

AGENDA DATE: November 14, 2006



RESOURCE MANAGEMENT AGENCY

5961 SOUTH MOONEY BLVD.
VISALIA, CA. 93277
PHONE (559) 733-6291
FAX (559) 730-2653

Britt L. Fussel	Engineering
Deborah Kruse	Development Services
Jean Brou	Transportation
George Finney	Long Range Planning
Hal Cypert	Support Services
Roger Hunt	Administrative Services

HENRY HASH, DIRECTOR

ASSOCIATE DIRECTOR

AGENDA ITEM- REVISED

Sitting as the BOARD OF DIRECTORS of the
TULARE COUNTY REDEVELOPMENT AGENCY

ITEM NO. _____
District 2

SUBJECT: Approve Agreement for Lease of Equipment owned by Tulare County Redevelopment Agency (TCRA) to the Richgrove Community Services District.

REQUEST(S):

1. Approve an Agreement for lease of equipment, the type and configuration as set forth in Exhibit "A" attached to the Agreement, for a term of three (3) years with an option to renew the lease for an additional three (3) years; the equipment is owned by the Tulare County Redevelopment Agency and is proposed to be leased to the Richgrove Community Services District; and
2. Authorize the Chairman to sign the Agreement.

SUMMARY: The equipment will initially be utilized in the Richgrove Redevelopment Project Area to maintain existing streets and roads as well as the soon to be constructed Richgrove Stormwater Drainage, Air Quality Improvement and Recreation Project. Upon future completion of similar projects in the communities of Earlimart and Poplar-Cotton Center, a Joint Powers Authority will be formed with the intent of having all three communities benefit from its use and proportionately share in its operations and maintenance costs; staff will return to your Board for approval of this formation.

Upon delivery of the equipment, the vendor will schedule a manufacturer representative(s) or individual(s) certified by the manufacturer to provide training to the initial equipment operator. The Lessee will then be responsible for training any future eligible participants who possess a valid Class "B" California Drivers License.

The proposed lease equipment (PM-10 compliant regenerative air street sweeper) was purchased through funding received under a Federal Highways Administration Congestion Mitigation and Air Quality Grant and matching TCRA tax increment financing. Financing for the Richgrove Community Services District's provision of tools and safety equipment as well as the equipment's operations and maintenance costs will be

provided by a community-wide assessment district that was established by a successful Proposition 218 election on February 25, 2004.

FINANCING: The monthly lease rate will be \$1,215.83 and this will be deposited in to: SG3-SG3-2200-4055 (Richgrove Redevelopment Project Area Stormwater Improvements - Rents and Concessions). Annually, this lease will generate \$14,589.96; and \$43,769.88 over the three (3) year term.

ALTERNATIVES: None recommended, however, your Board could choose not to pursue the lease as stated above, limit use of equipment to the specific projects or recommend staff return with alternate proposals.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES: Tulare County Resource Management Agency (staff to TCRA), County Counsel (legal review/ risk management assistance), Richgrove Community Services District (participant/ equipment management).

SIGNATURE REQUIREMENTS: Chairman on Lease Agreement and TCRA Clerk/Secretary of the Board of Directors or authorized Deputy to attest to the Resolution.

ADMINISTRATIVE SIGN OFF:

RESOURCE MANAGEMENT AGENCY

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George Finney, Assistant Director
Long Range Planning


Henry Hash, Executive Director

**BEFORE THE BOARD OF DIRECTORS
TULARE COUNTY REDEVELOPMENT AGENCY
COUNTY OF TULARE, STATE OF CALIFORNIA**

**IN THE MATTER OF APPROVING A LEASE)
AGREEMENT FOR AGENCY OWNED)
EQUIPMENT WITH RICHGROVE)
COMMUNITY SERVICES DISTRICT)
AND AUTHORIZE THE CHAIRMAN)
TO SIGN THE AGREEMENT.)**

RESOLUTION NO. RA- _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR
_____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN
OFFICIAL MEETING HELD NOVEMBER 14, 2006 BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: C. BRIAN HADDIX
SECRETARY OF THE BOARD OF DIRECTORS

BY: _____
Deputy Clerk

1. Approved an Agreement for lease of equipment, the type and configuration as set forth in Exhibit "A" attached to the Agreement, for a term of three (3) years with an option to renew the lease for an additional three (3) years; the equipment is owned by the Tulare County Redevelopment Agency and is proposed to be leased to the Richgrove Community Services District; and
2. Authorized the Chairman to sign the Agreement.

EXHIBIT A

The following equipment will be leased on a monthly basis:

Schwarze A7000 Regenerative Air Street Sweeper with Attachments

\$1,215.83 per month

LEASE OF EQUIPMENT

THIS LEASE is entered into as of _____, 2006, between the TULARE COUNTY REDEVELOPMENT AGENCY (AGENCY) and the RICHGROVE COMMUNITY SERVICES DISTRICT (LESSEE), who agree as follows:

ARTICLE 1: DESCRIPTION OF EQUIPMENT LEASED

Property Description in Schedule

1.01 AGENCY leases to LESSEE, and LESSEE leases from AGENCY, the street sweeping equipment, as delineated in the Equipment List and Rent Schedule in Exhibit "A".

ARTICLE 2: TERM OF LEASE

Initial Term

2.01 The term shall commence as of the date this Agreement is executed by the AGENCY and shall continue for a period of three (3) years. Thereafter LESSEE may, if AGENCY consents, holdover on a month to month basis on the same terms and conditions.

ARTICLE 3: PAYMENTS BY LESSEE

Rental Payments

3.01. The total amount of monthly rental payments will be \$1,215.83 as stated in the attached Exhibit A. LESSEE will make rental payments at AGENCY's address as set forth below or at any other place that may be designated by AGENCY or its assignees. All rental payments are due and payable in advance on the first day of each month after the execution of this Lease during the term of this Lease. Any rental payment not made by LESSEE within 15 days of its due date will be subject to a late charge of five percent of the amount due.

ARTICLE 4: OWNERSHIP

No Sale or Security Interest Intended

4.01. This agreement constitutes a lease of the property described and is not a sale or the creation of a security interest. LESSEE will not have, or at any time acquire, any right, title, or interest in the property, except the right to possession and use as provided for in this Lease. AGENCY will at all times be the sole owner of the property.

Labels

4.02. AGENCY will have the right to place and maintain on the exterior or interior of each piece of property covered by this Lease the following inscription: Tulare County Redevelopment Agency Community Improvement Program. If this Lease is assigned by AGENCY, the assignee will have the same right. LESSEE will not remove, obscure, or deface the inscription or permit any other person to do so.

ARTICLE 5: OPERATING EXPENSES

5.01. LESSEE will be responsible for all expenses, including but not limited to: operator's salary, administration, fuel, automotive fluids, maintenance agreements and all other charges in connection with the operation of the property.

ARTICLE 6: MAINTENANCE AND REPAIRS

Lessee's Responsibility

6.01. LESSEE will assume all obligation and liability with respect to the possession of the property, and for its use, condition, and storage during the lease term. LESSEE will, at LESSEE'S own expense, maintain the property in good mechanical condition and running order, allowing for reasonable wear and tear. The rent on any item will not be prorated or abated while the property is being serviced or repaired. AGENCY will not be under any liability or obligation in any manner to provide service, maintenance, repairs, or parts for the leased property.

Accessions

6.02. All installations, replacements, and substitutions of parts or accessories with respect to any of the property will constitute accessions and will become part of the property and will be owned by AGENCY.

ARTICLE 7: USE OF PROPERTY

Rights of Lessee

7.01. LESSEE will use the equipment on projects sponsored by the AGENCY or for projects for which the AGENCY has given specific written permission to use the equipment. LESSEE will comply with all laws concerning the operation of the equipment. LESSEE will not use the equipment in any manner that will constitute public nuisance or compromise safe operation. LESSEE will be entitled to the use, operation, possession, and control of the leased property during the term of this Lease, provided LESSEE is not in default of any provision of this Lease or subject to any security interest AGENCY may have given or may give to any third party during the term of this Lease. LESSEE will employ and have control, supervision, and responsibility over any operators or users of the property.

Duties of Lessee

7.02. LESSEE will use the leased property in a careful and proper manner and will not permit any leased property to be operated or used in violation of any applicable federal, state, or local statute, ordinance, rule, or regulation relating to the possession, use or maintenance of the property. LESSEE agrees to reimburse AGENCY in full for all damage to the property arising from any misuse or negligent act by LESSEE, its employees, and its agents. LESSEE will indemnify and hold AGENCY harmless from any liabilities, forfeitures, or penalties for violations of any federal, state or local statute, rule or regulation.

Upon delivery of the equipment, the vendor will schedule a manufacturer representative(s) or individual(s) certified by the manufacturer to provide training to the initial equipment operator. LESSEE will undergo initial street sweeper equipment training from manufacturer. LESSEE will then be responsible for training any future eligible participants with information equivalent to the street sweeper equipment training provided by manufacturer. LESSEE, any agent of LESSEE or future eligible participant who will operate the street sweeper equipment set forth in Exhibit "A" must possess a valid Class "B" California Drivers License. AGENCY may require proof and documentation of a valid Class "B" California Drivers License from any operator of the street sweeping equipment

Agency Use Limitation

7.03. LESSEE warrants that the leased property will be used for cleaning of Richgrove streets and for use in other communities as subcontracted. However, such subcontracts must be approved by AGENCY in writing.

ARTICLE 8: AGENCY'S RIGHT OF INSPECTION AND REPAIR

Inspection and Repair

8.01. AGENCY, at its discretion during LESSEE's regular business hours and with one day's prior notice to LESSEE, will have the right to enter, for the purpose of inspection, the premises where the property is located or used. If, in the sole opinion of AGENCY, any property covered by this Lease is not being properly maintained, the property will be delivered to a service facility at the expense of LESSEE.

ARTICLE 9: TAXES AND OTHER CHARGES

Taxes

9.01. LESSEE will be liable for and pay on or before their due dates, all sales taxes, use taxes, personal property taxes, business personal property taxes, and assessments, or other direct taxes or governmental charges imposed on the property, levied against it, or assessed in connection with the lease. The term "direct taxes" excludes the AGENCY's income taxes and franchise taxes, but includes all other taxes imposed by any governmental authority. LESSEE will promptly notify AGENCY and send AGENCY copies of notices, reports, or inquiries received by LESSEE from taxing authorities concerning delinquent taxes or other assessments.

Other Charges

9.02. LESSEE will be liable for any fees for licenses, registrations, permits, and other certificates that may be required for the lawful operation of the equipment. All certificates of title will initially be applied for in the State of California and will be issued and maintained in the name of AGENCY, as owner. They will be delivered to AGENCY, and LESSEE will pay all expenses in relation to them.

Taxes Paid by Agency

9.03. If any taxing authority requires that a tax, as set forth in Paragraph 10.01 of this Lease, be paid to the taxing authority directly by AGENCY, LESSEE will, on notice from AGENCY, pay to AGENCY the amount of the tax, at the time the next rent installment is due.

Contested Taxes

9.04. LESSEE will have the right at LESSEE's own expense to contest the validity or amount of any tax referred to in Paragraph 10.01 of this Lease. LESSEE will pay the tax demanded by the taxing authority before initiating any legal proceedings. If taxes are reduced or cancelled, LESSEE will be entitled to the refund for any taxes previously paid by LESSEE, provided that LESSEE is not in default under any of the terms and conditions of this Lease.

ARTICLE 10: LESSEE'S INSPECTION

Inspection by Lessee

10.01. LESSEE will inspect the property within two days after its receipt. Unless LESSEE within that time gives written notice to AGENCY, specifying any defect in or other proper objection to the property, LESSEE agrees that it will be conclusively presumed, as between AGENCY and LESSEE, that LESSEE has fully inspected the property and acknowledged that the property is in good condition and repair, and that LESSEE is satisfied with and has accepted the property in that good condition and repair.

ARTICLE 11: INSURANCE

11.01 LESSEE shall provide 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 or subcontractors, if applicable.

Minimum Scope & Limits of Insurance:

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$1,000,000.

2. Plus excess liability umbrella coverage in the amount of \$2,000,000.

3. Workers' Compensation and Employer's Liability Insurance as required by law. Deductibles and Self-Insured Retentions.

4. For all property covered by this Lease, LESSEE will also provide comprehensive, fire, theft, and additional combined insurance coverage at LESSEE's own cost and expense, naming AGENCY as loss payee. COVERAGE will be in the form and amounts directed by AGENCY from time to time.

Specific Provisions of the Certificate:

1. The Certificate of Insurance for General Liability must meet the following requirements:

a. Name the AGENCY, Its officers, agents, employees and volunteers, individually and collectively, as additional insureds.

b. State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by AGENCY shall be excess .

c. Provide that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the AGENCY.

2. The Certificate of Insurance for Workers Compensation, must include the following waiver of subrogation :

a. Waiver of Subrogation . LESSEE waives all rights against the AGENCY and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.

Deductibles and Self-Insured Retentions: The AGENCY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

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 (-) from a company admitted to do business in California, any waiver of these standards are subject to approval by the AGENCY Risk Manager or AGENCY Risk Manager's designee.

Verification of Coverage: Prior to approval of this Agreement by the AGENCY, the LESSEE shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to the AGENCY. The AGENCY reserves the right to require certified copies of all required insurance policies at any time.

11.02. LESSEE will indemnify and hold AGENCY, its agents, and employees, harmless against all loss, liability, and expense, including reasonable attorneys' fees, in excess of the provided limits of liability insurance for bodily injury (including death) or property damage caused by or arising out of the ownership, maintenance, or use of the leased property. LESSEE will further indemnify and hold harmless AGENCY, its agents, and employees, from loss, liability, and expense, including reasonable attorneys' fees, because of LESSEE's failure to comply with any provisions of any insurance policy insuring AGENCY and LESSEE, or because of LESSEE's failure to comply with provisions of this article.

ARTICLE 12: INDEMNIFICATION AND LIABILITY

All Liability Assumed by Lessee

12.01. LESSEE assumes all risk and liability for the loss of or damage to the equipment, for the death of or injury to any person or property, and for all other risks and liabilities arising from the use, condition, possession, or storage of the leased property. Nothing in this Lease will authorize LESSEE or any other person to operate any of the property so as to impose any liability or other obligation on AGENCY.

Lessee's Duty to Indemnify

12.02. LESSEE shall hold harmless, defend and indemnify AGENCY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including AGENCY property, arising from, or in connection with, the performance by LESSEE or its agents, officers and employees under this Agreement and damage to any property arising from the use, condition, possession, or storage of any leased property. This indemnification specifically includes any claims that may be made against AGENCY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against AGENCY alleging civil rights violations by LESSEE under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on AGENCY for LESSEE's failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

Obligations Survive Lease Term

12.03. The indemnities and assumption of risk, liabilities, and obligations by LESSEE arising under the Lease during the Lease's term will continue in effect after the termination of Lease, regardless of the reason for termination.

ARTICLE 13: ACCIDENT, LOSS OF PROPERTY, OR DAMAGE TO PROPERTY

Notification to Agency

13.01. If any property covered by this Lease is damaged, lost, stolen, or destroyed, or if any person is injured or dies, or if any property is damaged as a result of its use, maintenance, or possession, LESSEE will promptly notify AGENCY of the occurrence, and will file all necessary accident reports, including those required by law and those required by insurers of the property.

Cooperation in Defense of Claims

13.02. LESSEE, its employees, and agents will cooperate fully with AGENCY and all insurers providing the insurance under this Lease in the investigation and defense of any claims. LESSEE will promptly deliver to AGENCY any documents served on or delivered to LESSEE, its employees, or its agents in connection with any claim or proceeding at law or in equity begun or threatened against LESSEE, AGENCY, or both, concerning the leased property.

Stipulated Loss Value

13.03. If any property covered by this Lease is lost, stolen, destroyed, or damaged beyond repair, LESSEE will pay AGENCY in cash the "Stipulated Loss Value" of \$147,878.87, minus any net proceeds of insurance for the property received by AGENCY. On payment, this Lease will terminate with respect to that item of property and LESSEE will become entitled to the property on an "as-is" basis, without warranty, express or implied, for any matter whatsoever.

ARTICLE 14: ASSIGNMENT

Assignment of Subletting by Lessee

14.01. LESSEE will not assign this Lease or any properties described in it, or assign any interest in the Lease or property, or sublet any of the leased property without the express written consent of AGENCY.

ARTICLE 15: ACTIONS CONSTITUTING DEFAULT

Lessee in Default

15.01. AGENCY, at its option, may by written notice to LESSEE declare LESSEE in default on the occurrence of any of the following:

(a) Failure by LESSEE to make payments or perform any of its obligations under this Lease;

(b) Institution by or against LESSEE of any proceeding in bankruptcy or insolvency, or the reorganization of LESSEE under any law, or the appointment of a receiver or trustee for the goods and chattels of LESSEE, or any assignment by LESSEE for the benefit of creditors;

(c) Expiration or cancellation of any insurance policy to be paid for by LESSEE as provided for under the terms of this Lease; or

(d) Involuntary transfer of LESSEE's interest in this Lease by operation of law.

ARTICLE 16: RIGHTS, REMEDIES, AND OBLIGATIONS ON DEFAULT

Agency's Rights and Remedies

16.01. After the default of LESSEE, and on notice from AGENCY that LESSEE is in default, AGENCY will have the following options:

(a) To terminate the Lease and LESSEE's rights under the Lease;

(b) To declare the balance of all unpaid rent and all other charges of any kind required of LESSEE under the Lease to be payable immediately, in which event AGENCY will be entitled to the balance due together with interest at the rate of percent per 18% APR from the date of notification of default to the date of payment;

(c) To repossess the property without legal process free of all rights of LESSEE to the property. LESSEE authorizes AGENCY or AGENCY's agent to enter on any premises where the property is located and repossess and remove it. LESSEE specifically waives any right of action LESSEE might otherwise have arising out of the entry and repossession, and releases AGENCY of any claim for trespass or damage caused by reason of the entry, repossession, or removal.

Lessee's Obligation for Agency's Cost

16.02. After default, LESSEE will reimburse AGENCY for all reasonable expenses of repossession and enforcement of AGENCY's rights and remedies, together with interest at the rate of 1.5% percent per month from the date of payment.

Agency's Remedies Are Cumulative

16.03. The remedies of AGENCY will be cumulative to the extent permitted by law, and may be exercised partially, concurrently, or separately. The exercise of one remedy will not be deemed to preclude the exercise of any other remedy.

Effect of Forbearance

16.04. No failure on the part of AGENCY to exercise any remedy or right and no delay in the exercise of any remedy or right will operate as a waiver. No single or partial exercise by AGENCY of any remedy or right will preclude any other or further exercise of that remedy or right or the exercise of any other rights or remedies. No forbearance by AGENCY to exercise any rights or privileges under this Lease will be construed as a waiver, but all rights and privileges will continue in effect as if no forbearance had occurred. Acceptance by AGENCY of rent or other payments made by LESSEE after default will not be deemed a waiver of AGENCY's rights and remedies arising from LESSEE's default.

Forfeiture of Lessee's Interest on Default

16.05. Upon default, for any reason, LESSEE and LESSEE's successor in interest will have no right, title or interest in the leased property, its possession, or its use. AGENCY will retain all rents and other payments of any kind made by LESSEE under this Lease.

ARTICLE 17: RETURN OF PROPERTY ON EXPIRATION

Lessee's Return of Property

17.01. Upon the expiration date of this Lease with respect to any or all of the property, LESSEE will return the property to AGENCY, together with all accessories, free from all damage and in the same condition and appearance as when received by LESSEE, allowing for ordinary wear and tear. If LESSEE fails or refuses to return the equipment to AGENCY, AGENCY will have the right to take possession of the property and for that purpose to enter any premises where the property is located without being liable in any suit, defense, or other proceedings to LESSEE.

ARTICLE 18: LIENS

Encumbrances or Liens; Notice

18.01. LESSEE will not pledge, encumber, create a security interest in, or permit any lien to become effective on any leased property. If any of these events take place, LESSEE will be deemed to be in default at the option of the AGENCY. LESSEE will promptly notify AGENCY of any liens or other encumbrances of which LESSEE has knowledge. LESSEE will promptly pay or satisfy any obligation from which any lien or encumbrance arises, and will otherwise keep the property and all title and interest free of any liens and encumbrances. LESSEE will deliver to AGENCY appropriate satisfactions, waivers, or evidence of payment.

ARTICLE 19: TIME OF ESSENCE

Time

19.01. Time is of the essence in this Lease.

ARTICLE 20: NOTICE

20.01 Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

AGENCY:

Henry Hash, TCRA Executive Director
Tulare AGENCY Redevelopment Agency
Redevelopment Agency
5961 South Mooney Boulevard
Visalia California 93277-9394

With A Copy To:

William L. Hayter, Division Manager
Tulare AGENCY
5961 South Mooney Boulevard
Visalia, California 93277-9394

Fax No.: (559) 730-2591 Confirming No.: (559) 733-6291

LESSEE:

Joey Velasquez, President
Richgrove Community Services District
PO Box 86
20986 Grove Drive
Richgrove, California 93261

With A Copy To:

Julia Lew, Attorney at Law
McCormick, Kabot, Jenner & Lew
1220 West Main Street
Visalia, California 93291

Fax.: (661) 725-5085 Confirming No.: (661) 725-5632

Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change their above address or phone or fax number by giving written notice pursuant to this paragraph.

ARTICLE 21: EXHIBITS AND RECITALS

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

ARTICLE 22: CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY

22. 01 This Agreement 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 shall be considered null and void. If the effect of nullifying any conflicting

provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

ARTICLE 23: FURTHER ASSURANCES

23.01 Each party will execute any additional documents and perform any further acts which may be reasonably required to affect the purposes of this Agreement.

ARTICLE 24: DISPUTE RESOLUTION

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

ARTICLE 25: EQUIPMENT STORAGE

25.01 At the request of the LESSEE, AGENCY will provide a secure storage area for the equipment with access by the LESSEE during normal work hours or on special occasions as authorized in writing by the AGENCY. Access to storage will only be authorized to LESSEE's designated responsible employees.

ARTICLE 26: TERMINATION

26.01 AGENCY will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination.

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

TULARE AGENCY REDEVELOPMENT AGENCY

Date:

By _____
Chairman, Board of Directors
"AGENCY"

ATTEST: C. BRIAN HADDIX
AGENCY Administrative Officer/ Clerk of the AGENCY of Tulare
Board of Supervisors

By _____
Deputy Clerk

RICHGROVE COMMUNITY SERVICES DISTRICT

Date:

By Jay D. Velazquez
TITLE Board President

Date:

By Janet R. [Signature]
TITLE Office Manager

Approved as to Form
AGENCY Counsel

By [Signature]
Deputy
10-27-06

Approved as to Form
Richgrove Community Services District Counsel

By [Signature]
Attorney