

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
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SPACE ABOVE THIS LINE FOR RECORDER'S USE

County: Tulare

W 26061

LEASE PRC

This Lease consists of this summary and the following attached and incorporated parts:

Section 1	Basic Provisions
Section 2	Special Provisions Amending or Supplementing Section 1 or 4
Section 3	Description of Lease Premises
Section 4	General Provisions

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise and let to the **County of Tulare**, hereinafter referred to as Lessee, those certain lands described in Section 3 subject to the reservations, terms, covenants and conditions of this Lease.

MAILING ADDRESS: 5961 South Mooney Boulevard
Visalia, CA 93277

LEASE TYPE: General Lease - Public Agency Use

LAND TYPE: Sovereign lands

LOCATION: Kings River at Avenue 416 near the city of Dinuba, Tulare County

LAND USE OR PURPOSE: The construction, use, and maintenance of a new bridge and rock slope protection at Avenue 416 on the Kings River; the use of a temporary construction easement; the temporary retention, use, and maintenance of the existing Avenue 416 bridge; the demolition of the existing bridge and the potential abandonment in place of piers and pilings upon completion of the new bridge, and the construction, use, and maintenance of utility conduits on the new bridge.

TERM: 20 years; beginning October 29, 2010; ending October 28, 2030, unless sooner terminated as provided under this Lease.

CONSIDERATION: **Bridge:** The public use and benefit, subject to modification by Lessor as specified in Paragraph 2(b) of Section 4 - General Provisions.

Utilities: \$195 per annum, subject to modification by Lessor as specified in Paragraph 2(b) of Section 4 - General Provisions.

AUTHORIZED IMPROVEMENTS:

EXISTING: Approximately 850-foot long, two lane concrete deck bridge and supports to be demolished and removed upon completion of the new bridge.

TO BE CONSTRUCTED: 740-foot long by 81-foot wide, four lane, cast-in-place concrete bridge with four piers, sidewalks, and rock slope protection on each bank; utility conduits as described in Section 2, Paragraph 1.

CONSTRUCTION MUST BEGIN BY: July 1, 2011

AND BE COMPLETED BY: December 31, 2013

LIABILITY INSURANCE: N/A

SURETY BOND OR OTHER SECURITY: N/A

SECTION 2 SPECIAL PROVISIONS

**BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED,
REVISED, OR SUPPLEMENTED AS FOLLOWS:**

1. Lessor acknowledges and endorses existing Franchise and Licensing Agreements (Agreements) previously entered into between the County of Tulare and several utilities to be located within the new bridge. Such Agreements will be considered as Subleases for Lease purposes unless such Agreements include terms and/or rights extending beyond those conveyed to the Lessee in this Lease. Such utilities proposed for placement within the new bridge include the following:
 - a. PG&E – 1-4” diameter conduit
 - b. Southern California Gas – 1-8” diameter casing for a 4” diameter carrierLessor also acknowledges and endorses existing Franchise Agreements previously entered into between the state of California and the following utilities to be located within the new bridge:
 - c. AT&T/Pac Bell – 3-4” diameter conduits
 - d. Time Warner – 1-10” diameter conduit
 - e. Verizon – 1-4” diameter conduit
2. Lessee shall not install, attach, or authorize the placement of any utilities or other improvements on the bridge or within the Lease Premises, other than those described in Section 2, Paragraph 1 herein, without the Lessor’s prior review and consideration. Separate Leases may be required for any utilities to be placed on the bridge or within the Lease Premises not subject to Franchise and Licensing Agreements described in Section 2, Paragraph 1 herein, and/or any utilities operating under such Agreements that include terms and/or grant rights extending beyond those conveyed to the Lessee in this Lease.
3. Lessee’s commencement of the bridge replacement project within the Lease Premises is contingent upon obtaining project funding, and no provisions in this Lease shall be interpreted so as to require Lessee to commence such project. However, should construction limiting dates shown in Section 1, AUTHORIZED IMPROVEMENTS not be met, at least 180 days prior to project commencement Lessee will submit an application to Lessor requesting an amendment to the Lease to establish new limiting dates.
4. Prior to the start of construction, Lessee shall provide to Lessor documentation that proves Lessee has the right to access the uplands adjacent to the Lease premises.
5. Prior to the start of construction, Lessee shall provide to Lessor copies of all permits and authorizations from all federal, state, and local agencies having jurisdiction over the project.
6. All construction activities shall be carried out in accordance with all applicable safety regulations, permits, and conditions of other involved agencies.
7. 30 days prior to commencement of any construction activities, Lessee shall provide to Lessor a construction schedule time line chart showing all significant work activities that will take place during the course of the bridge removal and replacement project. Additionally, Lessee shall submit, for Lessor’s staff review and comment, a copy of the construction contractor’s work execution plan that provides the details of the manpower, equipment, construction methods and procedures to be employed for each significant activity, safety procedures, etc.

8. Prior to the start of construction, Lessee shall provide to Lessor a project specific hazardous spill contingency plan, with specific designation, including direct contact information, of the onsite person who will have responsibility for implementing the plan. The plan will also provide for the call out of additional spill containment and clean up resources in the event of an incident that exceeds the rapid clean up capability of the onsite work force.
9. Lessee shall place warning signage and/or buoys clearly visible from the shore and in the water both upstream and downstream of the construction site to provide notice of the new bridge replacement and existing bridge demolitions projects, and to advise the public to exercise caution. Such signage shall conform to the requirements specified in California Code of Regulations (CCR) Title 14, Section 7000, et seq. and shall be in place and maintained by Lessee at all times during bridge removal and construction activities.
10. Lessee shall notify the California Department of Boating and Waterways of the location, description, and purpose of such warning signage and/or buoys upon their installation and removal pursuant to CCR Title 14, Section 7003 (c).
11. The temporary construction easement described in Section 3, DESCRIPTION OF LEASE PREMISES, and Lessee's use of such easement shall terminate within 90 days of either the actual completion date of the bridge construction and demolition project, or December 31, 2013, whichever is sooner.
12. Lessee agrees to make a reasonable, good-faith effort to remove all existing bridge improvements in their entirety. In the event any of the improvements cannot be removed completely, Lessee shall remove all portions of the remaining improvements to a minimum depth of five feet below the existing mud line.
13. Lessee shall immediately notify Lessor in writing should Lessee be unable to completely remove any bridge improvements. Notification shall include a written narrative of the removal efforts, the conditions prohibiting such removal, and a general description of the improvements not removed.
14. Within 90 days of written notification as discussed in Section 2, Paragraph 13 herein, Lessee shall submit to Lessor's staff for review and comment an action plan detailing how Lessee will remedy, at Lessor's option, any potential hazards, nuisances, or other conditions arising from or related to any improvements not removed that Lessor determines to be adverse to public interest, including, but not limited to, the subsequent exposure of any such improvements.
15. Lessee shall, at its sole risk and expense, remove any or all portions of any improvements not removed if Lessor at any time determines such improvements to be adverse to the public interest. All removal activities shall be carried out in accordance with all applicable safety regulations, permits and conditions of other agencies having jurisdiction in the area of such improvements. Upon notice from Lessor that any improvements not removed are adverse to the public interest and within 90 days following the issuance of all necessary permits and authorizations, Lessee shall complete removal of such improvements, unless such removal period is otherwise extended by Lessor.
16. Lessee agrees to respond in a responsible and timely manner to any claims arising from or related to any improvements not removed and shall immediately notify Lessor of any accident, injury.

casualty, or claim arising out of or related in any way to the bridge removal and replacement project.

17. In the event good faith efforts fail to remove all the existing bridge improvements, Lessee agrees to apply to Lessor for a Lease Amendment to implement a Termination and Abandonment Agreement within 90 days of completion of the demolition of the existing bridge as described in Section 1, AUTHORIZED IMPROVEMENTS. Such Amendment and Agreement will require authorization by Lessor and will apply only to that portion of the existing bridge right-of-way described as Parcel 2 in Section 3, DESCRIPTION OF LEASE PREMISES.
18. In the event all existing bridge improvements are successfully removed in their entirety during demolition or at any time thereafter, Lessee agrees to apply to Lessor for a Lease Amendment to remove from the Lease Premises that portion of the existing bridge right-of-way described as Parcel 2 in Section 3, DESCRIPTION OF LEASE PREMISES, and to submit for Lessor's review and acceptance a Quitclaim Deed relinquishing any right, title, or interest Lessee may possess with respect to Parcel 2 as described herein.
19. Lessee shall require the contractor(s) to maintain a logbook during construction operations conducted under the Lease to keep track of all debris created by objects of any kind that fall into the water. The logbook should include the type of debris, date, time, and location to facilitate identification and location of debris for recovery and site clearance verification. All waste material and debris created by Lessee shall be promptly and entirely removed from the Lease Premises and lands subject to Lessor's jurisdiction.
20. Any vehicles, equipment, or machinery to be used on the Lease Premises are limited to those which are directly required to perform the authorized use and shall not include any vehicles, equipment, or machinery that may cause damage to the Lease Premises or lands subject to Lessor's jurisdiction.
21. No vehicle or equipment refueling, maintenance, or repairs will be permitted within the Lease Premises or lands subject to Lessor's jurisdiction.
22. All vehicles, equipment, machinery, tools or other property taken onto or placed within the Lease Premises or lands subject to Lessor's jurisdiction shall remain the property of the Lessee and/or its authorized contractors. Such property shall be promptly and properly removed by Lessee, at its sole risk and expense.
23. Lessor accepts no responsibility for any damages to any property, including any vehicles, equipment, machinery, or tools within the Lease Premises or lands subject to Lessor's jurisdiction.
24. Within 90 days of completion of all bridge construction activities authorized under this Lease, Lessee shall provide a set of as-built plans which include a dimensional site plan or horizontal control plan showing the constructed facilities referenced to at least two monuments of record or California Coordinate System (CCS83) coordinates and stamped and signed by a person licensed to practice land surveying in California. The as-built plans shall also include the location and depth below the mud line of any improvements not removed within the Lease Premises.
25. All future repairs, structural modifications, or the abandonment/removal of any improvements within the Lease Premises shall require prior review and approval by Lessor. In the event of an

urgent repair requiring immediate action, telephone contact can be made through the Lessor's 24-hour emergency response number (562) 590-5201.

26. Lessee acknowledges that the land described in Section 3 of this Lease is subject to the Public Trust and is presently available to members of the public for recreation, waterborne commerce, navigation, fisheries, open space, and any other recognized Public Trust uses. Lessee also agrees that any proposed construction activities and subsequent use of the Lease Premises shall not unreasonably interfere with or limit Public Trust rights, and shall do so only to the extent necessary to protect public health and safety during construction activities authorized by Lessor, or when imminent threats to public health and safety are present.
27. Lease Section 4, Paragraph 8 INSURANCE, and Paragraph 9 SURETY BOND are deleted in their entirety.

In the event of any conflict between the provisions of Section 2 and Section 4 of this Lease, the provisions of Section 2 shall prevail.

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SECTION 3

W 26061

LAND DESCRIPTION

Two parcels of submerged land, lying in the bed of the Kings River, being adjacent to portions of Sections 8 and 17, Township 16 South, Range 23 East, MDM, as shown on the US Government Township Plat approved December 21, 1854, being in Tulare County, California, more particularly described as follows:

Parcel 1

Commencing at the corner common to Sections 8, 9, 16, and 17, monumented by a brass disk marked "Tulare County Surveyor" set in concrete at the intersection of Avenue 416 and Road 40 as shown on a preliminary Record of Survey by Oscar Ramirez, RCE; thence N 89°23'05" W along the line common to Sections 8 and 17, 690.80 feet, more or less to the left (easterly) bank of the Kings River; thence N 46°41'58" E along said left (easterly) bank, 52.02 feet to the POINT OF BEGINNING; thence continuing along said left (easterly) bank the following two (2) courses:

1. N 46°41'58" E, 15.59 feet; and
2. N 35°57'53" E, 98.11';

thence leaving said left (easterly) bank N 89°23'05" W parallel with the line common to Sections 8 and 17, 306.14 feet to the right (westerly) bank of the Kings River; thence along said right (westerly) bank the following two (2) courses:

1. S 49°18'52" W, 73.45 feet; and
2. S 25°56'04" W, 46.86 feet;

thence leaving said right (westerly) bank S 89°23'05" E parallel with the line common to Sections 8 and 17, 313.37 feet to the POINT OF BEGINNING.

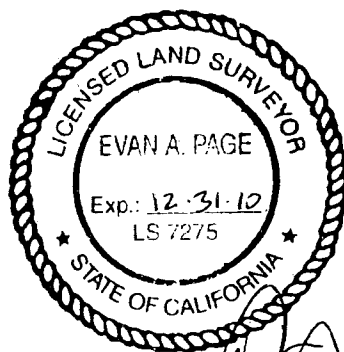
EXCEPTING THEREFROM any portion lying landward of the ordinary low water marks of the Kings River.

Parcel 2

Commencing at the corner common to Sections 8, 9, 16, and 17, monumented by a brass disk marked "Tulare County Surveyor" set in concrete at the intersection of Avenue 416 and Road 40 as shown on a preliminary Record of Survey by Oscar Ramirez, RCE; thence N 89°23'05" W along the line common to Sections 8 and 17, 690.80 feet, more or less to the left (easterly) bank of the Kings River, said point being the POINT OF BEGINNING; thence N 46°41'58" E along the left (easterly) bank of the Kings River 52.02 feet; thence leaving said left (easterly) bank N 89°23'05" W parallel with the line common to Sections 8 and 17, 313.37 feet to the right (westerly) bank of the Kings River; thence S 25°56'04" W along said right (westerly) bank, 62.04 feet;

thence leaving said right (westerly) bank S 89°23'05" E parallel with the line common to Sections 8 and 17, 281.66 feet to said left (easterly) bank; thence N 46°41'58" E along said left (easterly) bank, 28.84 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary low water marks of the Kings River.



EVA

OCT 7 2010

SECTION 3

W 26061

LAND DESCRIPTION

Temporary Construction Easement

A parcel of submerged land, lying in the bed of the Kings River, being adjacent to portions of Sections 8, Township 16 South, Range 23 East, MDM, Tulare County, California, more particularly described as follows:

Commencing at the corner common to Sections 8, 9, 16, and 17, monumented by a brass disk marked "Tulare County Surveyor" set in concrete at the intersection of Avenue 416 and Road 40 as shown on a preliminary Record of Survey by Oscar Ramirez, RCE; thence N 89°23'05" W along the line common to Sections 8 and 17, 690.80 feet, more or less to the left (easterly) bank of the Kings River; thence along said left (easterly) bank the following two (2) courses:

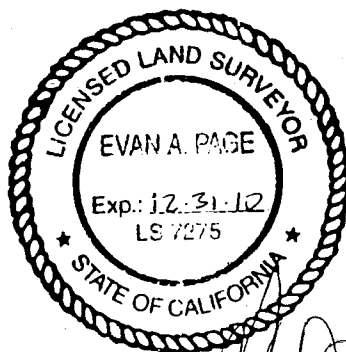
1. N 46°41'58" E, 67.61 feet; and
2. N 35°57'53" E, 98.11'; to the

POINT OF BEGINNING; thence continuing N 35°57'53" E along said left (easterly) bank, 64.98 feet; thence leaving said left (easterly) bank N 89°23'05" W parallel with the line common to Sections 8 and 17, 296.38 feet to the right (westerly) bank of the Kings River; thence along said right (westerly) bank the following two (2) courses:

1. S 19°50'22" W, 17.40'; and
2. S 49°18'52" W, 55.40 feet;

thence leaving said right (westerly) bank S 89°23'05" E parallel with the line common to Sections 8 and 17, 306.14 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary low water marks of the Kings River.



EVA
[Signature]
OCT 7 2010

SECTION 4

GENERAL PROVISIONS

1. GENERAL

These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. CONSIDERATION

(a) Categories

(1) Rental

Lessee shall pay the annual rental as stated in this Lease to Lessor without deduction, delay, or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) Non-Monetary Consideration

If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State.

(b) Modification

Lessor may modify the method, amount, or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days notice prior to the effective date.

(c) Penalty and Interest

Any installments of rental accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

3. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. LAND USE

(a) General

Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements

and within sixty (60) days after completing them. Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) Continuous Use

Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration.

(c) Repairs and Maintenance

Lessee shall, at its own expense, keep and maintain the Lease Premises and all improvements in good order and repair and in safe condition. Lessor shall have no obligation for such repair and maintenance.

(d) Additions, Alterations, and Removal

(1) Additions - No improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor.

(2) Alteration or Removal - Except as provided under this Lease, no alteration or removal of improvements on or natural features of the Lease Premises shall be undertaken without the prior written consent of Lessor.

(e) Conservation

Lessee shall practice conservation of water, energy, and other natural resources and shall prevent pollution and harm to the environment. Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Lease. Lessor, by its executive officer, shall notify Lessee, when in his or her opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(f) Toxics

Lessee shall not manufacture or generate hazardous wastes on the Lease Premises unless specifically authorized under other terms of this Lease. Lessee shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the Lease term and shall comply with and be bound by all applicable provisions of such federal, state or local law, regulation or ordinance dealing with such wastes, substances or materials. Lessee shall notify Lessor and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances, or materials.

(g) Enjoyment

Subject to the provisions of paragraph 5 (a) (2) below, nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitutes a material interference with Lessee's use

and enjoyment of the Lease Premises as provided under this Lease.

(h) **Discrimination**

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, religion, national origin, sex, age, or handicap.

(i) **Residential Use**

No portion of the Lease Premises shall be used as a location for a residence or for the purpose of mooring a structure which is used as a residence. For purposes of this Lease, a residence or floating residence includes but is not limited to boats, barges, houseboats, trailers, cabins, or combinations of such facilities or other such structures which provide overnight accommodations to the Lessee or others.

5. **RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY**

(a) **Reservations**

- (1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (2) Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purpose associated with this Lease or for carrying out any function required by law, or the rules, regulations or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.
- (3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.
- (4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) **Encumbrances**

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

6. **RULES, REGULATIONS, AND TAXES**

(a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any other governmental agency or entity having lawful authority and jurisdiction.

(b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements.

(c) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Lease Premises, and such payment shall not reduce rental due Lessor under this Lease and Lessor shall have no liability for such payment.

7. **INDEMNITY**

(a) Lessor shall not be liable and Lessee shall indemnify, hold harmless and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, arising out of or connected in any way with the issuance, enjoyment or breach of this Lease or Lessee's use of the Lease Premises except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.

(b) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

8. **INSURANCE**

(a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition or maintenance of the Lease Premises and all improvements.

(b) The insurance policy or policies shall name the State of California, its officers, employees and volunteers as insureds as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The policy (or endorsement) must provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lessor. Lessor will not be responsible for any premiums or other assessments on the

policy. The coverage provided by the insured (Lessee) shall be primary and non-contributing.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

9. SURETY BOND

(a) Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

(1) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital stock of Lessee which results in a change of controlling persons, or the sale or other transfer of substantially all the assets of Lessee;

(2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(c) If this Lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:

(1) Give prior written notice to Lessor;

(2) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee, or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;

(4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and

(5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrancing of Lease) available from Lessor upon request.

(g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of

or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises.

(h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

11. DEFAULT AND REMEDIES

(a) Default

The occurrence of any one or more of the following events shall immediately and without further notice constitute a default or breach of the Lease by Lessee:

- (1) Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease;
- (2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease;
- (3) Lessee's vacation or abandonment of the Lease Premises (including the covenant for continuous use as provided for in paragraph 4) during the Lease term;
- (4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements;
- (5) Lessee's failure to comply with all applicable provisions of federal, state or local law, regulation or ordinance dealing with hazardous waste, substances or materials as defined under such law;
- (6) Lessee's Failure to commence to construct and to complete construction of the improvements authorized by this Lease within the time limits specified in this Lease; and/or

- (7) Lessee's failure to comply with applicable provisions of federal, state or local laws or ordinances relating to issues of Health and Safety, or whose purpose is to conserve resources or to protect the environment.

(b) Lessee's failure to observe or perform any other term, covenant or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) Remedies

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

- (1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises;
- (2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice, Lessee shall immediately surrender possession of the Lease Premises to Lessor;
- (3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises; and/or
- (4) Exercise any other right or remedy which Lessor may have at law or equity.

12. RESTORATION OF LEASE PREMISES

(a) Upon expiration or sooner termination of this Lease, Lessor upon written notice may take title to any or all improvements, including fills, or Lessor may require Lessee to remove all or any such improvements at its sole expense and risk; or Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense. Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such improvements to Lessor free and clear of any liens, mortgages, loans or any other encumbrances.

(b) In removing any such improvements Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction.

(c) All plans for and subsequent removal and restoration shall be to the satisfaction of Lessor and shall be completed within ninety (90) days after the expiration or sooner termination of this Lease or after compliance with paragraph 12(d), whichever is the lesser.

(d) In removing any or all the improvements Lessee shall be required to obtain any permits or other governmental approvals as may then be required by lawful authority.

(e) Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved by Lessor an independent environmental site assessment or inspection for the presence or suspected presence of hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency(ies) and shall further be responsible for removing or taking other appropriate remedial action regarding such wastes, substances or materials in accordance with applicable federal, state or local law regulation or ordinance.

13. QUITCLAIM

Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation, be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

14. HOLDING-OVER

Any holding-over by Lessee after the expiration of the Lease term, with or without the express or implied consent of Lessor, shall constitute a tenancy from month to month and not an extension of the Lease term and shall be on the terms, covenants, and conditions of this Lease, except that the annual rental then in effect shall be increased by twenty-five percent (25%).

15. ADDITIONAL PROVISIONS

(a) **Waiver**

(1) No term, covenant, or condition of this Lease and no default or breach of any such term, covenant or condition shall be deemed to have been waived, by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition of any other default or breach of any term, covenant or condition of this Lease.

(b) **Time**

Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) Notice

All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

(d) **Consent**

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) **Changes**

This Lease may be terminated and its term, covenants and conditions amended, revised or supplemented only by mutual written agreement of the parties.

(f) Successors

The terms, covenants and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

(g) Joint and Several Obligation

If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(h) Captions

The captions of this Lease are not controlling and shall have no effect upon its construction or interpretation.

(i) **Severability**

If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

[illegible]

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC _____

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE:

COUNTY OF TULARE

LESSOR:

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By: _____

Title: _____

Date: _____

ACKNOWLEDGMENT(S)

This Lease was authorized by the
California State Lands Commission on

(Month Day Year)

APPROVED AS TO FORM:
COUNTY COUNSEL

By G. [Signature] 12/22/10
Deputy

