



**RESOURCE
MANAGEMENT AGENCY
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

CONNIE CONWAY
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: October 30, 2007

Public Hearing Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>						
CONTACT PERSON: Celeste Perez PHONE: 559-733-6291						

SUBJECT: New Lease for Office and Storage at 8040 Doe Avenue in Visalia.

REQUEST(S):

That the Board of Supervisors:

1. Approve the new Lease Agreement between the County of Tulare for the Health & Human Services Agency (HHSA) and Guillon Inc. to: 1) Segregate the areas leased by the Department of Child Support Services (DCSS) and the Health & Human Services Agency (HHSA) into separate Agreements, 2) Provide for certain alterations and deferred maintenance needed by HHSA,
2. Authorize the Chairman to sign the Lease

SUMMARY:

Lease Agreement No. 16693 currently provides storage and office space for both DCSS and HHSA under one Lease Agreement. The Term under the existing Lease expires December 31, 2009. DCSS and HHSA desire to separate their respective space into separate agreements. HHSA occupies 1,920 square feet of office space, and 26,500 square feet of storage space for a blended total of 28,420 square feet. Guillon Inc. will, under this Agreement, provide needed alterations to the facility for HHSA including the installation of additional warehouse heating and cooling units, installation of additional lighting for the file storage racks, and finishing of an unfinished County installed break room, all in the storage area. The Term of the Lease will be expire December 31, 2014.

SUBJECT: New Lease for Office and Storage at 8040 Doe Avenue in Visalia.
DATE: October 30, 2007

FISCAL IMPACT/FINANCING:

Rent under this Agreement in the amount of \$10,569.38 will not increase upon the completion of the deferred maintenance and alterations. A Lump sum payment of \$242,514.60 will be made to Guillon Inc. upon completion of all Alterations. The budget account lines provided by HHSA for the Lump Sum payment are: 60% 001-142-4030-2180, 40% 001-142-4032-2180. Rent is currently paid using the following budget account lines: 16% - 001-142-4020-2180, 32% - 001-142-4030-2180, and 52% - 001-142-4010-2180.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The office space and storage space provided under this Agreement aids HHSA in improving the Quality of Life for the residents of Tulare County by meeting the infrastructure needs to ensure State and Federally regulated record keeping requirements.

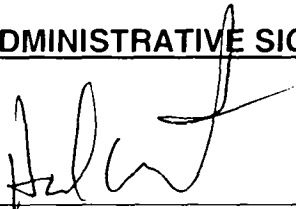
ALTERNATIVES:

This Board may choose to deny this request. This option would not be recommended as HHSA would like to ensure the provision of quality office space and storage space at reasonable rates, for the foreseeable future.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

HHSA and DCSS requested the segregation of the Lease.
HHSA further requested the deferred maintenance and alterations in this Agreement.
County Counsel reviewed and approved the Amendment to Lease.

ADMINISTRATIVE SIGN-OFF:



Hal Cypert
Assistant Director – Support Services



Henry Hash
Director

cc: Auditor/Controller
County Counsel
County Administrative Office (2)
DCSS, Robert Owen
HHSA, Kelly Stewart

Attachment(s)

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF A NEW LEASE)
AGREEMENT FOR OFFICE AND)
STORAGE SPACE AT 8040 DOE)
AVENUE IN VISALIA)

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD OCTOBER 30, 2007,
BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Approved the new Lease Agreement between the County of Tulare for the Department of Child Support Services (DCSS) and Guillon Inc. to: 1) Segregate the areas leased by DCSS and the Heath & Human Services Agency (HHSA) into separate Agreements, 2) Provide for certain alterations and deferred maintenance needed by HHSA
2. Authorized the Chairman to sign the Lease Agreement.

LEASE AGREEMENT

THIS LEASE is entered into on _____, 2007, Guillon Inc., A California Corporation, (LESSOR), and the COUNTY OF TULARE, (COUNTY), with reference to the following:

- A. LESSOR and COUNTY heretofore entered into Tulare County Agreement No. 16693, for the Alteration and Lease of real property at 8040 Doe Avenue in the City of Visalia on June 23, 1992 to house the Department of Child Support Services (DCSS) and the Health & Human Services Agency. (HHSA).
- B. Upon completion of the contractual alterations, County took occupancy on November 1, 1992. The initial term of the Lease was ten (10) years.
- C. The Parties desire to create this new agreement in order to 1) Segregate the areas leased by DCSS and HHSA into separate Agreements, 2) Provide for certain alterations and deferred maintenance needed by HHSA in order to continue operations, (3) and extend the term of the Agreement.
- D. On the date this Amendment is signed, that portion of the building occupied by HHSA is explicitly removed from Agreement No. 16693 and transferred to this agreement including any prepaid rents or any contractual rights or obligations of LESSOR or HHSA (COUNTY).

ACCORDINGLY IT IS AGREED as follows:

1. **LEASE:** LESSOR leases to COUNTY and COUNTY leases from LESSOR, a portion of the real property located at 8040 Doe Avenue, in the City of Visalia, State of California, consisting of approximately 1,920 square feet of office space, and 26500 square feet of warehouse space together with all common exterior parking privileges more accurately described in Exhibit A attached hereto (the PREMISES).

2. **TERM:** The Term shall commence on the date this Agreement is entered into and shall continue until December 31, 2014. Provided County is not then in default of this Lease, County may extend this Lease for two terms of 3 years each from the expiration date of the initial term, or the extension thereof, by serving a Notice of Election to Extend on LESSOR at least 90 calendar days before the expiration of the initial term. If County holds over beyond the expiration of the initial term or the renewed term of this Lease without the written consent of Lessor, the

Tulare County Agreement No. _____

holding over will be deemed a month-to-month tenancy including the annual percentage rent increase, until the tenancy is terminated in a manner provided by law.

3. RENT, ANNUAL ADJUSTMENT, LUMPSUM COMPENSATION:

3.1 Monthly rent. COUNTY shall pay to LESSOR monthly rent, without deduction, set off, prior notice, or demand of \$10,569.38 payable in advance on the first day of each month, commencing on the date the term commences, and continuing during the term and any option periods. Any remaining rents previously paid under Tulare County Agreement No 16693 by County for this space shall be applied to the remaining partial month until said first day.

3.2 Annual Adjustment: Rent shall be adjusted annually on November 1st, by the amount of any increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, or by an increase of three percent (3%), whichever is less. For purposes of adjustments, CPI calculations will be based on the most current published annual figures for the month preceding the annual anniversary date of this lease.

3.2 Lump Sum Compensation for COUNTY's Alterations.

Upon Completion and Acceptance of all the work specified in Paragraph 26, COUNTY shall pay LESSOR the sum of \$242,514.60, as separate Lump Sum compensation for COUNTY's Alterations specified in Paragraph 25.

4. ACCEPTANCE: COUNTY has been in continuous possession of the Premises under Agreement 16693, and acknowledges the Premises in good condition as of the date of the signing of this Agreement, subject to any and all ongoing maintenance or deferred maintenance responsibilities of LESSOR under said Agreement 16693.

5. USE: COUNTY will use the PREMISES for warehouse and office space, but reserves the right to substitute other County programs as Countys needs change. COUNTY shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the PREMISES unless the alterations, maintenance or restoration are required as a result of COUNTY's particular and specific use of the PREMISES at the time. COUNTY shall not use the PREMISES in any manner that will constitute waste or nuisance or unreasonable annoyance.

6. MAINTENANCE: LESSOR will be responsible for all maintenance, preventative maintenance, replacements, repair and upkeep of the entire Premises and Parking areas. Such responsibility shall include, but not be limited to the following:

a. The structural components of the building and other improvements in which the premises are located, which structural components include the foundations, bearing and non-bearing exterior and interior walls, sub flooring, and roof.

b. The non structural components of the building and other improvements in which the premises are located, which non structural components include all building interior and exterior surfaces including, but not limited to the floor coverings, ceilings, wall coverings, insulation, windows and window coverings, built in cabinetry, partition doors, doors and related door accessories, gutters and down spouts, and all attached equipment whether installed by COUNTY or LESSOR.

c. All interior and exterior, exposed and unexposed water, gas and sewage systems, plumbing and removal of plumbing stoppages, including without limitation, those portions of the systems lying outside the Premises;

d. All interior and exterior, exposed and unexposed electrical including, but not limited to light fixtures, ballasts and replacements bulbs, including without limitation, those portions of the systems lying outside the Premises;

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

1. The HVAC shall be inspected at least once every 12 months and problems found during these inspections shall be corrected within thirty days from discovery.

2. LESSOR shall ensure that all HVAC filters are changed at least once every 90 days. Filters shall be changed sooner if any code or law requires it, or if conditions warrant such a change.

3. Inspections and maintenance of the HVAC system shall be documented in writing. LESSOR shall record the names of the individual(s) inspecting and/or maintaining the system, the date of the inspection and/or maintenance, and the specific findings and action taken. LESSOR shall ensure that the records are kept for at least five years. LESSOR shall provide COUNTY with a copy of the record of inspection within 30 days of the inspection.

f. All interior and exterior Pest control, including, but not limited to monthly spraying for insects and the setting of traps for rodent control as needed;

g. All parking and asphalt areas, all cement improvements, striping and traffic signage, all grounds-keeping and landscaping, including water systems and replacement of dead vegetation, cleaning of the parking areas and building exteriors.

h. Maintain the Premises and Parking areas compliant with current and future ADA requirements.

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

In cases of emergency LESSOR will take immediate steps to protect persons and property. If LESSOR does not take the necessary steps, COUNTY will have the right to repair or contract to repair and to be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within 10 days after COUNTY's delivery to LESSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly rent payment.

Except for cases of emergency, LESSOR will make all repairs as soon as is possible. In the event LESSOR has not made a repair referred to in a written notice from COUNTY to LESSOR within 30 days after date of notice, COUNTY will have the right to repair or contract to repair and be reimbursed by LESSOR. If the full amount of the reimbursement is not delivered by LESSOR to COUNTY within 10 days after COUNTY's delivery to LESSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly rent payment.

7. **ALTERATIONS:** COUNTY shall not make any structural or exterior alterations to the PREMISES without LESSOR's consent, which consent shall not be unreasonably withheld; however, COUNTY shall have the right without cost to the LESSOR to make, with LESSOR's

consent, nonstructural alterations to the exterior of the PREMISES that COUNTY requires in order to conduct its operations on the PREMISES.

Upon termination of the tenancy, COUNTY shall have the right to remove from the PREMISES before the termination of the tenancy, any alterations COUNTY has made to the PREMISES, as long as the removal will not cause any structural damage to the PREMISES, and COUNTY at its cost promptly restores any damage caused by the removal.

8. **UTILITIES AND JANITORIAL:** COUNTY shall furnish and pay for all utilities and services to be used by the County including without limitation, gas and electricity, water, sewer, garbage, and janitorial services. COUNTY shall arrange for the installation of any and all telephones it shall require, and pay for any and all charges relating thereto.

9. **INDEMNITY:** LESSOR shall not be liable to COUNTY for any damage to COUNTY or COUNTY's property from any cause, except that LESSOR shall be liable to COUNTY for damage to COUNTY resulting from the acts or omissions of LESSOR, his agents and employees.

COUNTY shall hold LESSOR harmless from all damages arising out of any injury or damage to person or property occurring in, on, or about the PREMISES, except that LESSOR shall be liable to COUNTY for, and shall hold COUNTY harmless from, injury or damage resulting from the acts or omissions of LESSOR, his agents and employees.

10. **INSURANCE:** LESSOR acknowledges and agrees that COUNTY is a self-insured entity, and waives any requirement that COUNTY procure and/or maintain insurance of any kind, including liability and/or fire/extended coverage insurance. Prior to approval of this Agreement by COUNTY, LESSOR shall file with the Clerk of the Board of Supervisors evidence of the required insurance as set forth in Exhibit D attached.

11. **DESTRUCTION:** In the event the building on the demised PREMISES shall be totally or partially destroyed by fire, earthquake, or other casualty so as to render that part of said building hereby leased unfit in whole or in part for occupancy, COUNTY shall be entitled to a reduction in the rental during the period that such part remains unrepaired or unrestored, in proportion to the amount of floor space unfit for occupancy bears to the total floor space included in the lease; provided, however, that if it should reasonably appear that LESSOR cannot or will not restore or repair the PREMISES within ninety (90) days from the date of such damage, either

party shall be entitled to terminate the lease by giving the other party notice in writing of intention to so terminate ten (10) days before the proposed date of termination.

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

a. If the PREMISES are totally taken by condemnation, the tenancy shall terminate on the date of the taking;

b. If any portion of the PREMISES is taken by condemnation the tenancy shall remain in effect, except that COUNTY may elect to terminate the tenancy by giving notice of same within ten (10) days of the date of the taking.

If any portion of the PREMISES is taken by condemnation and the tenancy remain in effect, the rent shall be reduced by an amount that is in the same ratio to monthly rent as the value of the area of the portion of the PREMISES taken bears to the total value of the PREMISES immediately before the taking.

13. **ASSIGNMENT:** COUNTY shall not assign or encumber its interest in the tenancy, or sublease all or any part of the PREMISES, without the consent of LESSOR.

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

a. Failure to pay rent when due, if the failure continues for ten (10) days after written notice has been given to COUNTY;

b. Abandonment and vacation of the PREMISES;

c. Failure to perform any other provision of this agreement if the failure to perform is not cured within a reasonable time after notice has been given of same to COUNTY.

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

The purpose of the notice requirements set forth in this section is to extend the notice requirements of the unlawful detainer statutes of California.

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

15. **SIGNS:** COUNTY may not install, or permit any other person to install, any sign, awning, canopy, marquee or other advertising on any exterior wall, door, or window on the PREMISES without LESSOR's prior written consent, which consent shall not be unreasonably withheld. Eleven days after the expiration or termination of this lease, LESSOR may remove and destroy any items, which were permitted to be installed in accordance with the terms of this section and not removed by COUNTY.

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

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

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

18. **TERMINATION:** Either party may terminate this Agreement for cause upon five (5) days prior written notice to the other party. For purposes of this section, "cause" shall be defined as the failure of either party to remedy any material breach of the Agreement within 30 days of written notice of the breach. Either party may terminate this Agreement without cause by providing the other party with 30 days written notice to terminate the Agreement.

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

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

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

With a copy to:
RMA Property Management
Attn: Property Manager
5961 Mooney Blvd.
Visalia CA, 93277

LESSOR: Guillon Inc.
Doug Guillon
2550 Lakewest Dr ste. 50
Chico CA, 95828
530-879-4425

Notice shall be deemed communicated four (4) days from the time of mailing as provided in this section.

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

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

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

24. **REDUCTION IN COUNTY's FUNDING:** LESSOR expressly understands and agrees that COUNTY is dependent upon certain Federal, State and/or local funding to pay the rent provided in this Agreement. If such Federal, State and/or local funding is discontinued

and/or reduced, COUNTY shall have the right to terminate the lease. In such event, COUNTY shall provide LESSOR with at least 90 days prior written notice of termination.

25. LESSOR's Deferred Maintenance and COUNTY'S Alterations. Attached hereto as Exhibits B, and incorporated herein by reference are specifications describing the design, character and appearance of alterations to be constructed specifically for COUNTY's use, hereinafter referred to as the "COUNTY's Alterations". COUNTY's Alterations do not include any deferred maintenance, repairs, deferred upgrades and other work which LESSOR has chosen to undertake for LESSOR's benefit without regard to COUNTY's needs. For purposes of clarification, said deferred maintenance, repairs, deferred upgrades and other work is delineated in Exhibit C, hereinafter referred to as "LESSOR's Deferred Maintenance". LESSOR's Deferred Maintenance and COUNTY's Alterations are collectively referred to as the "Work".

25.1 Building Permits: Within 30 calendar days after the date of this Amendment first above written, LESSOR shall consult the City of Visalia regarding the Work specified in Exhibits B and C to determine whether permits will be required. LESSOR shall notify COUNTY in writing of this determination within that time period. LESSOR shall be responsible for the preparation of any plans or permits required by the City.

a) Regarding those items subject to building permits in Exhibits B and C; LESSOR and COUNTY anticipate that processing of any building permit by the City will take up to 120 calendar days. Any changes required by the City will be submitted to COUNTY in writing for approval if the required changes adversely impact the utility of the Property for COUNTY's intended uses. Any such changes submitted to COUNTY must be approved or disapproved within 10 business days or they will be deemed approved. COUNTY's approval will not be unreasonably withheld or conditioned. If COUNTY requests any changes to the specifications after initial approval, COUNTY will pay any cost or expense incurred in connection with such changes, including any delay in the commencement of rent. Following issuance of a building permit, and any additional approvals needed from agencies with jurisdiction over the Property, LESSOR will proceed without delay to make and construct the improvements and alterations as approved by the City. LESSOR will prosecute the Work to completion with reasonable diligence

and in a good and workmanlike manner in compliance and conformance with the specifications, the building permit, and all applicable codes, laws, rules, regulations and orders of governmental authorities having jurisdiction over the Work. Subject to approval by City's Building Inspector, LESSOR and COUNTY may agree in writing to changes in the Work at any time.

b) Regarding those items not subject to building permits in Exhibits B and C; LESSOR will proceed without delay to make and construct the improvements and alterations. LESSOR will prosecute the Work to completion with reasonable diligence and in a good and workmanlike manner in compliance and conformance with the specifications in Exhibits B and C, the building permit, and all applicable codes, laws, rules, regulations and orders of governmental authorities having jurisdiction over the Work. LESSOR and COUNTY may agree in writing to changes in the Work at any time.

25.2 Completion and Date of Completion: LESSOR will cause the Work to be completed within 120 calendar days after issuance of the building permit or within 120 days of the signing of this Amendment if no permit is required, plus such extensions of time, if any, made necessary by causes which could not be reasonably anticipated by a prudent developer, and over which LESSOR has no control. Failure to complete the work within 180 days of execution of the this Amendment, including any above noted extensions shall cause the Work to be subject to the provisions set forth in Paragraph 6 allowing the COUNTY to accomplish repairs and deduct the costs from rent. Completion of the Work shall be evidenced by a signed unconditional Final inspection card regarding those items subject to building permits, and full sign off by COUNTY's Authorized Agent regarding those items that are not subject to building permits. The Date of Completion is the date at which both permitted and un-permitted items are collectively Finaled or completed and the Work has been accepted by the COUNTY.

25.3 Prevailing Wage Laws; Indemnity: LESSOR acknowledges that COUNTY's Alterations in Exhibit B are subject to such prevailing wage, apprenticeship, and anti-discrimination provisions of the Labor Code as are applicable to public works projects contracted for by COUNTY. LESSOR will require all contractors and subcontractors used in COUNTY's alterations to maintain and to make available to COUNTY, at no cost to COUNTY, on a weekly

basis, all certified payroll records required to be maintained and furnished pursuant to Labor Code section 1776. LESSOR's construction contract(s) will require that the contractor(s) and subcontractor(s) maintain complete and accurate records with respect to the funds expended in the construction of COUNTY's Alterations and will require that the contractor(s) and subcontractor(s) provide access to the COUNTY Auditor and to the State of California auditors, and to their agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of this Agreement. LESSOR will require that all such records be prepared in accordance with generally accepted accounting procedures, be clearly identified, and be readily accessible within the County of Tulare, upon request. LESSOR acknowledges that it will be performing LESSOR's Deferred Maintenance delineated in Exhibit C for LESSOR's benefit, before or during prosecution of COUNTY's Alterations as delineated in Exhibit B, without complying with said prevailing wage or apprenticeship provisions of the Labor Code. LESSOR's Deferred Maintenance work is unrelated to COUNTY's Alterations to be done for COUNTY, and LESSOR will hold harmless and indemnify COUNTY from any loss, cost or expense that may arise out of any litigation, claim or contention that the LESSOR's Deferred Maintenance work in Exhibit C is subject to the prevailing wage or apprenticeship provisions of the Labor Code applicable to public works projects.

25.4 COUNTY's Right to Inspect and Consult: During the course of the Work, COUNTY will have the right, at its own expense, to inspect the Work and daily job records at any and all reasonable times, and to consult with any contractor or subcontractor, the Architect, and with City's building officials as to the compliance of any aspect of the Work with the approved final plans and specifications, the building permit, and applicable codes, laws, rules, regulations and orders. In the event of a dispute between LESSOR and COUNTY as to compliance with the building permit or applicable codes, laws, rules, regulations or orders, the decision of City's building officials will be controlling and binding on both parties. COUNTY's right to inspect and consult as set forth above does not include any right to direct or interfere with the work being carried out by LESSOR's architects, contractors or subcontractors.

25.5 Records and Audit: LESSOR will maintain complete and accurate records with respect to all funds expended in the construction, alteration or remodeling of the Property. All such records will be prepared in accordance with generally accepted accounting procedures, will be clearly identified, and will be made readily accessible within the County of Tulare upon request. LESSOR will provide access to such records upon request to the Tulare County Auditor or the State of California, and to their agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of this Agreement.

25.6 COUNTY'S Authorized Agent: The Tulare County Resource Management Agency Director, or his designee, will be COUNTY's authorized agent for approving or objecting to the plans and specifications and changes thereto, as well as for carrying out COUNTY's administrative responsibilities during the course of the Work.

[illegible]

EXHIBIT A

Health & Human Services Agency

8040 Doe Ave., Visalia CA

Page 1 of 2

The “Property”

- **Parcel A - 8040 Doe Ave, Visalia CA -**

Legal Description: Parcel 6 of Parcel Map 4095 filed in the Office of the Recorder, in the City of Visalia, County of Tulare, State of California in Book 41 of Maps, Page 99 in the Office of the County Recorder of said County.

The “Premises”

- That portion of the Building located on Parcel A above, commonly referred to as the Health & Human Services Agency (HHSA) Warehouse located at 8040 Doe Ave in the City of Visalia, more accurately shown on page 2.
- All ingress and egress rights across adjacent parcels of Parcel Map 4095 filed in the Office of the Recorder, in the City of Visalia, County of Tulare, State of California in Book 41 of Maps, Page 99 in the Office of the County Recorder of said County.

EXHIBIT A

Health & Human Services Agency

8040 Doe Ave., Visalia CA

Page 2 of 2

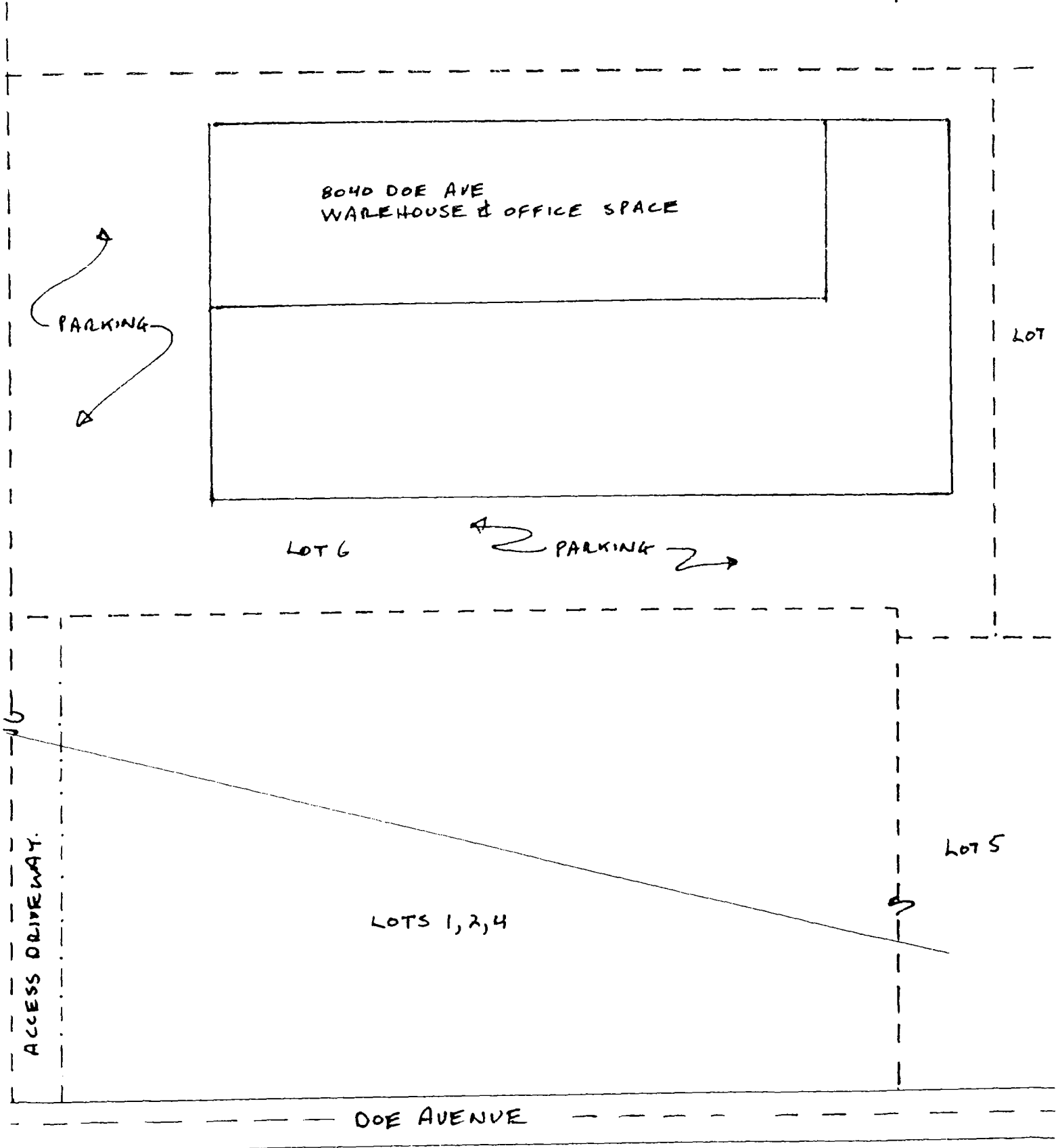
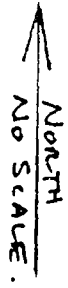


EXHIBIT B
County's Alterations
Health & Human Services Agency
8040 Doe Ave., Visalia CA
Page 1 of 2

A. Warehouse Lighting Upgrade:

- 1) Upgrade existing 100 Amp Service to 175 amp Service.
- 2) Furnish and Install 13 Rows of 4 foot I-Lamp Strip-lights over walkways of County's existing Case file folder racks, (247, 32 Watt, T8 Fixtures), Fixtures shall be installed via chain or wire hangers installed from the ceiling, or by any other method acceptable to the City of Visalia Building Department, except that light fixtures and related electrical wiring shall not be structurally attached to County's files storage racks.
- 3) Light switch locations as directed by County.
- 4) Any other item needed or required by the city of Visalia to Facilitate the to code construction of this lighting upgrade.

B. Heating Ventilation and Cooling Upgrade to Warehouse:

- 1) Install 5 new suspended heaters in the Warehouse. Contractor shall vent the Heaters. All Gas lines and connections included. (Renzor Type heaters, 200,000 BTU each)
- 2) Install 1 new 10' overhead infrared heater with wall mounted controls. Location to be determined by County.
- 3) Install 3 new roof mounted Commercial coolers, Includes all ductwork, electrical, and water lines. (21000 CFM, 480 Volt each)
- 4) Replace 2 existing roof mounted Commercial coolers with 2 new roof mounted Commercial coolers. Use existing ductwork and water lines if feasible, replace if necessary. (14000 CFM, 230 Volt each)
- 5) Any other item needed or required by the city of Visalia to Facilitate the to code construction of this HVAC upgrade.

C. Completion of unfinished break room.

- 1) Install new electrical circuits to meet code. Dedicated circuits for refrigerator, and microwave.
- 2) Finish, texture and paint unfinished walls. Color choices by County.
- 3) Install insulated t-bar ceiling, and 6 recessed, 3 lamp parabolic light fixtures switched at the entry of the break room.
- 4) Install new HVAC supply and return air ducting from nearby existing supply and return air ducting. Should capacity not exist on existing HVAC unit, Contactor

shall either upgrade existing HVAC unit or install a separate HVAC unit to serve this area.

- 5) Install drain, hot and cold water for sink.
- 6) Install cabinetry, sink, and counter top meeting a minimum of WJC Custom standard of construction.
- 7) Install 26 oz. commercial grade glue down carpet and top base.
- 8) Install 4 fire sprinkler drops.
- 9) Any other item needed or required by the city of Visalia to Facilitate the to code construction of this break room.

EXHIBIT C
Lessor's Deferred Maintenance
Health & Human Services Agency
8040 Doe Ave., Visalia CA
Page 1

1. Replace existing damaged and discolored vinyl flooring in the restroom and work area with equal or better flooring.

Exhibit D

Insurance Required During Occupancy (County As Lessee)

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

A. MINIMUM SCOPE OF AND LIMITS OF INSURANCE.

1. Coverage at least as broad as Commercial General Liability insurance of \$1,000,000.00 combined single limit per occurrence.
 - a. Names the County, its officers, agents, employees and volunteers, individually and collectively as additional insureds.
 - b. States that such insurance for additional insureds shall apply as primary insurance and any other insurance maintained by the County shall be excess.
 - c. Provides that coverage shall not be suspended, voided, canceled or otherwise materially changed except after thirty (30) days prior written notice is given to the County.

B. 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:V" (or as approved by the County Risk Manager) from a company admitted to do business in California.

C. VERIFICATION OF COVERAGE

Prior to approval of the Agreement by LESSOR and the County, LESSOR shall file with County a Certificate of insurance with original endorsements effecting coverage in form acceptable to the County. The County reserves the right to require certified copies of all required insurance policies at any time.