of Tulare - General Services Agency 2637 W. Burrel Avenue, Ste 200 Visalia, California 93291 Attention: Daniel M. Richardson, Director Email: DRichardson1@co.tulare.ca.us Fax: 559-624-1022
If to DEVELOPER:	Paloma Development Co., Inc. Attn: Harvey May 222 N. Garden St., Ste 200 Visalia, CA 93291 Email: hmay@palomadev.com Fax: (559) 713-0784
and a copy to:	N/A

10.2. Entire Agreement. This Agreement constitutes the entire understanding of the Parties and all prior agreements, representations, and understandings between the Parties, whether oral or written, are deemed null and void, all of the foregoing having been merged into this Agreement. The Parties acknowledge that each Party and such Party's counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall be employed in the interpretation or enforcement of this Agreement or any amendments or exhibits to this Agreement or any document executed and delivered by either Party in connection with this Agreement.

10.3. 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.

10.4. Exhibits and Recitals. The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

10.5. No Third-Party Beneficiaries Intended. Unless specifically set forth, the Parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

10.6. Further Assurances. Each Party will execute any additional documents and perform any further acts that may be reasonably required to effect the purposes of this Agreement.

10.7. Surviving Obligations. “Surviving Obligations” shall be those obligations specifically described in this Agreement as surviving the termination or expiration of the Agreement.

10.8. Counterparts, pdf. The Parties may sign this Agreement in counterparts, each of which is an original and all of which taken together form one single document. The parties agree that an electronic copy of this fully executed Agreement shall be as effective as the original for all purposes.

10.9. Assignment. This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. DEVELOPER has the absolute right to assign all or any portion of its interest in this Agreement without County’s prior written consent, provided that DEVELOPER gives written notice of such assignment to COUNTY before the Closing Date. Notwithstanding the foregoing or any contrary provision herein, the rights of COUNTY under Sections 3.4 are non-assignable and non-transferable, and shall not otherwise inure to the benefit of any assignee or successor of COUNTY, or any third party whatsoever.

10.10. Governing Law. This Agreement will be governed by and interpreted under the laws of the State of California.

10.11. No Waiver. Waiver by a party of any provision of this Agreement shall not be considered a continuing waiver or a waiver of any other provision, including the time for performance of any such provision.

10.12. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and not be affected, impaired, or invalidated thereby.

10.13 Exchange. COUNTY and DEVELOPER reserve the right to pursue like-kind and deferred like-kind exchanges either for the purpose of trading into this transaction or coming out of this transaction pursuant to Section 1031 of the Internal Revenue Code. The parties each agree to cooperate with the other with regard to same, provided that the cooperating party is not put to any additional expense nor incurs any additional tax liability or contractual or other obligation or liability as a result of the other party's exchange. The party who is not engaging in the exchange agrees to execute all documents necessary and convenient with regard thereto subject to the foregoing terms and conditions. The party who is not engaging in the exchange shall have no liability to the other party if any exchange fails to qualify for non-recognition treatment under the Income Tax laws, and the party engaging in the exchange shall not be released from its obligations under this Agreement if any exchange fails for any reason. The party engaging in the exchange shall indemnify, defend, and hold harmless the other party from and against all claims, demands, liabilities, losses, costs and expenses, including, without limitation, reasonable attorney's fees and disbursements, arising from or related to any participation by the other party in the exchange, whether or not the exchange is completed.

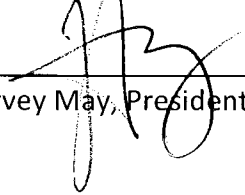
10.14 Amendments. This Agreement may not be altered, amended, or modified except by a writing executed by duly authorized representatives of all parties.

[REMAINDER OF PAGE LEFT INENTIONALLY BLANK. SIGNATURES ON NEXT PAGE]

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

Date: 3/10/20

PALOMA DEVELOPMENT CO., INC.

By: 
Harvey May, President

Date: _____

By: _____

Printed Name: _____

TITLE: _____

[Note: Corporations Code §313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution 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 article of organization stating that the LLC is managed by only one manager]

COUNTY OF TULARE

Date: _____

BY _____
Chairman, Board of Supervisors

ATTEST: JASON T. BRITT
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

By _____
Deputy Clerk

Approved as to Form
County Counsel

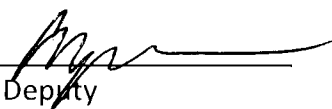
By 
Deputy
Matter No. 20171886

EXHIBIT A
Legal Description of Real Property

PARCEL 1

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

COMMENCING at the Northeast corner of the West 125.89 feet of said Parcel 1; thence South 89°53'35" East, along the North line of said Parcel 1, a distance of 133.17 feet to the

TRUE POINT OF BEGINNING;

Thence South 00°06'25" West, a distance of 63.48 feet; thence North 89°53'35" West, a distance of 4.83 feet; thence South 00°06'25" West, a distance of 31.52 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 159.73 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence South 00°00'42" West, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point on the East line of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 75.59 feet; thence North 00°00'46" East, continuing along the East line of said Parcel 1, a distance of 82.41 feet to the Northeast corner of said Parcel 1; thence North 89°53'35" West, along the North line of said Parcel 1, a distance of 209.00 feet to the **TRUE POINT OF BEGINNING.**

PARCEL 2

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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Thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 9.00 feet; thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 61.50 feet; thence South 00°06'25" West, a distance of 129.58 feet to a point on the

South line of said Parcel 1; thence South 89°53'35" East, along the South line of said Parcel 1, a distance of 254.97 feet to the Southeast corner of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 129.58 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence North 00°00'42" East, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 129.12 feet to the **TRUE POINT OF BEGINNING**.

PARCEL 3

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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EXHIBIT B
The Project

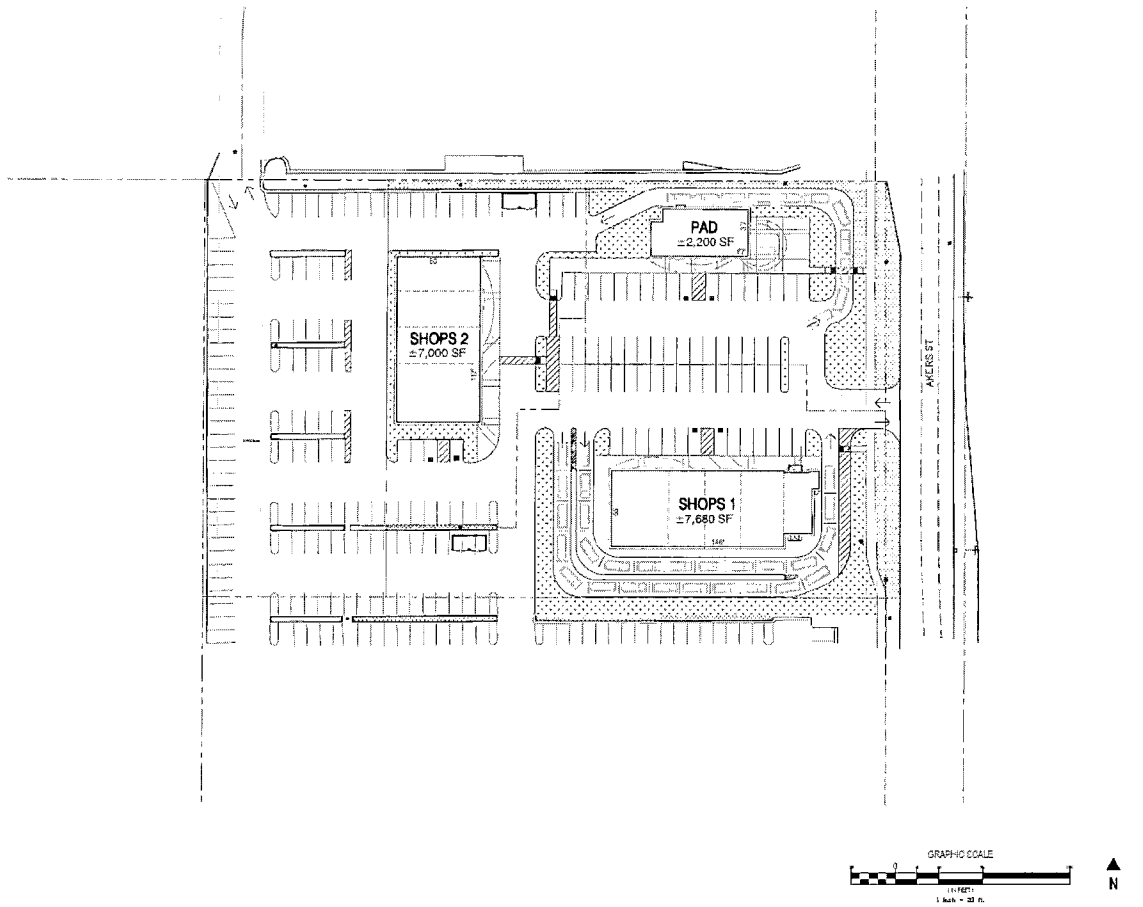


Exhibit C

Recording Requested by:
First American Title Company

When recorded, mail to:
Paloma Development Co., Inc.
Attn: Harvey May
222 N. Garden St., Ste 200
Visalia, CA 93291

(This space for Recorders use only.)

APN 087-460-007

GS PM 17-54

GRANT DEED

The undersigned grantor declares

- This transfer is exempt from the documentary transfer tax.
"The value of the property in this conveyance, exclusive of liens and encumbrances is \$100 or less, and there is no additional consideration received by the grantor, R & T 11911."
- The documentary transfer tax is \$ _____ and is computed on:
- the full value of the interest or property conveyed.
- the full value less the liens or encumbrances remaining thereon at the time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the COUNTY OF TULARE hereby **GRANT(S)** to the **Paloma Development Co., Inc., a California Corporation** the following described real property situated in the County of Tulare, State of California:

See Exhibits A and B

For so long as said real property is used as a mix of food, beverage, and retail commercial uses that conform to all local, state, and federal permitted uses. Commercial use as a marijuana dispensary, medical or otherwise, is strictly prohibited. In the event said real property is to be used for any other purpose, restricted or otherwise, then the fee simple interest created by this conveyance shall automatically revert to the COUNTY OF TULARE, without the necessity for any action to effect said reversion. It is the intention of this conveyance to grant a fee simple interest to Paloma Development, Inc. and to retain for the COUNTY OF TULARE a possibility of reverter.

Dated this _____ day of _____, 2020

COUNTY OF TULARE

By: _____
Chairman, Board of Supervisors

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 _____)

On _____ before me, _____,
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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 _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT A

PARCEL 1 LEGAL DESCRIPTION

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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Thence South $00^{\circ}06'25''$ West, a distance of 63.48 feet; thence North $89^{\circ}53'35''$ West, a distance of 4.83 feet; thence South $00^{\circ}06'25''$ West, a distance of 31.52 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence South $89^{\circ}53'35''$ East, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 159.73 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence South $00^{\circ}00'42''$ West, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence South $89^{\circ}53'35''$ East, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point on the East line of said Parcel 1; thence North $00^{\circ}12'16''$ West, along the East line of said Parcel 1, a distance of 75.59 feet; thence North $00^{\circ}00'46''$ East, continuing along the East line of said Parcel 1, a distance of 82.41 feet to the Northeast corner of said Parcel 1; thence North $89^{\circ}53'35''$ West, along the North line of said Parcel 1, a distance of 209.00 feet to the **TRUE POINT OF BEGINNING**.



PARCEL 2
LEGAL DESCRIPTION

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2-21-20



**PARCEL 3
LEGAL DESCRIPTION**

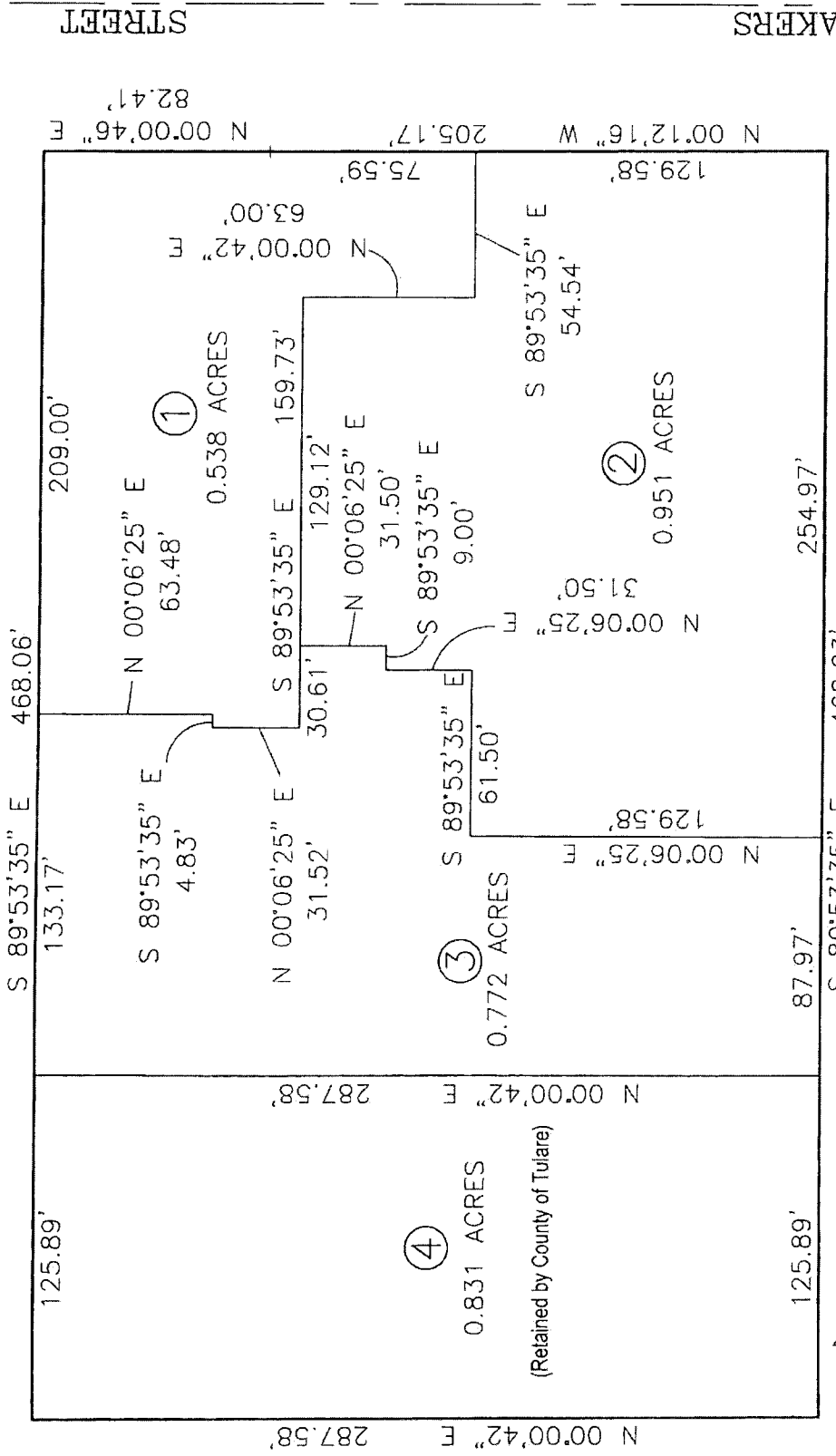
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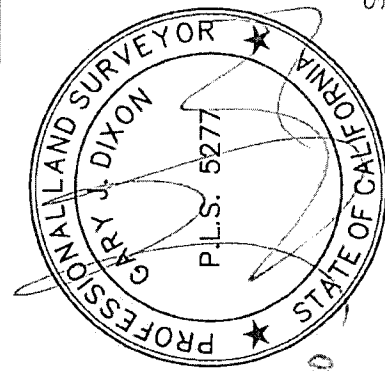
2-21-20



EXHIBIT B



DIVISION OF PARCEL NO. 1 OF PARCEL
 MAP NO. 4404 IN THE CITY OF VISALIA,
 COUNTY OF TULARE, STATE OF CALIFORNIA,
 ACCORDING TO THE MAP THEREOF
 RECORDED AUGUST 26, 1999 IN BOOK 45
 OF PARCEL MAPS AT PAGE 9, TULARE
 COUNTY RECORDS.



SCALE: 1" = 60'

2-26-20

DIXON & ASSOCIATES, INC.
 LAND SURVEYING
 620 DEWITT, #101
 CLOVIS, CALIFORNIA, 93612
 PH: (559)297-4200 FAX: (559)297-4272

Exhibit D

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Paloma Development Co, Inc.
Attention: John Harvey May
222 N. Garden Street, Suite 200
Visalia, CA. 93291

(SPACE ABOVE FOR RECORDER'S USE ONLY)

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT ("REA") made as of this ____ day of _____, 2020, by and between Paloma Development Co, Inc, a California Corporation ("Paloma") and the County of Tulare ("County") with reference to the following facts:

A. Paloma is the owner of certain real property located in the City of Visalia, California, which is described on Exhibit "A" hereto ("Paloma Parcels"), and County is the owner of certain real property located in the City of Visalia, California, which is described on Exhibit "B" hereto ("County Parcels").

B. The area containing the Paloma Parcels is generally contiguous with the area containing the County Parcels.

C. The parties desire that this REA be recorded in the Official Records of Tulare County, California, all for the mutual benefit of the parties hereto and their respective successors and assigns.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties agree as follows:

**ARTICLE I.
DEFINITIONS**

For purposes of this REA, the following terms shall, unless otherwise indicated, have the following meanings and the use of the singular shall include the plural:

1.1 Driveway Easement Area or Driveway Easement Areas. That area of the Paloma Parcels described in Exhibit "C" hereto and that area of the County Parcels described in Exhibit "D" hereto or both of them, as the context requires, and which are labeled "Driveway

Easement Area.”

1.2 Drainage Easement Area or Drainage Easement Areas. That area of the Paloma Parcels described in Exhibit “C” hereto and that area of the County Parcels described in Exhibit “D” hereto or both of them, as the context requires, and which are labeled “Drainage Easement Area.”

1.3 Mortgage. Any mortgage or deed of trust encumbering any Parcel.

1.4 Mortgagee. The holder or beneficiary, as applicable, of any Mortgage.

1.5 Occupant. Any Person from time to time entitled to the use and occupancy of any portion of a building on a Parcel under an ownership right or any lease, sublease, license, concession, or similar agreement.

1.6 Owner. Paloma or County as the context requires.

1.7 Parcel or Parcels. The Paloma Parcels and the County Parcels, or any of them.

1.8 Permittee. All Occupants and the officers, directors, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants, and concessionaires of Occupants insofar as their activities relate to the intended use of a Parcel.

1.9 Person. An individual, partnership, firm, association, corporation, limited liability company, or other form of entity.

ARTICLE II. RECIPROCAL EASEMENTS

2.1 Grant and Declaration of Reciprocal Easement.

(a) Easements. Each Owner hereby reserves to itself and grants to the other Owner for the benefit of the other Owner and for the benefit of each Owner's Parcels, and appurtenant to each of the Parcels, perpetual, mutual, reciprocal and non-exclusive easements in, on and over, and rights to use, the Driveway Easement Areas and Drainage Easement Areas located on each Owner's Parcels for the purpose of ingress, egress, access, and vehicular traffic and for drainage of water and storm water (collectively, sometimes, “the Easements” or, individually, “the Easement”).

(b) Use. Each Owner shall have the right to lay, construct, maintain, operate, and repair each Easement to be used by Owner for the purposes described herein at Owner's sole cost and expense.

(c) No Other Easements. Each Owner acknowledges and agrees that, except as expressly provided in Section 2.1(a), no other easements for ingress, egress, utility service, parking, drainage, or any other purpose shall be deemed to have been granted or created by this REA.

ARTICLE III.
MAINTENANCE AND DAMAGE

3.1 Easement Area Maintenance.

The Owner of a Parcel shall maintain and repair the Driveway Easement Areas and Drainage Easement Areas located on each Owner's Parcels at its sole cost and expense except as otherwise specifically described herein. The failure of an Owner to perform its maintenance obligations regarding the Driveway Easement Areas shall be a default under this REA.

3.2 Damage. If any part of the Driveway Easement Areas or Drainage Easement Areas is damaged or destroyed by any Owner other than the Owner of the Parcel containing the damaged or destroyed easement, or by such Owner's employees, agents, contractors, Occupants or Permittees during the term of this REA, then, notwithstanding anything to the contrary contained herein, such Owner shall repair and restore the Driveway Easement Area and Drainage Easement Area at its sole cost and expense.

ARTICLE IV.
TAXES

4.1 Each Owner shall pay or cause to be paid all real property taxes and other assessments levied against its Parcel and the buildings and other improvements therein (herein called "Taxes"). Each Owner may contest at its own expense the existence, amount or validity of the Taxes levied upon its Parcel by appropriate proceedings.

ARTICLE V.
INSURANCE AND INDEMNITY

5.1 General Liability Insurance and Common Area Casualty Insurance.

5.1.1 Paloma shall maintain or cause to be maintained in full force and effect commercial general liability insurance covering its Parcel(s) (including that portion of such Parcels located within the Driveway Easement Area or Drainage Easement Area) with a combined single limit of liability of not less than One Million Dollars (\$1,000,000.00) for bodily injury and property damage, with a commercially reasonable deductible. The liability insurance to be carried shall name the other County and its officers, partners, agents, and representatives as additional insureds to the extent that such policy covers or applies to the Driveway Easement Areas or Drainage Easement Areas. All policies of insurance shall be provided by insurance carriers with a Best rating of not less than B+VI.

5.1.2 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.

5.2 Indemnity. Except to the extent covered by insurance required to be carried by this Agreement, each Owner ("Indemnitor") covenants and agrees to defend, protect, indemnify and hold

harmless the other Owner (and its respective officers, partners, agents, representatives, employees and Occupants) (collectively, "Indemnitees") from and against all claims, including any action or proceedings brought thereon, and all costs, losses, expenses and liabilities (including reasonable attorney's fees and cost of suit) arising from or as a result of the injury to or death of any Person, or damage to the property of any Person located on the Parcels owned by each Indemnitor, except to the extent arising from the negligence or willful act or omission of such Indemnitee.

5.3 Waiver of Right of Recovery and Subrogation. To the extent that insurance proceeds are actually received in satisfaction of a loss which is required to be covered by insurance, each Owner hereby waives any and all rights of recovery against the other Owner for any loss or damage to the buildings, structures and improvements located on its respective Parcels or the contents contained therein, for loss of income on account of fire or other casualty, and each Owner's policies of insurance shall contain appropriate provisions recognizing this mutual release and waiving all rights of subrogation by the respective insurance carriers.

5.4 Evidence of Insurance. Paloma shall cause to be issued to County in lieu of the original policy, a duplicate of such policy or appropriate certificates of insurance reasonably acceptable to County and evidencing compliance with the applicable provisions of this Article V. Such certificate shall provide that no expiration, cancellation or material change in the insurance evidenced thereby shall be effective unless thirty (30) days' unconditional notice of such expiration, cancellation or material change shall have been given to the certificate-holder.

ARTICLE VI.
MORTGAGES SUBORDINATE TO REA

6.1 Subject to the terms of this REA, any Mortgage affecting a Parcel or any portion thereof shall at all times be subject and subordinate to the terms of this REA and any Person foreclosing any such Mortgage or acquiring title by reason of a deed in lieu of foreclosure shall acquire title to the Parcel affected thereby subject to all of the terms of this REA.

ARTICLE VII.
REMEDIES

7.1 Default of Owner. An Owner shall be deemed to be in default under this REA (the "Defaulting Party") upon occurrence of any one or more of the following events: (a) the failure of the Defaulting Party to make any payment required to be made hereunder within five (5) days of written notice from the other Owner (the "Non-Defaulting Party") or Mortgagee that such payment has not been made; or (b) the failure of the Defaulting Party to observe or perform any of the express or implied covenants or provisions of this REA to be observed or performed by the Defaulting Party, other than as specified in Subsection (a) of this Section 7.1, where such failure shall continue for a period of thirty (30) days after written notice thereof from a Non-Defaulting Party or Mortgagee to the Defaulting Party, provided however that if the nature of the default is such that it may be cured, but more than thirty (30) days are reasonably required for its cure, then the Defaulting Party shall not be deemed to be in default if the Defaulting Party shall commence such cure within the thirty (30) day period and thereafter diligently prosecute such cure to completion.

7.2 Right to Cure Defaults. In the event of a default, a Non-Defaulting Party or

Mortgagee shall have the right, but not the obligation, to cure the default if the Defaulting Party fails to do so pursuant to Paragraph 7.1. Notwithstanding the requirements of Paragraph 7.1, in the event of an emergency which threatens the health or safety or property of any Person, the notice otherwise required in Paragraph 7.1 shall not be required prior to a Non-Defaulting Party or Mortgagee curing such default and a Non-Defaulting Party or Mortgagee may proceed to cure the default without having given any such notice, but the Non-Defaulting Party or Mortgagee shall make reasonable attempts to contact the Defaulting Party prior to or during the course of such cure. In exercising its rights hereunder, the Non-Defaulting Party and Mortgagee shall have the right to enter upon the Driveway Easement Area or Drainage Easement Area of the Defaulting Party to perform any necessary work or furnish any necessary materials or services to cure the default of the Defaulting Party (and such entry shall not be deemed to be an act of trespass). Any costs incurred by the Non-Defaulting Party or Mortgagee in curing the Defaulting Party's default shall be reimbursed by the Defaulting Party within thirty (30) days (or such shorter time frame as is herein specified) of presentation of an invoice therefor. Interest shall accrue on such costs from the date incurred by a Non-Defaulting Party or Mortgagee to the date paid at the rate of 6% per annum.

7.3 Other Remedies. In addition to the foregoing, a Non-Defaulting Party or Mortgagee may institute an action against the Defaulting Party for specific performance, declaratory or injunctive relief, damages or any other remedy available at law or in equity, except as otherwise specifically waived under this REA. The rights and remedies provided in this Article VII and the enforcement thereof as herein provided shall be in addition to and not in substitution for or exclusion of any other rights and remedies which a Non-Defaulting Party or Mortgagee may have under this REA or at law, in equity or otherwise.

ARTICLE VIII. MISCELLANEOUS

8.1 Obligations of Agreement. Except as otherwise herein provided, each and every covenant, undertaking, condition, easement, right, privilege and restriction under this REA (herein referred to as "REA Obligations") made, granted or assumed, as the case may be, by any Owner to this REA, is made by each Owner for the personal benefit of the other Owner and its Parcel and its Mortgagees (if any), and shall be an equitable servitude on that Parcel appurtenant to or for the benefit of the other Parcels. Every REA Obligation shall run with the land, and shall be binding upon the Parcel and the Owner thereof, and its successors, assigns, Mortgagees and Occupants and shall inure to the benefit of all other Owners to this REA and to their respective successors, assigns, Mortgagees and Occupants.

8.2 No Waiver. No delay or omission of any Owner in the exercise of any right accruing upon any default shall impair any such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of the default. A waiver by any Owner of a default shall not be construed to be a waiver of any subsequent default of the same or any other provision of this REA or a waiver by any other Owner. Except as otherwise specifically provided in this REA, no remedy provided in this REA shall be exclusive, but each shall be cumulative with all other remedies provided in this REA, at law, in equity or otherwise.

8.3 No Termination For Breach. It is expressly agreed that no breach or default, whether

or not material, of the provisions of this REA shall entitle any Owner to cancel, rescind or otherwise terminate this REA, but such limitation shall not affect, in any manner, any other rights or remedies which any Owner may have hereunder by reason of any breach of the provisions of this REA.

8.4 No Dedication to Public. Nothing contained in this REA shall be deemed to be a gift or dedication of any portion of a Parcel to the general public or for any public use or purpose whatsoever, it being the intention of the parties hereto that this REA is for the exclusive benefit of the Owners and their respective Mortgagees to the extent of any rights expressly granted to such Mortgagees. Notwithstanding the foregoing, any Owner may extend the rights or benefits created by this REA to each of its Permittees; however, nothing in this REA shall be construed to constitute any person (other than the Owners and their respective Mortgagees to the extent of any rights expressly granted to such Mortgagees) as a third-party beneficiary, and any rights or benefits granted to Permittees may be enforced only by the Owner granting such rights or benefits to such Permittee.

8.5 Amendment, Modification or Termination. This REA may be amended only by a written agreement signed by all of the then current Owners and the Mortgagees (whose execution shall not be unreasonably denied) and shall be effective only when recorded in Tulare County, California.

8.6 Integration; Severability. This REA embodies the entire agreement and understanding between the parties hereto with regard to the subject matter hereof and supersedes all prior agreements and understandings with respect thereto. In case any one or more of the obligations of the parties under this REA is held invalid, the validity, legality and enforceability of the remaining obligations of the parties shall not in any way be affected or impaired thereby.

8.7 Estoppel Certificate. At any time, and from time to time, within thirty (30) days after notice or request by an Owner or Mortgagee, the other Owners, at no cost to the requesting Owner or Mortgagee, shall execute and deliver to such requesting Owner or Mortgagee a statement certifying that (a) this REA is unmodified and in full force and effect (or if there have been modifications, certifying that this REA is in full force and effect as modified in the manner specified in such statement), and (b) there exists no default under this REA other than as specified therein.

8.8 Governing Law. This REA shall be construed in accordance with the laws of the State of California.

8.9 Headings. The article and section headings in this REA are for convenience only, shall in no way define or limit the scope or content of this REA and shall not be considered in any construction or interpretation of this REA or any part thereof.

8.10 No Partnership. Nothing in this REA shall be construed to make the Owners partners or joint venturers or render any of said Owners liable for the debts or obligations of the others.

8.11 Authority. Each Owner hereby represents to the other that, by its respective signature below, no other consents or approvals are necessary or required to be obtained in order for Owner to execute this agreement and for same to be binding on Owner or for the persons signing on behalf of Owner to do so.

8.12 Construction. Notwithstanding any custom, rule of interpretation or construction, or otherwise, neither this REA, nor any portion hereof, shall be construed more strongly against any party who prepared it.

8.13 Counterparts. This REA may be executed in one or more counterparts and as so executed shall constitute a single instrument.

8.14 Incorporation. All exhibits attached hereto are hereby incorporated herein by this reference.

8.15 Notice. All notices provided hereunder shall be in writing and shall be deemed served when personally delivered to the party to be noticed or when delivered by overnight carrier as reflected in the carriers records or when sent by confirmed facsimile transmission or when sent by electronic mail ("email") or when sent by registered mail, return receipt requested with the date of signing the return receipt (or refusal to sign) as the date of service. Service shall be to the following addresses: Paloma, Harvey May, 222 N. Garden St., Suite 200, Visalia, CA. 93291, fax-559-713-0784, Email – hmay@palomadev.com; and to county, Daniel M. Richardson, 2637 W. Burrel Ave., Ste. 200, Visalia, CA. 93291-4544, Fax 559-624-1022, Email DRichardson1@co.tulare.ca.us. Any party may change its contact information by providing notice of same in the manner herein described.

[REMAINDER OF PAGE LEFT INENTIONALLY BLANK. SIGNATURES ON NEXT PAGE]

IN WITNESS THEREOF, the Parties have executed this Lease by the respective duly authorized officers of the undersigned as of the date first written above.

LESSOR

COUNTY OF TULARE

Date: _____

By: _____
Chairman, Board of Supervisors

LESSEE

PALOMA DEVELOPMENTCO., INC.

Date: _____

By: _____

John Harvey May, CEO/CFO

[Note: Corporations Code §313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution 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 article of organization stating that the LLC is managed by only one manager]

ATTEST: JASON T. BRITT
County Administrative Officer/
Clerk of the Board of Supervisors]

By:
Deputy Clerk

Approved as to form:
County Counsel

By:
Deputy County Counsel, Matter ID 20171886

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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 _____)

On _____ before me, _____,

Date

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

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 _____

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT "A"

[DESCRIPTION OF PALOMA PARCELS]

PARCEL 1

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

COMMENCING at the Northeast corner of the West 125.89 feet of said Parcel 1; thence South 89°53'35" East, along the North line of said Parcel 1, a distance of 133.17 feet to the

TRUE POINT OF BEGINNING;

Thence South 00°06'25" West, a distance of 63.48 feet; thence North 89°53'35" West, a distance of 4.83 feet; thence South 00°06'25" West, a distance of 31.52 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 159.73 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence South 00°00'42" West, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point on the East line of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 75.59 feet; thence North 00°00'46" East, continuing along the East line of said Parcel 1, a distance of 82.41 feet to the Northeast corner of said Parcel 1; thence North 89°53'35" West, along the North line of said Parcel 1, a distance of 209.00 feet to the **TRUE POINT OF BEGINNING.**

PARCEL 2

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

COMMENCING at the Northeast corner of the West 125.89 feet of said Parcel 1; thence South 89°53'35" East, along the North line of said Parcel 1, a distance of 133.17 feet; thence South 00°06'25" West, a distance of 63.48 feet; thence North 89°53'35" West, a distance of 4.83 feet; thence South 00°06'25" West, a distance of 31.52 feet; thence South 89°53'35" East, a distance of 30.61 feet to the **TRUE POINT OF BEGINNING;**

Thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 9.00 feet; thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 61.50 feet; thence South 00°06'25" West, a distance of 129.58 feet to a point on the South line of said Parcel 1; thence South 89°53'35" East, along the South line of said Parcel 1, a distance of 254.97 feet to the Southeast corner of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 129.58 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence North 00°00'42" East, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point

being 95.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 129.12 feet to the **TRUE POINT OF BEGINNING**.

PARCEL 3

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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EXHIBIT "B"

[DESCRIPTION OF COUNTY PARCELS]

PARCEL 1

The West 125.89 feet of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45, Page 9 of Parcel Maps, in the Official Records of Tulare County, California.

PARCEL 2

Parcel 2 of Parcel Map No. 4404 recorded August 26, 1999 in Book 45, Page 9 of Parcel Maps, in the Official Records of Tulare County, California.

EXHIBIT "C"

[DESCRIPTION OF PALOMA DRIVEWAY AND DRAINAGE EASEMENTS]

PARCEL 1

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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TRUE POINT OF BEGINNING;

Thence South 00°06'25" West, a distance of 63.48 feet; thence North 89°53'35" West, a distance of 4.83 feet; thence South 00°06'25" West, a distance of 31.52 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 159.73 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence South 00°00'42" West, parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point on the East line of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 75.59 feet; thence North 00°00'46" East, continuing along the East line of said Parcel 1, a distance of 82.41 feet to the Northeast corner of said Parcel 1; thence North 89°53'35" West, along the North line of said Parcel 1, a distance of 209.00 feet to the **TRUE POINT OF BEGINNING.**

PARCEL 2

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

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Thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 9.00 feet; thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 61.50 feet; thence South 00°06'25" West, a distance of 129.58 feet to a point on the South line of said Parcel 1; thence South 89°53'35" East, along the South line of said Parcel 1, a distance of 254.97 feet to the Southeast corner of said Parcel 1; thence North 00°12'16" West, along the East line of said Parcel 1, a distance of 129.58 feet to a point being 158.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 158.00 feet South of the North line of said Parcel 1, a distance of 54.54 feet to a point being 413.80 feet East of the West line of said Parcel 1; thence North 00°00'42" East,

parallel with and 413.80 feet East of the West line of said Parcel 1, a distance of 63.00 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence North 89°53'35" West, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 129.12 feet to the **TRUE POINT OF BEGINNING**.

PARCEL 3

That portion of Parcel No. 1 of Parcel Map No. 4404 in the City of Visalia, County of Tulare, State of California, according to the map thereof recorded August 26, 1999 in Book 45 of Parcel Maps at Page 9, Tulare County records, described as follows:

BEGINNING at the Northeast comer of the West 125.89 feet of said Parcel 1; thence South 89°53'35" East, along the North line of said Parcel 1, a distance of 133.17 feet; thence South 00°06'25" West, a distance of 63.48 feet; thence North 89°53'35" West, a distance of 4.83 feet; thence South 00°06'25" West, a distance of 31.52 feet to a point being 95.00 feet South of the North line of said Parcel 1; thence South 89°53'35" East, parallel with and 95.00 feet South of the North line of said Parcel 1, a distance of 30.61 feet; thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 9.00 feet; thence South 00°06'25" West, a distance of 31.50 feet; thence North 89°53'35" West, a distance of 61.50 feet; thence South 00°06'25" West, a distance of 129.58 feet to a point on the South line of said Parcel 1; thence North 89°53'35" West, along the South line of said Parcel 1, a distance of 87.97 feet to the Southeast comer of the West 125.89 feet of said Parcel 1; thence North 00°00'42" East, parallel with and 125.89 feet East of the West line of said Parcel 1, a distance of 287.58 feet to the **POINT OF BEGINNING**.

EXHIBIT "D"

[DESCRIPTION OF COUNTY DRIVEWAY AND DRAINAGE EASEMENTS]

PARCEL 1

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PARCEL 2

Parcel 2 of Parcel Map No. 4404 recorded August 26, 1999 in Book 45, Page 9 of Parcel Maps, in the Official Records of Tulare County, California.