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## LEASE AGREEMENT

THIS LEASE AGREEMENT ("LEASE") is made and entered into this 22nd day of February, 2022, by and between HERITAGE CENTRE LLC, a California limited liability company, 1475 Powell Street, Suite 101, Emeryville, California 94608 ("LESSOR"), and the COUNTY OF FRESNO, a political subdivision of the State of California, 333 Pontiac Way, Clovis, CA 93612 ("LESSEE"). LESSOR and LESSEE shall also be referred to herein singularly as a "Party" and collectively as "Parties."

1. REAL PROPERTY; LEASED PREMISES - LESSOR represents, covenants, and warrants to LESSEE that LESSOR is the fee title owner of the Real Property, which Real Property includes the building with an address of 3109, 3115, 3119, 3121, 3127, 3133, 3147, 3151, and 3155 N. Millbrook Avenue and 3676 and 3708 E. Shields Avenue, Fresno, CA 93726 (collectively, the "Building"), together with related paved parking and associated landscaping, collectively commonly known as Heritage Centre (the Real Property and the Building are collectively, the "Centre"). The Building is approximately 173,200 square feet, composed of approximately 151,650 square feet of office space, and approximately 21,550 square feet of storage space, which 21,550 square feet shall be utilized for storage only, as shown on the site plan attached as Exhibit A, attached and incorporated by this reference (the "Site Plan"). Subject to the terms and conditions set forth in this LEASE, LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR the Building, together with all related paved parking and associated landscaping (collectively, the "Premises"), which Premises includes the exclusive right to use the Centre's parking lot, which contains 514 parking stalls. All of these parking stalls shall be restricted to, and available at all times for, LESSEE's exclusive use under this LEASE. The legal description of the "Real Property" is set forth in Exhibit B, which is attached and incorporated by this reference.

2. TITLE - LESSOR agrees that so long as this LEASE is in effect, LESSOR shall not, from and after the Effective Date, without LESSEE's prior written consent, which consent shall not be unreasonably withheld, enter into any recorded easements, covenants, conditions, and restrictions affecting the Real Property that would materially diminish LESSEE's rights

1 under this LEASE or materially increase LESSEE's obligations under this LEASE, or adversely  
2 affect LESSEE's right to purchase the Premises. LESSEE shall comply with, and LESSEE's  
3 rights and obligations under this LEASE, and LESSEE's use of the Premises shall be subject  
4 and subordinate to, all recorded easements, covenants, conditions, and restrictions now  
5 affecting the Real Property.

6 3. PREMISES -

7 a) LESSEE hereby acknowledges and confirms that LESSOR has  
8 tendered to LESSEE, and LESSEE has accepted, possession of the Premises in the condition  
9 required under this LEASE on the Effective Date.

10 b) LESSEE acknowledges that: (i) it has been advised by LESSOR and  
11 LESSOR's broker to satisfy itself with respect to the condition of the Premises (including,  
12 without limitation, the Building's systems located therein, and the security and environmental  
13 aspects thereof) and the present and future suitability of the Premises for LESSEE's intended  
14 use; (ii) LESSEE has made such inspection and investigation as it deems necessary with  
15 reference to such matters; and (iii) neither LESSOR nor any of LESSOR's agents has made  
16 any oral or written representations or warranties with respect to the condition, suitability or  
17 fitness of the Premises, other than as may be specifically set forth in this LEASE.

18 c) LESSOR and LESSEE agree that for all purposes under this LEASE,  
19 the rentable area of the Premises specified in Section 1 of this LEASE shall be deemed to be  
20 the rentable area of the Premises, and the same shall not be subject to re-measurement or re-  
21 calculation.

22 d) During the Term, LESSEE will comply with all applicable Laws, at no  
23 cost to LESSOR. LESSEE, at its sole cost and expense, shall obtain and keep in effect during  
24 the Term, all permits, licenses, and other authorizations necessary to permit LESSEE to use  
25 and occupy the Premises for the Permitted Use in accordance with applicable Law. Neither  
26 LESSOR nor any agent of LESSOR has made any representation or warranty regarding the  
27 condition of the Premises, the Building or the Centre or with respect to the suitability of any of  
28 the foregoing for the conduct of LESSEE's business. As used herein, "Law" or "Laws" shall

1 mean any one or more present and future laws, Environmental Laws, ordinances, rules,  
2 regulations, permits, codes, authorizations, orders and requirements, to the extent applicable  
3 to the Parties or to the Premises or any portion thereof, whether or not foreseen, unforeseen  
4 or in the present contemplation of the Parties, including all consents or approvals (including  
5 regulatory approvals) required to be obtained from or issued by, and all rules and regulations  
6 of, and all building and zoning laws of, all federal, state, county and municipal governments,  
7 the departments, bureaus, agencies or commissions thereof, authorities, boards of officers,  
8 any national or local board of fire underwriters, or any other body or bodies exercising similar  
9 functions, having or acquiring jurisdiction of, or which may affect or be applicable to, the  
10 Premises or any part thereof, including any subsurface area, the use thereof, and of the  
11 Buildings and improvements thereon.

12 4. QUIET ENJOYMENT - As long as there is no uncured default on the part of  
13 LESSEE under this LEASE then continuing, LESSOR covenants and warrants to LESSEE that  
14 LESSEE shall have the quiet use and enjoyment of the Premises during the Term without  
15 hindrance from LESSOR or any party claiming by, through, or under LESSOR, subject to the  
16 terms and conditions of this LEASE.

17 5. TERM - The term of this LEASE shall be for ten (10) years, beginning on March  
18 1, 2022 (the "Effective Date"), and expiring on February 29, 2032 (the "Expiration Date"),  
19 subject to earlier termination as provided in this LEASE (the "Term"). For the avoidance of  
20 doubt, this LEASE shall be binding upon and enforceable against both LESSOR and LESSEE  
21 during the entire Term, and LESSEE's obligation to pay Rent and otherwise perform under this  
22 Lease shall not be subject to any condition relating to budgets or appropriation of funds by  
23 LESSEE.

24 6. HAZARDOUS SUBSTANCES

25 a) Generally – LESSOR shall deliver the Premises to LESSEE so that  
26 there shall not be, as of the Effective Date, any Hazardous Material (as that term is defined  
27 below) present, stored, or disposed of in, under, or about the Premises in violation of any  
28 Environmental Laws (as that term is defined below). LESSOR represents, covenants, and

1 warrants to LESSEE that, to LESSOR's knowledge, as of the Effective Date, there have not  
2 been: (i) any inquiries, investigations, proceedings, or claims by any government agencies or  
3 other persons regarding the presence of Hazardous Material on, under, or about the Premises,  
4 or (ii) any release reports or commitment statements, as those terms are defined in California  
5 Civil Code Section 850, issued with respect to the Premises. Subject to the first sentence of  
6 this Section 6, neither Party shall cause or permit any Hazardous Material to be generated,  
7 brought onto, used, stored, or disposed of in, under, or about the Premises by such Party or its  
8 agents, employees, contractors, subtenants, or invitees, except for such substances that are  
9 required and lawfully used, stored, and disposed of in the ordinary course of LESSOR's  
10 performance of its obligations under this LEASE, or of LESSEE's operations conducted at the  
11 Premises, or are otherwise approved by LESSOR, which approval shall not be unreasonably  
12 withheld or delayed. Each Party shall:

13 i. Use, store, and dispose of all such permitted Hazardous Material  
14 in strict compliance with all Applicable Laws and Regulations that relate to public health and  
15 safety and protection of the environment ("Environmental Laws"), including, without limitation,  
16 those Environmental Laws identified below; and

17 ii. Otherwise comply at all times during the Term with all  
18 Environmental Laws.

19 b) Notice – If, during the Term, either LESSOR or LESSEE becomes  
20 aware of (i) any actual or threatened release of any Hazardous Material on, under, or about  
21 the Premises, or (ii) any inquiry, investigation, proceeding, or claim by any government agency  
22 or other person regarding the presence of Hazardous Material on, under, or about the  
23 Premises, that Party shall give the other Party written notice of the release or investigation  
24 within five (5) calendar days after learning of it, and shall simultaneously furnish to the other  
25 Party copies of any claims, notices of violation, reports, or other writings received by the Party  
26 providing notice that concern the release or investigation.

27 c) Definition – As used in this Section 6, the term "Hazardous Material"  
28 shall mean any hazardous or toxic substance, material, or waste at any concentration that is or

1 becomes regulated by the United States, the State of California, or any local government  
2 authority having jurisdiction over the Building. Hazardous Material includes, without limitation:

3 i. Any "hazardous substance," as that term is defined in the  
4 Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)  
5 (42 United States Code Sections 9601-9675);

6 ii. "Hazardous waste," as that term is defined in the Resource  
7 Conservation and Recovery Act of 1976 (RCRA) (42 United States Code Sections 6901-  
8 6992k);

9 iii. Any pollutant, contaminant, or hazardous, dangerous, or toxic  
10 chemical, material, or substance, within the meaning of any other Applicable Laws and  
11 Regulations (including applicable consent decrees and administrative orders imposing liability  
12 or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance, or  
13 material, now or hereafter in effect);

14 iv. Petroleum products;

15 v. Radioactive material, including from any source, special nuclear,  
16 or byproduct material as defined in 42 United States Code Sections 2011-2297b-7;

17 vi. Asbestos in any form or condition; and

18 vii. Polychlorinated biphenyls (PCBs) and substances or compounds  
19 containing PCBs.

20 7. RENT

21 a) From and after the Effective Date, and throughout the Term, in consideration for  
22 LESSEE's use of the Premises, LESSEE shall pay to LESSOR, without offset, demand, or  
23 prior notice, with the exception of an offset for abatement pursuant to Sections 16(c) and 15,  
24 herein, on or before the first of each month, base rent according to base rent schedule set  
25 forth in Section 7(b), herein ("Base Rent") beginning on the Effective Date, as shown in the  
26 payment schedule below:  
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Rent Period	Base Rent
Year 1	\$220,000.00
Year 2	\$220,000.00
Year 3	\$220,000.00
Year 4	\$220,000.00
Year 5	\$220,000.00
Year 6	\$230,000.00
Year 7	\$230,000.00
Year 8	\$230,000.00
Year 9	\$230,000.00
Year 10	\$230,000.00

b) In addition to Base Rent, LESSEE shall pay to LESSOR, as "Additional Rent", the following:

- i. the Operating Costs set forth below, and
- ii. the TI Rent set forth in Section 10(k) of this LEASE.

c) Base Rent, Additional Rent, and all other sums that LESSEE may owe to LESSOR or otherwise be required to pay under this LEASE shall be collectively referred to in this LEASE as "Rent".

d) Operating Costs. During each calendar year or partial calendar year of the Term, LESSEE shall pay to LESSOR, concurrently with each monthly installment of Base Rent, an amount equal to the estimated Operating Costs for such calendar year or part thereof divided by the number of months therein.

e) Estimated Cost Statement. The Parties shall use the form of Estimated Cost Statement, attached as Exhibit J, which first Estimated Cost Statement sets forth estimated amounts that are calculated by LESSOR as of the Effective Date, and to which LESSEE is deemed to have agreed to the amounts stated therein. From time to time, but not more often than annually, the Estimated Cost Statement may be revised in response to additional services being requested by LESSEE. LESSOR may estimate and re-estimate, as applicable, the Operating Costs, and deliver a copy of the estimate or re-estimate to LESSEE, and shall provide written justification and evidence for each change in Operating Costs reasonably satisfactory to LESSEE. LESSEE will either comment on or approve the Estimated Cost

1 Statement within sixty (60) calendar days following its receipt thereof, and any failure by  
2 LESSEE to provide any comment or disapproval shall be deemed approval of the Estimated  
3 Cost Statement.

4 If LESSEE disapproves any portion of the Estimated Cost Statement, the Parties shall  
5 promptly meet and confer in good faith, and discuss the reason for the disapproval. If the  
6 Parties reach agreement with respect to the Estimated Cost Statement, LESSOR, if  
7 necessary, shall revise the Estimated Cost Statement accordingly and re-submit it to LESSEE  
8 for its requested approval. LESSEE shall continue to make payments for Additional Rent  
9 under the Estimated Cost Statement previously approved by LESSEE, until LESSEE has  
10 approved the Estimated Cost Statement in writing. Upon approving the Estimated Cost  
11 Statement, LESSEE shall pay Additional Rent based on the approved Estimated Cost  
12 Statement, plus all additional amounts, if any, owed by LESSEE for the period during which  
13 the Parties were in the process of reaching agreement as to the Estimated Cost Statement,  
14 and reached agreement on such amounts. The Parties shall attempt in good faith to resolve  
15 any disagreement regarding the Estimated Cost Statement within sixty (60) calendar days of  
16 the date that LESSOR delivers the Estimated Cost Statement to LESSEE, provided however,  
17 if LESSEE continues to disagree with LESSOR, LESSEE shall pay the disputed amounts  
18 promptly following the end of such sixty (60) day period, but such payment shall be subject to  
19 LESSEE's right to pursue any remedy allowed by law with respect to such disputed amount.

20 All amounts paid based on the Estimated Cost Statement shall be subject to  
21 adjustment and reconciliation as provided in Section 7(h), herein, when actual Operating Costs  
22 are available for each calendar year. The term "Operating Costs" shall mean all costs and  
23 expenses that LESSOR incurs in connection with the ownership, operation, maintenance and  
24 repair of the Premises or any portion thereof, including, but not be limited to, the following  
25 costs:

- 26 i. Insurance Costs. LESSEE shall pay LESSOR's insurance costs under  
27 Section 24, herein.
- 28 ii. Maintenance Costs. As described in Section 11, herein;

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- iii. Utility Costs. All amounts owed to third party service providers for metered utilities, including water, sewage, garbage, gas, and electricity;
  - iv. Janitorial Costs. As described in Section 11, herein.
  - v. A reasonable facility administrative charge equal to 3% of the then-applicable Base Rent and Operating Costs; and
  - vi. Tax Costs. LESSEE shall reimburse LESSOR for (1) LESSOR’s actual out of pocket costs for property taxes and assessments for the Premises, provided however, (i) LESSEE shall not be responsible for reimbursing LESSOR for any interest, penalties, or charges due to LESSOR’s late payment of, or failure to pay, such property taxes, or (ii) in the event of any change in ownership that results in an increased assessment of property taxes upon the Premises, LESSOR, or its successor or assign, shall be solely responsible for any increase in taxes as a result of such change in ownership.
- f) Actual Cost Statement. Within sixty (60) days after the end of each calendar year during the Term, LESSOR shall furnish to LESSEE a statement of actual Operating Costs for the previous year (the “Actual Cost Statement”), accompanied by copies of all supporting documents for each of such items of the Additional Rent. If LESSEE’s estimated payments of Operating Costs under this Section 7 for the year covered by the Actual Cost Statement exceed the actual cost of such items for LESSEE’s use of the Center, as indicated in the Operating Statement, then LESSOR shall credit or reimburse LESSEE for such excess at the same time as the issuance of the Actual Cost Statement; likewise, if LESSEE’s estimated payments of Operating Costs pursuant this Section 7 for such year are less than LESSEE’s share of the actual cost of such items as demonstrated in the Actual Cost Statement, then LESSEE shall promptly pay LESSOR such deficiency, notwithstanding that the Term has expired, and LESSEE has vacated the Premises.

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g) Operating Audit Rights. Within one hundred eighty (180) days (the "Audit Election Period") after LESSOR furnishes to LESSEE the Actual Cost Statement for any calendar year, LESSEE may, at its expense during LESSOR's normal business hours, elect to audit LESSOR's actual Operating Costs for such calendar year only, subject to the following conditions: (1) the audit shall be prepared by an independent certified public accounting firm; (2) in no event shall any audit be performed by a firm retained on a "contingency fee" basis; (3) the audit shall commence within thirty (30) days after LESSOR makes LESSOR's books and records available to LESSEE's auditor, and shall conclude within sixty (60) days after commencement; (5) the audit shall be conducted where LESSOR maintains its books and records or at an office designated by LESSOR in the reasonable vicinity of the Centre, and shall not unreasonably interfere with the conduct of LESSOR's business; and (6) LESSEE and its accounting firm shall treat any audit in a confidential manner and shall each execute LESSOR's commercially reasonable confidentiality agreement for LESSOR's benefit prior to commencing the audit. LESSEE shall deliver a copy of such audit to LESSOR within ten (10) business days after it is finalized. This paragraph shall not be construed to limit, suspend or abate LESSEE's obligation to pay Rent when due, including estimated Operating Costs. After verification, LESSOR shall credit any overpayment determined by the audit report against the next Rent due and owing by LESSEE or, if no further Rent is due, refund such overpayment directly to LESSEE within thirty (30) days of determination. Likewise, LESSEE shall pay LESSOR any underpayment determined by the audit report within thirty (30) days of determination. If the audit finds that LESSEE has overpaid actual Operating Costs, the Estimated Cost Statement currently in use will be adjusted to reflect the actual Operating Costs. The foregoing obligations shall survive the expiration or earlier termination of the LEASE. If LESSEE does not give written notice of its election to audit during the Audit Election Period, LESSOR's Operating Costs for the

1 applicable calendar year shall be deemed approved for all purposes, and LESSEE  
2 shall have no further right to review or contest the same. If the audit proves that  
3 LESSOR's calculation of Operating Costs for the calendar year under inspection  
4 was overstated by more than five percent (5%) in the aggregate, then, after  
5 verification, LESSOR shall pay LESSEE's actual reasonable audit and inspection  
6 fees applicable to the review of said calendar year statement within thirty (30) days  
7 after production of the audit results to LESSOR.

8 8. USE – LESSEE shall use the Premises as office space for its Department of  
9 Behavioral Health, or for any other County of Fresno department, office, or agency (the  
10 “Permitted Use”). LESSEE agrees to comply with all applicable laws, ordinances, and  
11 regulations in connection with such use.

12 9. ALTERATIONS

13 a) LESSEE shall not make any alterations, additions or improvements (collectively,  
14 the “Alterations”) to the Premises without the prior written consent of LESSOR,  
15 which consent shall not be unreasonably withheld, except for the installation of  
16 unattached, movable trade fixtures which may be installed without drilling, cutting or  
17 otherwise defacing the Premises. For the avoidance of doubt, “Alterations” shall not  
18 include the Tenant Improvements to be performed by LESSOR. LESSEE shall  
19 furnish complete plans and specifications to LESSOR for its reasonable approval at  
20 the time LESSEE requests LESSOR's consent to any Alterations. Notwithstanding  
21 anything to the contrary set forth herein, LESSEE shall not be required to obtain  
22 LESSOR's consent with respect to any cosmetic work performed within the  
23 Premises by LESSEE (i.e., paint, carpet and other similar Alterations that do not  
24 affect the Building's systems or structure). Except with respect to such cosmetic  
25 Alterations, subsequent to obtaining LESSOR's consent and prior to  
26 commencement of the Alterations, LESSEE shall deliver to LESSOR any building  
27 permit required by applicable Law, and a copy of the executed construction  
28 contract(s) for such Alterations.

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b) If LESSOR consents to the making of any Alteration, such Alteration shall be made by LESSEE at LESSEE's sole cost and expense by a contractor approved in writing by LESSOR, which approval shall not be unreasonably withheld. Any construction, alteration, maintenance, repair, replacement, installation, removal or decoration undertaken by LESSEE in connection with the Premises shall be completed in accordance with the plans and specifications approved by LESSOR,.

c) All work performed, materials furnished, or obligations incurred by or at the request of LESSEE or any person claiming through or under LESSEE (except for any LESSEE Improvements) shall be deemed authorized and ordered by LESSEE only, and LESSEE shall not permit any mechanic's liens to be filed against the Premises or the Centre in connection therewith. Upon completion of any such work, LESSEE shall deliver to LESSOR final lien waivers from all contractors, subcontractors and materialmen who performed such work. LESSOR and LESSEE acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with LESSEE, any contractor or subcontractor of LESSEE or any other person claiming through or under LESSEE for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to LESSEE to obtain payment for same. This provision shall not include work done for the Tenant Improvements. Nothing herein shall be deemed a consent by LESSOR to any liens being placed upon the Premises, Centre or LESSOR's interest therein due to any work performed by or for LESSEE or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by LESSOR to reimburse LESSEE for any portion of the cost of such work. LESSEE shall Indemnify LESSOR from and against all claims,

1 demands, causes of action, suits, judgments, damages and expenses (including  
2 reasonable attorneys' fees) due to the failure of LESSEE to pay for any work  
3 performed, materials furnished, or obligations incurred by or at the request of  
4 LESSEE (excluding any Tenant Improvements). The foregoing indemnity shall  
5 survive expiration or earlier termination of this LEASE.

6 10. TENANT IMPROVEMENTS

7 a) LESSOR shall use commercially reasonable efforts to ensure that those  
8 certain tenant improvements ("Tenant Improvements") for which a Notice to Proceed is timely  
9 issued, are completed, as and to the extent provided in, and in accordance with and subject to  
10 the terms and conditions of, the provisions of this Section 10; provided, however, that the total  
11 cost of all such Tenant Improvements in the aggregate shall not exceed the sum of  
12 \$10,000,000 (the "TI Budget").

13 b) Notwithstanding anything to the contrary contained herein, LESSOR  
14 shall have no obligation to perform any Tenant Improvements for which a Notice to Proceed is  
15 not received by LESSOR prior to the fifth (5th) anniversary of the Effective Date. If such a  
16 Notice to Proceed is not received by LESSOR prior to the fifth anniversary of the Effective  
17 Date, this LEASE shall be amended to remove all references to the Tenant Improvements,  
18 and LESSEE shall not be responsible to make any payment for any costs associated with the  
19 prior-planned Tenant Improvements. All drawings, plans, and specifications for Tenant  
20 Improvements and any modifications to said Tenant Improvements must be approved in  
21 writing by both LESSOR and LESSEE, in accordance with, this Section 10.

22 c) As used herein, "TI Costs" shall mean all hard and soft costs of Tenant  
23 Improvements incurred by LESSOR in connection with any Tenant Improvements including,  
24 without limitation, architectural services, interest on the bank loan during construction, and  
25 appraisal fee.

26 d) LESSOR shall construct Tenant Improvements based on plans  
27 approved by the Department of Behavioral Health regarding the design of the Psychiatric  
28 Health Facilities and other spaces within the Building, in accordance with the procedures set

1       forth in this Section 10. The preliminary description of Tenant Improvements is detailed in  
2       Exhibit C, attached and incorporated by this reference. LESSOR and LESSEE agree that final  
3       approved (in writing by both the LESSOR and LESSEE's Director of Behavioral Health, or their  
4       respective designees) Working Drawings (as defined herein) for the Tenant Improvements and  
5       all required permits for the Tenant Improvements shall be in place prior to the commencement  
6       of construction of the applicable Tenant Improvements. Any modifications to the Working  
7       Drawings after permits are in place shall be approved in writing by both the LESSOR and  
8       LESSEE's Director of Behavioral Health, or their respective authorized designees, prior to  
9       commencement of construction of such modifications, which approval shall not be  
10      unreasonably withheld or delayed. Should modifications to the Working Drawings requested  
11      by LESSEE's Director of Behavioral Health delay the completion of the Tenant Improvements,  
12      or cause any increase in the cost of the Tenant Improvements that exceed the TI Budget, then  
13      LESSEE shall be responsible for the cost associated with those modifications. LESSOR shall  
14      provide all labor, material, and equipment for the completion of any Tenant Improvements in  
15      accordance with this Section 11 and the Working Drawings, subject to LESSEE'S Rent  
16      obligations hereunder.

17               e)       Preliminary Plans. The form to be used for LESSEE's request for the  
18      construction of Tenant Improvements is described in Exhibit C. Following delivery of such  
19      request, LESSOR shall, with LESSEE's cooperation, cause the preparation of schematic,  
20      design development and/or other preliminary plans, in LESSOR's discretion, by a design  
21      consultant(s) engaged by LESSOR (collectively, the "Consultant") depicting the applicable  
22      Tenant Improvements to be installed in the Premises (the "Preliminary Plans"). Each Party  
23      shall communicate to the other Party any disapproval or objection to the Preliminary Plans, or  
24      drafts thereof, in reasonable detail, within 10 days of the preparation of the Preliminary Plans.  
25      LESSOR and LESSEE shall use commercially reasonable efforts to finalize and jointly  
26      approve such Preliminary Plans.

27               f)       Working Drawings. Following the written approval by both Parties of the  
28      Preliminary Plans, LESSOR shall, with LESSEE's cooperation, cause the preparation of final

1 working construction drawings for the applicable Tenant Improvements (the “Working  
2 Drawings”). Each Party shall promptly communicate to the other Party any disapproval or  
3 objection to the Working Drawings, or drafts thereof, in reasonable detail. LESSOR and  
4 LESSEE shall use commercially reasonable efforts to promptly finalize and jointly approve  
5 such Working Drawings.

6 g) Cost of Work. LESSOR and LESSEE shall use commercially  
7 reasonable efforts to promptly finalize and jointly approve such TI Costs and any revisions to  
8 the Working Drawings necessary to achieve a mutually acceptable TI Costs budget.

9 Notwithstanding the foregoing or anything to the contrary contained in this Section 10, in no  
10 event shall the aggregate TI Costs for all phases of Tenant Improvements hereunder exceed  
11 the total TI Budget of \$10,000,000, unless the Parties mutually agree in writing, through an  
12 amendment to this LEASE, in their respective sole and absolute discretion, to increase the TI  
13 Budget or otherwise to provide for the payment of the excess TI Costs.

14 h) Notice to Proceed. Both the final Working Drawings and the TI Costs  
15 budget for such work shall be subject to approval by both Parties. LESSEE shall evidence its  
16 approval of final Working Drawings and the TI Costs associated therewith by giving written  
17 notice thereof to LESSOR (“Notice to Proceed”), and such approval shall be irrevocable and  
18 unconditional. Upon receiving such Notice to Proceed, LESSOR shall proceed to commence  
19 and diligently pursue the construction and completion of the approved Tenant Improvements in  
20 a good and workmanlike manner; provided however, that LESSOR shall have no obligation to  
21 construct any Tenant Improvements for which LESSOR does not receive a Notice to Proceed  
22 prior to the fifth (5th) anniversary of the Effective Date.

23 i) Change Orders; Cost Increases. Any actual increase in TI Costs for  
24 Tenant Improvements resulting from any of the following events or conditions shall be added  
25 to the applicable TI Costs budget for the Tenant Improvements, and included in the calculation  
26 of TI Rent:

- 27 1. Any changes requested by LESSEE in writing to the Tenant  
28 Improvements described in Working Drawings covered by a Notice

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to Proceed (each, a “Change Order”), which in any event shall be subject to LESSOR’s reasonable approval;

- 2. Any event of Force Majeure, including acts of God, strikes, lockouts, breakdowns, accidents, war, acts of terrorism (whether local, national or global in nature). LESSOR shall promptly inform LESSEE of the occurrence of any such Force Majeure and the reasonably anticipated and increased costs and expenses, to the extent then known, and LESSOR shall cooperate with LESSEE to reduce or otherwise minimize any resulting increase in TI Costs; and
- 3. Any delay caused by any act, omission, negligence, misconduct, failure to act or failure to timely respond by LESSEE.

j) Substantial Completion; Walk-Through; Punchlist. When LESSOR considers the applicable Tenant Improvements to be substantially completed, LESSOR shall notify LESSEE (a “Substantial Completion Notice”) and promptly thereafter, LESSOR and LESSEE shall conduct a walk-through of the Premises, and identify any necessary punchlist items that are necessary for final completion of the Work. LESSEE’s failure to object in writing or provide a punchlist within ten (10) days after receipt of a Substantial Completion Notice, or LESSEE’s occupancy of the applicable portion of the Premises, shall be deemed LESSEE’s agreement that the applicable Tenant Improvements are completed.

k) TI RENT. In consideration of the TI Costs incurred by LESSOR in connection with this Section 10, LESSEE shall pay Additional Rent to LESSOR, which shall be calculated by LESSOR and paid by LESSEE in accordance with the following provisions (“TI Rent”):

- a. The amount of the cost for each completed separate Tenant Improvement “Task” as listed on the schedule in Exhibit C (whether a Tenant Improvement has been completed shall be determined in accordance with Section 10(j) above) shall be increased at the rate of 8% per annum from the date expended through the first day of the

1 calendar month following Task completion (as so increased, collectively,  
2 the "Task TI Cost");

3 b. As of the first day of the following calendar month (each, an  
4 "Amortization Date"), LESSOR shall calculate the monthly payment (a  
5 "TI Rent Increment") necessary to amortize that completed Task TI Cost  
6 at the rate of 8% per annum in equal monthly installments over the  
7 period commencing on the Amortization Date, and ending on February  
8 1, 2032 (the "Final Rent Date").

9 c. Each TI Rent Increment shall become Additional Rent, and shall be  
10 added to the TI Rent payable by LESSEE for the remaining term of the  
11 LEASE. The monthly TI Rent Increment amount for each Task TI Cost  
12 shall be due and payable as TI Rent commencing on the first day of the  
13 month following the Amortization Date, and continuing through, and  
14 including, the Final Rent Date. The example in Exhibit C with  
15 assumptions shows monthly TI Rent not exceeding \$141,366.79.

16 d. The parties agree that if, at any point during the Term of this LEASE,  
17 LESSEE elects to pay off the total outstanding TI Rent early, there shall  
18 be no prepayment penalty, and each amount of prepaid TI Rent shall be  
19 reduced by an 8% discount rate from the date otherwise payable  
20 hereunder.

21 I) CONSTRUCTION REPRESENTATIVES. Each of LESSOR's and  
22 LESSEE's primary representatives for coordination of construction and any related activities  
23 (including any required approvals) shall be as follows, provided that either party may change  
24 its representative at any time upon written notice to the other Party:

25 LESSOR's Representative: Steve Schwartz  
26 c/o Orton Development, Inc.  
27 1475 Powell Street, Suite 101  
28 Emeryville, CA 94608

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Telephone: (510) 812-6469  
E-mail: [sschwartz1@sbcglobal.net](mailto:sschwartz1@sbcglobal.net)

LESSEE's Representative: Division Manager, Administration  
c/o Department of Behavioral Health  
1925 Dakota Avenue  
Fresno, CA 93726  
Telephone: (559) 600-9054

E-mail: [hherrera@fresnocountyca.gov](mailto:hherrera@fresnocountyca.gov)

11. MAINTENANCE AND REPAIRS

a) LESSOR shall be responsible for all exterior and interior maintenance of the Premises, including all LESSEE improvements, repair of air conditioning, heating units, plumbing systems, electrical systems, interior light fixture ballasts, and lamp replacement fire sprinkler system, roof, painting, flooring, landscape, quarterly parking lot sweeping, parking lot lighting, pest and bird control, and parking and other common area maintenance at the Premises, including janitorial service and supplies. Janitorial service shall be provided five (5) days per week, and shall include the services listed in Exhibit D, attached, and incorporated by this reference. LESSOR is also responsible for the structural condition of the Building, and covenants and agrees that the Building shall always be maintained in a condition suitable for the LESSEE'S intended use of the Premises, and in substantially the same condition as that existing at the commencement of this LEASE. LESSOR's maintenance responsibilities shall include exterior painting, as needed, due to normal wear and tear. All costs and expenses incurred by LESSOR in connection with its maintenance and repair obligations under this LEASE shall be included in Operating Costs.

b) In the event any Building systems such as air conditioning and heating units, malfunction, restroom fixtures are not draining properly, or water intrusion, leaks or other events that immediately impact LESSEE's occupancy of the Premises occur, LESSOR shall respond within twenty-four (24) hours after contact by LESSEE to initiate repairs, and replace

1 equipment to restore the systems to full working order. Structural issues, including but not  
2 limited to damaged doors, walls, roof, and windows shall be a priority, and shall be addressed  
3 within the same day such are reported.

4 c) If LESSOR fails to complete the repairs described in subsection 11(b), herein,  
5 by five (5) days after notification by LESSEE, and if such failure to complete these repairs  
6 continues to impact LESSEE's occupancy of the Premises, the parties agree that LESSEE  
7 shall have the right to initiate and complete the repairs, without further notice to LESSOR. This  
8 remedy is in addition to the remedies provided in Section 14, herein.

9 d) In the event that the Premises needs repairs required to be made by LESSOR  
10 hereunder, LESSEE shall give prompt written notice thereof to LESSOR, and LESSOR shall  
11 promptly make such repairs. LESSOR shall not be liable to LESSEE for any interruption of  
12 LESSEE's business or for any loss of income or profit therefrom or for inconvenience caused  
13 due to any work performed in the Premises or in the Centre pursuant to LESSOR's rights and  
14 obligations under this LEASE or due to any work otherwise undertaken by LESSOR. LESSOR  
15 shall use commercially reasonable efforts to cause such work to be performed in such  
16 manner, as will reduce interference with the conduct of LESSEE's business in the Premises, to  
17 the extent reasonably practicable under the circumstances.

18 12. COMPLIANCE WITH ALL LAWS – LESSOR represents, covenants, and  
19 warrants to LESSEE that the Premises shall be, upon the Delivery Date, in compliance with all  
20 Applicable Laws and Regulations. By way of example of the foregoing obligations of LESSOR,  
21 and not as a limitation on any of LESSOR's obligations, herein, LESSOR shall, with respect to  
22 the Premises, be solely responsible for all applicable seismic safety requirements, as set forth  
23 in the most current edition of the California Building Code (CBC) adopting the ICC  
24 International Code Conference, Title 24 of the California Code of Regulations, all applicable  
25 then-current requirements for accessibility by persons with disabilities, including, but not  
26 limited to, the Americans With Disabilities Act (42 United States Codes, secs. 12101, et seq.,  
27 and all related guidelines, standards, and regulations), and all Applicable Laws and  
28 Regulations concerning the presence of mold and mold contamination in buildings, and the

1 presence of asbestos and asbestos containing materials and in buildings. All costs and  
2 expenses incurred by LESSOR in connection with its compliance obligations under this  
3 LEASE shall be included in Operating Costs.

4 13. Prevailing Wages - As to the Premises, LESSOR acknowledges public funds  
5 are used for payments made by LESSEE under this LEASE and for “public works” projects.  
6 Accordingly, in connection with this LEASE (including construction of the Tenant  
7 Improvements) LESSOR shall comply with, and shall ensure compliance by all contractors and  
8 subcontractors with, all applicable laws and regulations, including the payment of prevailing  
9 wages pursuant to Section 1770 et. seq. of the Labor Code.

10 a. Determination of Prevailing Wage Rates – In accordance with Labor  
11 Code section 1770, et seq., the Director of the Department of Industrial Relations of the State  
12 of California has determined the general prevailing wages rates and employer payments for  
13 health and welfare pension, vacation, travel time and subsistence pay as provided for in  
14 Section 1773.1, apprenticeship or other training programs authorized by Section 3093, and  
15 similar purposes applicable to the work to be done.

16 b. Website – Information pertaining to applicable Prevailing Wage Rates  
17 may be found on the website for the State of California – Department of Industrial Relations:  
18 <http://www.dir.ca.gov/oprl/PWD/index.htm>. Information pertaining to applicable prevailing wage  
19 rates for apprentices may be found on the website for the State of California – Department of  
20 Industrial Relations: <http://www.dir.ca.gov/oprl/pwappwage/PWAppWageStart.asp>.

21 c. Requirement – It shall be mandatory upon LESSOR, and any  
22 contractors or subcontractors utilized by LESSOR to pay not less than the prevailing wage  
23 rates, including overtime and holiday rates, to all workers, laborers, or mechanics employed on  
24 this public work project, including those workers employed as apprentices. Further, LESSOR  
25 shall comply with Labor Code sections 1777.5 and 1777.6 concerning the employment of  
26 apprentices. A copy of the above-mentioned prevailing wage rates shall be posted by  
27 LESSOR at the site, where it will be available to any interested party.

28 d. Penalty – LESSOR shall comply with Labor Code section 1775 and

1 shall forfeit as a penalty to LESSEE Two Hundred Dollars (\$200.00) for each calendar day or  
2 portions thereof, for each worker paid less than the prevailing wage rates for the work or craft  
3 in which the worker is employed for any work done by LESSOR in violation of Labor Code  
4 section 1770, et seq. In addition to the penalty, the difference between the prevailing wage  
5 rates and amount paid to each worker for each calendar day or portion thereof for which each  
6 worker was paid less than the prevailing wage rate shall be paid to each worker by LESSOR.

7 e. Record-Keeping – LESSOR shall keep an accurate record showing the  
8 name, address, social security number, work classification, straight time and overtime hours  
9 worked each day and week, and the actual per diem wages paid to each journeyman,  
10 apprentice, worker, or other employee employed by him or her in connection with this public  
11 work project. In accordance with Labor Code section 1776, each payroll record shall be  
12 certified and verified by a written declaration under penalty of perjury stating that the  
13 information within the payroll record is true and correct and that LESSOR has complied with  
14 the requirements of Labor Code sections 1771, 1811 and 1815 for any work performed by its  
15 employees on this public work project. These records shall be open at all reasonable hours to  
16 inspection by LESSEE, its officers and agents, and to the representatives of the State of  
17 California – Department of Industrial Relations, including but not limited to the Division of  
18 Labor Standards Enforcement.

19 f. LESSOR shall promptly provide a copy to LESSEE of any  
20 correspondence, notices, and/or orders, in any written form, and/or any documents initiating  
21 legal action (collectively, “DIR Administrative or Legal Action”) by or on behalf of the Director of  
22 the Department of Industrial Relations of the State of California, including any representative  
23 thereof (collectively, the “DIR”) to or against LESSOR, and LESSOR’s written responses, in  
24 any written form, thereto, that relate to any Work, or any portion thereof, provided however,  
25 LESSOR’s provision of such copy of any DIR Administrative or Legal Action, and/or  
26 LESSOR’s responses thereto, or failure to provide same or to timely provide same, shall not  
27 impose any obligation upon LESSEE with respect to LESSOR’s obligations under this Section  
28 13. LESSOR acknowledges that the DIR provides the following internet resource:

1 <https://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

2 14. BREACH OF OBLIGATION TO MAINTAIN - In the event LESSOR breaches its  
3 obligation to maintain the Premises as herein provided, LESSEE shall give written notice to  
4 LESSOR within fifteen (15) days of its discovery of such breach. LESSOR shall then have  
5 thirty (30) days from the date of such notice to cure its breach, provided, however, that if the  
6 item of maintenance requires more than (30) days to complete, then LESSOR will not be in  
7 default hereunder if within such thirty (30) day period, LESSOR commences the work on such  
8 maintenance and diligently and in good faith prosecutes the same to completion. Subject to  
9 the foregoing, if the period for cure expires and if, in LESSEE'S commercially reasonable  
10 determination, LESSOR has failed to cure, then LESSEE may, as its sole and exclusive  
11 remedy, cure LESSOR's breach.

12 15. SOLE RISK OF LESSEE – All personal property of LESSEE, including goods,  
13 wares, merchandise, inventory, trade fixtures and other personal property of LESSEE, shall be  
14 stored at the sole risk of LESSEE. Except to the extent caused by the negligence or  
15 misconduct of LESSOR or its agents, employees or contractors, LESSOR shall not be liable  
16 under any circumstances for any loss, injury or damage to property resulting from fire,  
17 explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of  
18 the Centre or from the pipes, appliances or plumbing works therein or from the roof, street or  
19 subsurface or from any other places resulting from dampness or from any other cause  
20 whatsoever, it being understood that LESSEE's sole recourse in the event of any such loss,  
21 injury or damage will be to file a claim on the insurance policies that LESSEE maintains.  
22 LESSEE, as a material part of the consideration to LESSOR hereunder, hereby assumes all  
23 risk of damages to LESSEE's property or business arising from any cause, except to the  
24 extent caused by the negligence or misconduct of LESSOR or its agents, employees or  
25 contractors, and LESSEE hereby waives all claims in respect thereof against LESSOR or its  
26 agents, employees or contractors.

27 16. DESTRUCTION OR DAMAGE FROM CASUALTY - If the Premises are damaged  
28 or destroyed as a result of fire, earthquake, act of God, or any other identifiable event of a

1 sudden, unexpected, or unusual nature (a "Casualty"), then LESSOR shall either promptly and  
2 diligently repair the damage as and to the extent provided in this Section 16, or terminate this  
3 LEASE as provided hereinbelow.

4 a) LESSOR'S Election to Repair: If LESSOR elects to repair the Casualty  
5 damage to the Premises, then it shall, within fifteen (15) days after the date of Casualty,  
6 provide written notice ("Notice of Repair") to LESSEE indicating the anticipated time required  
7 to repair. LESSOR shall bear the cost of all repairs to the Premises, including the cost to  
8 repair any alterations or fixtures installed or attached thereto by LESSEE, but excluding any  
9 furniture, equipment, and other personal property of LESSEE or others in the Premises. Such  
10 repairs shall restore the Premises to substantially the same condition as that existing at the  
11 commencement of this LEASE; such repairs shall also be made in compliance with all  
12 applicable state and local building codes. LESSOR shall not be liable to LESSEE for  
13 compensation for any loss of business, or any inconvenience or annoyance arising from repair  
14 of the Premises as a result of the Casualty, except for Rent reduction as herein provided.  
15 LESSEE shall be responsible at its sole cost and expense for the replacement of its personal  
16 property.

17 b) LESSOR'S Election to Terminate Due to Casualty: LESSOR may only  
18 elect to terminate this LEASE due to Casualty if: more than fifty percent (50%) of the Premises  
19 have been destroyed or substantially destroyed by said Casualty, or the estimated time to  
20 repair the Premises exceeds sixty (60) days from the date of the Casualty. LESSOR shall  
21 provide LESSEE with written notice of its election to terminate within thirty (30) days after the  
22 date of Casualty, specifying a termination date not less than thirty (30) days from the date of  
23 said notice.

24 c) Rent Reduction Due to Casualty: In the event of Casualty, LESSEE'S  
25 obligation to pay Rent shall be reduced beginning on the date of the Casualty. During this  
26 period of abatement, LESSEE shall only pay Rent for the portion of the Premises that LESSEE  
27 is able to use and occupy. If LESSOR elects to repair the Premises pursuant to the terms of  
28 this LEASE, then such Rent reduction shall continue until the date of substantial completion of

1 repairs.

2 d) LESSEE'S Election to Terminate Due to Casualty: Provided LESSEE  
3 does not receive a Notice of Repair from LESSOR within thirty (30) days after a Casualty, or if  
4 the anticipated period of repair contained in the Notice of Repair exceeds sixty (60) days, then  
5 LESSEE may elect to terminate this LEASE by providing thirty (30) days prior written notice to  
6 LESSOR. In such case, LESSEE shall have the right to demand that LESSOR refund any  
7 monies which, in the judgment of LESSEE, were paid to LESSOR pursuant to the LEASE but  
8 which were not earned by LESSOR by consequence of the Casualty. Upon receipt of such  
9 demand, LESSOR shall promptly refund all such monies.

10 17. DEFAULT AND TERMINATION

11 a) LESSEE'S Default – LESSEE shall be in default under this LEASE if  
12 LESSEE fails to perform any of its obligations hereunder and:

13 i. if the failure is a failure to pay Rent, or any other failure that can  
14 be cured by the payment of money, and the failure continues uncured for a period of fifteen  
15 (15) calendar days after written notice from LESSOR, provided, however, LESSOR shall have  
16 no obligation to provide such written notice more than two (2) times in any twelve (12)  
17 consecutive month period, or

18 ii. if the failure is in any of the other provisions of this LEASE, and  
19 such failure continues uncured for a period of thirty (30) calendar days after written notice from  
20 LESSOR, unless such cure is not capable of completion within thirty (30) calendar days, in  
21 which case LESSEE shall be afforded such additional time as may be reasonably necessary  
22 to complete the cure, provided LESSEE commences the cure within thirty (30) calendar days  
23 of LESSOR's notice and diligently pursues such cure to completion, or, in the event of a  
24 threatened injury to life or property due to such failure, continues for such lesser period as  
25 LESSOR may reasonably specify in such written notice.

26 iii. Notwithstanding anything herein to the contrary, LESSEE shall  
27 not be in default under this LEASE solely because of LESSEE's failure to pay any amounts  
28 hereunder, including any portion of the Rent, that would be due and payable herein, if such

1 amounts are subject to abatement as set forth in Sections 16(c) and/or 20, herein.

2           b)     LESSOR'S Remedies – In the event of a default by LESSEE, in addition  
3 to any other rights and remedies of LESSOR at law or equity, LESSOR shall have the  
4 following rights and remedies. All remedies herein conferred on LESSOR shall, to the fullest  
5 extent permitted by law, be deemed cumulative, and not one exclusive of the other or of any  
6 other remedy conferred by law or in equity, and nothing herein shall prevent LESSOR from  
7 pursuing any and all other remedies it may have upon LESSEE'S default.

8                   i.     Election to Continue or Terminate Lease – LESSOR shall have  
9 the right to elect either to continue or terminate this LEASE, as follows:

10                           1.     Continuation of Lease – LESSOR shall have the remedy  
11 described in California Civil Code Section 1951.4, specifically LESSOR may continue this  
12 LEASE in effect after LESSEE'S breach and abandonment and recover Rent as it becomes  
13 due, if LESSEE has the right to sublet or assign, subject only to reasonable limitations.  
14 Accordingly, if LESSOR does not elect to terminate this LEASE due to a default by LESSEE,  
15 LESSOR may, from time to time, without terminating this LEASE, enforce all of its rights and  
16 remedies under this LEASE, including the right to recover all Rent as it becomes due.

17                           2.     Termination of Lease – LESSOR shall have the right to  
18 terminate this LEASE, by giving written notice of termination to LESSEE. Absent such written  
19 notice, no acts of LESSOR under this subsection 17(b)(i) (including entering, repairing,  
20 preparing to re-let, or re-letting the Premises) shall be construed as an election to terminate  
21 this LEASE. In the event LESSOR terminates this LEASE pursuant to this subsection 17(b)(i),  
22 LESSEE shall immediately surrender the Premises to LESSOR.

23                           3.     No Acceleration of Future Rent or Other  
24 Payments/Amounts – Notwithstanding anything to the contrary contained herein this LEASE,  
25 or any right or remedy of which LESSOR may otherwise avail itself pursuant to applicable law,  
26 any right of LESSOR to recover any Rent as provided in this LEASE shall be without  
27 acceleration of any future Rent before it is due and payable hereunder. LESSOR hereby  
28 expressly waives its right to accelerate Rent in the event of a termination of this LEASE,

1 pursuant to California Civil Code section 1951.2.

2 18. TERMINATION NOTICES – In the case of LESSEE, the County Administrative  
3 Officer, Director of Internal Services/Chief Information Officer, Director of Behavioral Health, or  
4 a designee of one of them, shall have the power to provide termination notices as described  
5 herein to terminate this LEASE.

6 19. HOLDING OVER. If LESSEE fails to vacate the Premises at the end of the  
7 Term, then LESSEE shall be a tenant at sufferance and, in addition to all other damages and  
8 remedies to which LESSOR may be entitled for such holding over: (a) LESSEE shall pay, in  
9 addition to the other Rent, Base Rent equal to one hundred twenty-five percent (125%) of the  
10 Base Rent payable during the last month of the Term; and (b) LESSEE shall otherwise  
11 continue to be subject to all of LESSEE’s obligations under this LEASE. The provisions of this  
12 Section 19 shall not be deemed to limit or constitute a waiver of any other rights or remedies of  
13 LESSOR or LESSEE provided herein or at Law.

14 20. CONDEMNATION.

15 a) Total Condemnation. If the entire Premises are taken by exercise of the right of  
16 eminent domain or condemnation (“Condemnation”), this LEASE shall terminate as  
17 of the date of the Condemnation.

18 b) Partial Condemnation - LESSEE's Rights. If any part of the Premises becomes  
19 subject to a Condemnation, and such Condemnation will prevent LESSEE from  
20 conducting its other business within the remaining Premises in a manner  
21 reasonably comparable to that conducted immediately before such Condemnation  
22 for a period of more than one hundred eighty (180) days, provided the condemning  
23 authority for such Condemnation is not the County of Fresno or any department or  
24 office thereof, then LESSEE may terminate this LEASE as of the date of such  
25 Condemnation by giving written notice to LESSOR within thirty (30) days after the  
26 Condemnation, and Rent shall be prorated as of the date of such Condemnation. If  
27 LESSEE does not terminate this LEASE, then Rent shall be abated as to that  
28 portion of the Premises rendered untenable by the Condemnation.

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c) Partial Condemnation - LESSOR's Rights. If any material portion, but less than all, of the Premises becomes subject to a Condemnation, or if LESSOR is required to pay any of the proceeds arising from a Condemnation to a Mortgagee, then LESSOR may terminate this LEASE by delivering written notice thereof to LESSEE within thirty (30) days after such Condemnation. If LESSOR does not so terminate this LEASE (and LESSEE has not terminated this LEASE), then this LEASE will continue, but if any portion of the Premises has been taken, or is unusable for LESSEE's business, Rent shall abate as provided in Section 20(f).

d) Award. If any Condemnation occurs, then LESSOR shall receive the entire award or other compensation for the Land, the Premises, and other improvements taken; however, LESSEE may separately pursue a claim (to the extent it will not reduce LESSOR's award) against the condemnor for the value of LESSEE's personal property which LESSEE is entitled to remove under this LEASE, moving costs, loss of business, and other claims it may have.

e) Repair. If this LEASE is not terminated, LESSOR shall proceed with diligence to restore the remaining part of the Premises to its former improved condition, immediately preceding the date of condemnation. In no event shall LESSOR be required to spend more than the condemnation proceeds and insurance proceeds received by LESSOR for such repair.

f) Rent. During any period of Condemnation, LESSEE shall only pay Rent for the portion of the Premises that LESSEE is able to use and occupy

21. PERSONAL PROPERTY TAXES. LESSEE shall be liable for all taxes levied or assessed against any specialty improvements installed in the Premises by LESSEE and LESSEE's personal property, furniture, or fixtures placed by LESSEE in the Premises or in or on the Centre. If any taxes for which LESSEE is liable are levied or assessed against LESSOR or LESSOR's property, and LESSOR elects to pay the same, then LESSEE shall pay to LESSOR, within forty-five (45) days following written request therefor, the part of such taxes for which LESSEE is primarily liable hereunder, as reasonably determined by LESSEE.

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22. CALIFORNIA CIVIL CODE SECTION 1938. LESSOR and LESSEE

acknowledge and agree that the Premises have not been inspected by a Certified Access Specialist ("CASp") pursuant to Section 1938 of the Civil Code ("Code"). The parties further agree, pursuant to subdivision (e) of Section 55.53 of the Code, to the following:

- a) A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, LESSOR may not prohibit LESSEE from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of LESSEE, if requested by the LESSEE. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of the construction-related accessibility standards within the Premises.
- b) Pursuant to the paragraph above, the parties expressly agree that, if LESSEE elects to obtain a CASp inspection of the Premises, LESSEE shall be solely responsible for scheduling the inspection, and that such inspection shall not unreasonably interfere with the operations of the Premises and/or the Building or disturb any other tenant or occupant thereof. LESSEE shall be solely responsible for any and all costs to perform the CASp inspection, including any ancillary costs relating thereto. If the results of the inspection determine that modifications or alterations are required to meet all applicable construction-related accessibility standards, LESSEE agrees to perform such work, in its sole cost and expense. LESSEE agrees that all work shall be performed in a first-class manner in compliance with all laws, and using best efforts to minimize any disruption to the Premises and/or the Building.

23. HOLD HARMLESS

LESSOR agrees to indemnify, save, hold harmless, and at LESSEE'S request, defend LESSEE, its officers, agents, and employees from any and all costs and expenses (including

1 attorney's fees and costs), damages, liabilities, claims, and losses occurring or resulting to  
2 LESSEE in connection with the performance, or failure to perform, by LESSOR, its officers,  
3 agents, or employees under this LEASE, and from any and all costs and expenses (including  
4 attorney's fees and costs), damages, liabilities, claims, and losses occurring or resulting to any  
5 person, firm, or corporation who may be injured or damaged by the performance, or failure to  
6 perform by LESSOR, its officers, agents, or employees under the LEASE. This LEASE is  
7 made upon the express condition that the LESSEE is to be free of all liability, damages, or  
8 injury arising from structural failures of the Leased Premises, including, but not limited to,  
9 external walls, glass, doors, roof, and floor. The parties acknowledge that as between  
10 LESSOR and LESSEE, each is responsible for the negligence of its own employees and  
11 invitees.

12           Limitation on Liability. Notwithstanding any other term or provision of this LEASE, (a)  
13 LESSOR and its partners, shareholders or members shall not be personally liable for any  
14 deficiency; (b) neither LESSOR nor its partners, shareholders or members will be liable under  
15 any circumstances for injury or damage to, or interference with LESSEE's business, including  
16 loss or profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or  
17 loss of use or other consequential or speculative damages, in each case, however occurring;  
18 (c) LESSEE, and its officers, employees, agents and assigns shall not be personally liable for  
19 any deficiency; and (d) neither LESSEE, nor its officers, employees, agents or assigns will be  
20 liable under any circumstances for injury or damage to, or interference with LESSOR's  
21 business, including loss or profits, loss of rents or other revenues, loss of business  
22 opportunity, loss of goodwill or loss of use or other consequential or speculative damages, in  
23 each case, however occurring.

24           No Liability for Consequential, Incidental or Punitive Damages. Neither LESSOR nor  
25 LESSEE shall not be liable under any circumstances for any consequential, incidental, or  
26 punitive damages. Notwithstanding anything to the contrary contained in this LEASE, neither  
27 Party shall have any right to sue the other party for any consequential, punitive or incidental  
28 damages (including, without limitation, any claims for lost profits, sales and income, and/or lost

1 business opportunity and reputation, and/or losses for rental expenses, disruption,  
2 depreciation, insurance or bonding capacity, and/or losses due to management or employee  
3 productivity or the services of such persons).

4 24. INSURANCE

5 a) LESSOR – Without limiting the LESSEE’s right to obtain indemnification from  
6 LESSOR or any third parties, LESSOR, at its sole expense, shall maintain in  
7 full force and effect, the following insurance policies or a program of self-  
8 insurance, including but not limited to, an insurance pooling arrangement of  
9 Joint Powers Agreement (JPA) throughout the term of this LEASE:

- 10 i. Commercial General Liability - Commercial General Liability Insurance with  
11 limits of not less than Two Million Dollars (\$2,000,000) per occurrence and  
12 an annual aggregate of Four Million Dollars (\$4,000,000). This policy shall  
13 be issued on a per-occurrence basis. COUNTY may require specific  
14 coverages including completed operations, products liability, contractual  
15 liability, Explosion-Collapse-Underground, fire legal liability, or any other  
16 liability insurance deemed necessary because of the nature of this contract.
- 17 ii. Property Insurance – Against all risk of loss to property, at full replacement  
18 cost with no coinsurance penalty provision.
- 19 iii. Rental Loss Insurance – A policy of rental interruption or rental loss  
20 insurance against loss, total, or partial, of the use and occupancy of the  
21 Premises, in an amount sufficient to pay Rent hereunder for a twenty-four  
22 (24) month period, as a result of the hazards covered by the insurance  
23 policy required under Section 24(a)(ii), herein.
- 24 iv. Worker’s Compensation - A policy of Worker’s Compensation insurance as  
25 may be required by the California Labor Code.

26 LESSOR shall obtain endorsements to the Commercial General Liability insurance  
27 naming the County of Fresno, its officers, agents, and employees, individually and collectively,  
28 as additional insureds, but only insofar as the operations under this LEASE are concerned. Such

1 coverage for additional insureds shall apply as primary insurance and any other insurance, or  
2 self-insurance, maintained by LESSEE, its officers, agents, and employees shall be excess only,  
3 and not contributing with insurance provided under LESSOR'S policies herein. This insurance  
4 shall not be cancelled or changed without a minimum of thirty (30) days advance written notice  
5 given to LESSEE.

6 LESSOR hereby waives its right to recover from LESSEE, its officers, agents, and  
7 employees any amounts paid by the policy of worker's compensation insurance required by  
8 this Agreement. LESSOR is solely responsible to obtain any endorsement to such policy that  
9 may be necessary to accomplish such waiver of subrogation, but LESSOR's waiver of  
10 subrogation under this paragraph is effective whether or not LESSOR obtains such an  
11 endorsement.

12 Within (30) days from the date LESSOR executes this LEASE, LESSOR shall provide  
13 certificates of insurance and endorsement as stated above for all of the foregoing policies, as  
14 required herein, to the County of Fresno, Attn: ISD Lease Services (L-337), 333 W. Pontiac  
15 Way, Clovis, CA 93612, stating that such insurance coverages have been obtained and are in  
16 full force; that the County, its officers, agents and employees will not be responsible for any  
17 premiums on the policies; that for such worker's compensation insurance the CONTRACTOR  
18 has waived its right to recover from the COUNTY, its officers, agents, and employees any  
19 amounts paid under the insurance policy and that waiver does not invalidate the insurance  
20 policy; that such Commercial General Liability insurance names the County, its officers, agents,  
21 and employees, individually and collectively, as additional insured, but only insofar as the  
22 operations under this LEASE are concerned. Coverage for additional insured shall apply as  
23 primary insurance and any other insurance, or self-insurance, shall not be cancelled or changed  
24 without a minimum of thirty (30) days advance, written notice given to County.

25 In the event LESSOR fails to keep in effect at all times insurance coverage as herein  
26 provided, LESSEE may, in addition to other remedies it may have, suspend, or terminate this  
27 LEASE upon the occurrence of such event.

28 All policies shall be with admitted insurers licensed to do business in the State of

1 California. Insurance shall be purchased from companies possessing a current A.M. Best  
2 Company rating of A FSC VII or better.

3 b) LESSEE – LESSEE shall maintain, at LESSEE’s sole cost and expense, during  
4 the Term of this LEASE the following policies of insurance, which coverages  
5 may be provided in whole or in part through one or more programs of self-  
6 insurance:

- 7 i. Commercial General liability insurance with limits of not less than Two  
8 Million Dollars (\$2,000,000.00) per occurrence and an annual aggregate of  
9 not less than Four Million Dollars (\$4,000,000.00). This policy shall be  
10 issued on an occurrence basis.
- 11 ii. Property insurance covering the personal property of LESSEE.
- 12 iii. A policy of Worker’s Compensation insurance as may be required by the  
13 California Labor Code.

14 25. ESTOPPEL CERTIFICATE – LESSEE shall, at any time upon not less than forty-  
15 five (45) days prior request by LESSOR, execute, acknowledge, and deliver to LESSOR a  
16 written estoppel certificate, in a form satisfactory to LESSOR and LESSEE, certifying that this  
17 LEASE is unmodified and in full force and effect (or, if there have been modifications, that the  
18 same is in full force and effect as modified and stating the modifications), to LESSEE’s  
19 knowledge, whether or not any breach or default exists hereunder, and, if applicable, the  
20 current Rent amounts and the dates to which the Rent and any other charges have been paid,  
21 and to LESSEE’s knowledge, whether or not any offsets, defenses or abatements then exist.  
22 Any such statement delivered pursuant to this Section 25 may be relied upon by third persons,  
23 including a prospective purchaser or encumbrancer of the Premises.

24 LESSEE’s Director of Internal Services/CIO, or his/her designee, shall be authorized to  
25 execute the estoppel certificate for LESSEE. However, LESSOR acknowledges that  
26 LESSEE’s Director of Internal Services/CIO may desire for LESSEE’s Board of Supervisors to  
27 act on behalf of LESSEE with respect to any approval of any estoppel certificate for LESSEE,  
28 which shall be at a regularly-scheduled meeting of LESSEE’s Board of Supervisors within the

1 foregoing forty-five (45) calendar day time limit.

2 LESSEE’S failure to execute and deliver an estoppel certificate within forty-five (45)  
3 days after LESSEE’S receipt of LESSOR’S written request therefore shall be conclusive upon  
4 LESSEE that this LEASE is in full force and effect, without modification except as may be  
5 represented by LESSOR, that there are no uncured defaults in LESSOR’S performance, that  
6 not more than one month’s rental has been paid in advance, and that all other statements set  
7 forth in the estoppel certificate requested by LESSOR are conclusively made.

8 26. SUBORDINATION AND ATTORNMENT – This LEASE shall be subject and  
9 subordinate to any deed of trust, mortgage or other security instrument now existing or  
10 hereafter placed on all or any part of the Premises. If after the Effective Date, LESSOR  
11 desires to obtain a loan from a bank or any other lender (the “Bank”), and thereby encumber  
12 the Real Property with a deed of trust (“Deed of Trust”), the Parties agree, and LESSOR shall  
13 cause the Bank, as beneficiary of the Deed of trust, to agree, to enter into a Subordination,  
14 Non-Disturbance, and Attornment Agreement (“SNDA”) in form and substance reasonably  
15 acceptable to LESSEE, LESSOR, and the Bank. The agreed-upon SNDA shall include the  
16 following terms, generally outlined below, which outline not an exhaustive list of terms, or the  
17 specific terms, for the agreed-upon SNDA:

18 a) This LESSEE shall subordinate the priority of this LEASE to the Deed of  
19 Trust;

20 b) In the event of a foreclosure of the Deed of Trust, or a transfer of the  
21 Real Property in lieu thereof, or in any other manner whereby Bank or its successors-in-  
22 interest succeed to the interest of LESSOR under this LEASE, so long as there shall then exist  
23 no breach or event of default by LESSEE under this LEASE which has continued to exist for  
24 such period of time (after notice, if any, required by this LEASE) as would entitle LESSOR to  
25 terminate this LEASE: (a) this LEASE, including the leasehold interest of LESSEE hereunder,  
26 shall not be disturbed or otherwise adversely affected by reason of such foreclosure or transfer  
27 of the Real Property in lieu thereof or in any other manner; (b) other than as set forth in the  
28 SNDA, none of LESSEE’s rights and interest under this LEASE shall be affected in any way by

1 reason of any default by LESSOR under the Deed of Trust, and this LEASE shall continue in  
2 full force and effect; (c) Bank and its successors-in-interest shall recognize and accept  
3 LESSEE as the lessee under this LEASE, subject to the terms and conditions of this LEASE  
4 as modified by the SNDA; (d) the Bank and its successors-in-interest as lessor under this  
5 LEASE, shall have all of the rights and obligations of LESSOR under this LEASE (provided  
6 that neither Bank nor such successors-in-interest shall be liable for any act or omission of  
7 LESSOR as the prior lessor under this LEASE, except that LESSEE shall be entitled to  
8 exercise all of its rights and remedies under this LEASE with respect to continuing defaults  
9 hereunder resulting from the acts or omissions of LESSOR arising after Bank, or its  
10 successor-in-interest, has received LESSEE's notice to Bank, or its successor-in-interest, with  
11 respect to such defaults and has not, after a reasonable opportunity to cure, under the SNDA  
12 cured the same under the SNDA; (e) Bank shall not join LESSEE as a party defendant in any  
13 action or foreclosure proceeding unless such joinder is with respect to this LEASE, including  
14 the Real Property, and required by law to foreclose the Deed of Trust, then only for such  
15 purpose and not for the purpose of terminating this LEASE; and (f) the parties under the SNDA  
16 shall agree that LESSEE's option to purchase the Real Property as provided in this LEASE  
17 shall be binding on the Bank, and its successors-in interest, including any transferee who  
18 succeeds to the interest of LESSOR under this LEASE; and (g) LESSEE shall to attorn to the  
19 Bank, and its transferee, as if the Bank and such transferee were LESSOR under this LEASE;

20 c) Upon LESSEE's receipt of written demand from Bank, which shall  
21 include notice of same has been given in writing to LESSOR, that Bank has elected to  
22 terminate the license granted to LESSOR to collect Rents from LESSEE under this LEASE, as  
23 provided in the Deed of Trust, and directing LESSEE to make payment thereof directly to  
24 Bank, (a) LESSEE shall, for any Rents due and payable thirty (30) days thereafter, comply  
25 with such written demand and direction to pay, and shall not be required to determine whether  
26 LESSOR is in default under any obligations to Bank, or to honor any conflicting demand from  
27 LESSOR, and (b) LESSEE shall be entitled to full credit under this LEASE for any Rents paid  
28 to Bank in accordance with such written demand and direction to the same extent as if such

1 Rents were paid directly to LESSOR;

2 d) Any disputes between or among the Bank, including its successors-in-  
3 interest, and LESSOR, shall be dealt with and adjusted solely between or among the Bank,  
4 including its successors-in-interest, and LESSOR; and

5 e) The SNDA shall be governed by California law.

6 f) Notwithstanding anything to the contrary in this Section 26, if LESSEE  
7 exercises the Purchase Option under Section 38, herein, LESSOR shall remove any such  
8 Deed of Trust from the title of the Real Property, fully pay off such Deed of Trust, and cause  
9 the Bank to release and reconvey such Deed of Trust, prior to or concurrent with the Close of  
10 Escrow in connection with the Purchase Option under Section 38, herein.

11 g) LESSEE's Director of Internal Services/CIO, or his/her designee, shall  
12 be authorized to approve and execute the SNDA for LESSEE, subject to approval as to legal  
13 form by LESSEE's legal counsel. The LESSOR shall, and shall cause the Bank, and the  
14 LESSEE shall, cause their respective signatures on the SNDA to be notarized to facilitate  
15 recordation thereof. The SNDA shall be in recordable form, and upon its execution by all of  
16 the parties thereunder, recorded by LESSOR against the Real Property in the Office of the  
17 Fresno County Recorder, along with the recordation of the Deed of Trust against the Real  
18 Property.

19 27. SURRENDER OF POSSESSION - Upon the expiration or termination of this  
20 LEASE, LESSEE shall surrender the Premises to LESSOR in such condition as existing at the  
21 commencement of this LEASE, less reasonable wear and tear, less the effects of any  
22 Casualty as herein defined, and less the effects of any breach of LESSOR'S covenant to  
23 maintain. LESSEE shall not be responsible for any damage which LESSEE was not obligated  
24 hereunder to repair.

25 28. FIXTURES - LESSOR agrees that any equipment, fixtures, or apparatus installed  
26 in or on the Premises by LESSEE shall continue to be the property of LESSEE, and may be  
27 removed by LESSEE at any time. LESSEE shall repair any damage caused by the removal of  
28 fixtures. Any fixtures not removed when LESSEE surrenders possession shall become the

1 property of LESSOR.

2 29. RIGHT OF ENTRY - LESSOR, or its representative(s), upon giving 24 hours  
3 written notice (other than in an emergency, when such notice shall not be required), shall have  
4 the right to enter the Premises at any time during business hours, or at such other time as  
5 LESSEE deems appropriate, to make any alterations, repairs, or improvements to the  
6 Premises, or for any other commercially reasonable purposes. The normal business of  
7 LESSEE or its invitees shall not be unnecessarily inconvenienced.

8 30. AMENDMENT - This LEASE may be amended in writing by the mutual consent of  
9 the Parties without in any way affecting the remainder.

10 31. ASSIGNMENT - LESSEE shall not assign, transfer, or sub-let this LEASE, or its  
11 rights or duties under this LEASE, without the prior written consent of LESSOR, which consent  
12 shall not be unreasonably withheld or denied. LESSOR shall have the right to assign this LEASE  
13 in connection with any sale of the Premises, provided that LESSOR promptly notifies LESSEE in  
14 writing of any proposed or impending such sale.

15 32. RECORDATION OF MEMORANDUM OF LEASE – The Parties shall, at the same  
16 time they execute this LEASE, also execute a Memorandum of Lease in the form of the  
17 document attached as Exhibit E, which is incorporated by this reference, with the legal  
18 description shown as Exhibit B. LESSEE’s Director of Internal Services/CIO, or his/her  
19 designee, shall be authorized to approve and execute the Memorandum of Lease for LESSEE,  
20 subject to approval as to legal form by LESSEE’s legal counsel. LESSEE shall be authorized  
21 to immediately record the fully-executed Memorandum of Lease against the Real Property in  
22 the Office of the Fresno County Recorder. The Parties shall cause their respective signatures  
23 on the Memorandum of Lease to be notarized to facilitate recordation thereof.

24 33. AUDITS AND INSPECTIONS – At LESSEE’s request, LESSOR shall at any time  
25 during business hours, and as often as LESSEE may deem necessary, make available to  
26 LESSEE for examination records and data with respect to the matters covered by this LEASE.  
27 LESSOR shall, upon request by LESSEE, permit LESSEE to audit and inspect all of such  
28 records and data necessary to ensure LESSOR’S compliance with the terms of this LEASE.

1 If this LEASE exceeds ten thousand dollars (\$10,000), LESSOR shall be subject to the  
2 examination and audit of the California State Auditor for a period of three (3) years after final  
3 payment under contract (Government Code Section 8546.7).

4 34. GOVERNING LAW - Venue for any action arising out of or relating to this  
5 LEASE shall be in Fresno County, California. This LEASE shall be governed by the laws of  
6 the State of California.

7 35. NOTICES - The persons and their addresses having authority to give and receive  
8 notices under this LEASE include the following:

9 LESSEE:  
10 County of Fresno (L-336)  
11 Director of Internal Services/  
12 Chief Information Officer  
13 333 Pontiac Way  
14 Clovis, CA 93612  
15 Telephone: (559) 600-6200  
16 Email:  
17 ISDContracts@fresnocountyca.gov

LESSOR:  
Heritage Centre LLC  
c/o Orton Development, Inc.  
1475 Powell Street, Suite 101  
Emeryville, CA 94608  
Attn: J.R. Orton III and Steve Schwartz  
Telephone: (510) 428-0800  
Email: eorton@ortondevelopment.com and  
sschwartz1@sbcglobal.net

16 All notices between the LESSEE and the LESSOR provided for or permitted under this LEASE  
17 must be in writing and delivered either by personal service, by first-class United States mail, by  
18 an overnight commercial courier service, or by email. A notice delivered by personal service is  
19 effective upon service to the recipient. A notice delivered by first-class United States mail is  
20 effective three LESSEE business days after deposit in the United States mail, postage  
21 prepaid, addressed to the recipient. A notice delivered by an overnight commercial courier  
22 service is effective one COUNTY business day after deposit with the overnight commercial  
23 courier service, delivery fees prepaid, with delivery instructions given for next day delivery,  
24 addressed to the recipient. A notice delivered by email is effective upon delivery to the  
25 recipient (unless such email is delivery after business hours, in which event effectiveness shall  
26 be on the immediately following business day). For all claims arising out of or related to this  
27 LEASE, nothing in this section establishes, waives, or modifies any claims presentation  
28 requirements or procedures provided by law, including but not limited to the Government

1 Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

2 36. INDEPENDENT CONTRACTOR - In performance of the work, duties and obligations  
3 assumed by LESSOR under this LEASE, it is mutually understood and agreed that LESSOR,  
4 including any and all of the LESSOR'S officers, agents, and employees, will at all times be acting  
5 and performing as an independent contractor, and shall act in an independent capacity and not as  
6 an officer, agent, servant, employee, joint venture, partner, or associate of the LESSEE.  
7 Furthermore, LESSEE shall have no right to control or supervise or direct the manner or method  
8 by which LESSOR shall perform its work and function. However, LESSEE shall retain the right to  
9 administer this LEASE so as to verify that LESSOR is performing its obligations in accordance with  
10 the terms and conditions thereof.

11 LESSOR and LESSEE shall comply with all applicable provisions of law and the rules  
12 and regulations, if any, of governmental authorities having jurisdiction over matters the subject  
13 thereof.

14 Because of its status as an independent contractor, LESSOR shall have absolutely no  
15 right to employment rights and benefits available to LESSEE'S employees. LESSOR shall be  
16 solely liable and responsible for providing to, or on behalf of its employees, all legally-required  
17 employee benefits. In addition, LESSOR shall be solely responsible and save LESSEE  
18 harmless from all matters relating to payment of LESSOR'S employees, including compliance  
19 with Social Security withholding and all other regulations governing such matters. It is  
20 acknowledged that during the term of this LEASE, LESSOR may be providing services to  
21 others unrelated to the LESSEE or to this LEASE.

22 37. DISCLOSURE OF SELF DEALING TRANSACTIONS – This provision is only  
23 applicable if the LESSOR is operating as a corporation (a for-profit or non-profit corporation) or  
24 if during the term of this LEASE, the LESSOR changes its status to operate as a corporation.

25 Members of LESSOR'S Board of Directors shall disclose any self-dealing transactions  
26 that they are a party to while LESSOR is providing goods or performing services under this  
27 LEASE. A self-dealing transaction shall mean a transaction to which the LESSOR is a party  
28 and in which one or more of its directors has a material financial interest. Members of the

1 Board of Directors shall disclose any self-dealing transactions that they are a party to by  
2 completing and signing a Self-Dealing Transaction Disclosure Form Exhibit F, attached and  
3 incorporated by this reference, and submitting it to the County of Fresno prior to commencing  
4 with the self-dealing transaction or immediately thereafter.

5 38. PURCHASE OPTION

6 a) Exercise of Purchase Option

7 i. LESSOR hereby grants to LESSEE the one-time right and option to  
8 purchase the Premises (including the Real Property and the Building and all facilities, whether  
9 above or below ground, located on the Real Property) on the terms set forth herein, such  
10 purchase to close on, and be effective as of, the day immediately following the Expiration Date  
11 (the "Purchase Date"), by delivering written notice to LESSOR of such exercise ("the Purchase  
12 Option Notice") at any time during the last year of the Term of this LEASE, but at least one  
13 hundred eighty (180) days prior to the Expiration Date (the "Purchase Option"). The purchase  
14 price for the Premises (including the Real Property and the Building, and all such facilities)  
15 under the Purchase Option shall be one million dollars (\$1,000,000.00) ("Purchase Price").

16 ii. Notwithstanding anything to the contrary contained in this Section 38,  
17 LESSEE's exercise of the Purchase Option shall be effective only if all of the conditions  
18 precedent set forth hereinbelow are true and correct during the period commencing upon the  
19 date LESSEE delivers the Purchase Option Notice, and continuing until the Closing Date (as  
20 that term is defined below), unless LESSOR, in LESSOR's sole discretion, elects to waive any  
21 such condition precedent in writing:

- 22 1. LESSEE shall not then be in default (after expiration of any  
23 applicable notice and cure period) under this LEASE; and
- 24 2. LESSEE shall not have assigned its interest in the LEASE or in the  
25 Purchase Option.

26 iii. If LESSEE exercises the Purchase Option pursuant to the terms of this  
27 LEASE, then the Parties shall, within ninety (90) days after delivery of the Purchase Option  
28 Notice, enter into a Sale and Purchase Agreement in the form of Exhibit G, which is attached

1 and incorporated by this reference. The Grant Deed shall be in the form of Exhibit H, which is  
2 attached and incorporated by this reference.

3 b) Due Diligence

4 i. LESSEE's Due Diligence. LESSEE and LESSEE's agents, employees, and  
5 representatives (collectively, "LESSEE's Agents"), shall, prior to delivering the Purchase  
6 Option Notice, perform all due diligence on the Premises (subject to the terms and conditions  
7 set forth herein), which shall include reviewing matters of title, inspecting the physical  
8 conditions of the Premises, obtaining an acceptable appraisal of the Premises, receiving an  
9 acceptable Phase 1 Environmental Assessment Report, obtaining a termite report, performing  
10 inspections, reviewing all federal tax credit documents pertaining to the Premises, reviewing  
11 agreements relating to the Premises, and conducting such other due diligence as LESSEE  
12 determines is necessary ("Due Diligence") provided however, LESSEE's performance of such  
13 due diligence activities shall be solely for LESSEE's benefit, and such performance or lack  
14 thereof by LESSEE shall not relieve LESSOR of its obligations under this LEASE.

15 ii. Due Diligence Materials. If LESSOR has not previously delivered the same  
16 to LESSEE, then within fifteen (15) days after LESSEE's request, LESSOR shall provide  
17 (electronically or otherwise) all non-proprietary or privileged due diligence materials relating to  
18 the Premises which are in its possession and control, including, but not limited to, such  
19 reports, inspections, appraisals, agreements, and other documentation as described in Section  
20 38(b)(i), herein, ("LESSOR's Due Diligence Materials"). LESSOR's Due Diligence Materials  
21 and any other such items shall be delivered to LESSEE without representation or warranty by  
22 LESSOR with respect to the contents, accuracy, or completeness thereof, and shall be subject  
23 to any rights of third parties as to their use, reliance thereon or disclosure. LESSEE hereby  
24 waives any and all claims against LESSOR arising out of the accuracy, completeness,  
25 conclusions or statements expressed in LESSOR's Due Diligence Materials so furnished and  
26 any and all claims arising out of any duty of LESSOR to acquire, seek or obtain such  
27 LESSOR's Due Diligence Materials. Notwithstanding anything contained in the preceding  
28 sentences of this subsection, LESSOR shall not deliver or make available to LESSEE

1 LESSOR's internal memoranda, attorney-client privileged materials, internal appraisals and  
 2 economic evaluations of the Real Property (or any portion thereof), prepared by LESSOR or  
 3 its affiliates solely for internal use or for the information of the investors in LESSOR. LESSEE  
 4 acknowledges that any and all of the Due Diligence Materials that are not otherwise known by  
 5 or available to the public are proprietary and confidential in nature, and will be delivered to  
 6 LESSEE solely to assist LESSEE in determining the feasibility of purchasing the Real  
 7 Property, except as otherwise required by State law.

8           iii. Title Matters and Review. A preliminary title report (Preliminary Title Report)  
 9 has been issued to LESSEE. Permitted exceptions shall only be the following: (i) as described  
 10 and listed on Exhibit I, Fidelity National Title Company Preliminary Report, cover pages 1  
 11 through 3, and "Preliminary Report Permitted Exceptions," pages 4 through 8 (the Parties  
 12 agree that exceptions that have been redacted from Exhibit I are not permitted exceptions),  
 13 dated October 18, 2018, at 7:30 AM, which is incorporated herein by this reference, (ii) any  
 14 new taxes or assessments, (iii) any State, City, or County mandated recorded easements,  
 15 covenants, conditions, and restrictions affecting the Real Property recorded against the Real  
 16 Property on or after October 18, 2018. Any mortgage or deed of trust or similar debt  
 17 instrument relating to the Real Property, even as allowed under this LEASE, and if agreed to  
 18 by LESSEE under Section 26, herein, shall be considered a title defect, and shall be cured by  
 19 LESSOR's removal of such title defect from the Real Property, at its sole cost and expense,  
 20 prior to the Purchase Date.

21           iv. LESSOR's Permission for Testing. Notwithstanding anything to the contrary  
 22 in this Section 38(b), LESSEE shall not perform any soil borings or other invasive and/or  
 23 destructive testing to the land, or any improvements located thereon, without LESSOR's prior  
 24 written approval, which approval shall not be unreasonably withheld or delayed. LESSOR or  
 25 its representative may be present to observe any testing or other inspection performed on the  
 26 Property. LESSEE's right to enter upon the Premises or allow any of the LESSEE's Agents to  
 27 enter upon the Premises to perform the due diligence investigations contemplated in this  
 28 Section 38 shall be conditioned on LESSEE's agreement to maintain worker's compensation

1 and commercial general liability insurance policies to cover LESSEE’s and LESSEE’s Agents’  
2 due diligence activities on the Premises, and to keep the Premises free and clear of all  
3 mechanics’ and materialmen’s liens or other liens arising out of any of its activities or those of  
4 its representatives, agents or contractors. If the same is not already in effect pursuant to this  
5 LEASE, then at least two (2) business days before commencing such due diligence  
6 investigations on the Premises, LESSEE shall deliver to LESSOR a certificate of insurance  
7 evidencing insurance coverage in compliance with the terms of this subsection. LESSEE shall  
8 maintain and keep in effect, at LESSEE’s sole expense, at all times during the period of  
9 escrow, a general commercial liability insurance policy as set forth in Section 19 herein.

10 c) Actions of Parties. Within thirty (30) days following LESSOR’s receipt of  
11 the Purchase Option Notice, the parties shall open an escrow for the purchase and sale of the  
12 Premises (Escrow) with an escrow company reasonably acceptable to both LESSOR and  
13 LESSEE (Escrow Holder), by delivering a fully executed copy of the Purchase and Sale  
14 Agreement and Joint Escrow Instructions to Escrow Holder. In addition, concurrently with  
15 delivery of the Purchase Agreement to Escrow Holder, LESSEE shall deliver to Escrow  
16 Holder, in cash, the balance of the Purchase Price.

17 d) Closing Date. The “Close of Escrow” and “Closing” shall occur on the  
18 Purchase Date.

19 e) Title. Title to the Premises shall be insured by a standard ALTA Owner’s  
20 Form Policy of Title Insurance issued by a title company reasonably acceptable to LESSOR  
21 and LESSEE (Title Policy) in the amount of the Purchase Price showing fee title to the  
22 Premises vested in LESSEE. Title to the Premises shall be subject to all matters of record,  
23 matters apparent by an inspection or survey, and any other matters created or approved by, or  
24 consented to by LESSEE. Notwithstanding the foregoing, title to the Premises shall be free  
25 and clear of any monetary encumbrances (other than liens for property taxes and  
26 assessments and any encumbrances created or assumed by LESSEE, and LESSOR shall  
27 cause such liens to be eliminated at LESSOR’s sole cost and expense prior to the Close of  
28 Escrow.

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f) Costs and Prorations. Closing and escrow costs shall be paid as follows:

i. The cost of the Preliminary Title Reports and any other required title work shall be paid by LESSOR.

ii. The premium for the cost of the Title Policy shall be paid by LESSOR. LESSEE shall pay for the cost of extended coverage (if required by LESSEE) and the cost of any title endorsements.

iii. Recording fees and transfer taxes shall be paid by LESSOR. Document preparation fees shall be paid by LESSEE, 50% and by LESSOR, 50%.

iv. Escrow fees and any and all other title company costs necessary to achieve a successful closing of Escrow shall be paid by LESSEE, 50% and by LESSOR, 50%.

v. Each party shall bear its own legal and accounting fees and costs.

vi. Prorations to the Closing Date shall include: all current taxes and assessments including ad valorem taxes, charges for solid waste removal and sewage, utilities, assessments for maintenance, overpayments for Operating Costs, and other charges attributable to the Real Property. The basis for proration of taxes shall be the last known actual taxes and assessments payable unless the current year tax amounts are known, and shall be based on the assessed value as shown on the post-closing once the final tax bill for the tax year of Closing has been received. This Section 38(f) shall survive the expiration of the LEASE, and the Closing. Prorations shall be calculated based on a thirty (30) day month, and three hundred sixty-five (365) day year.

g) Representations. LESSEE acknowledges that the Purchase Option has been granted by LESSOR to LESSEE based on the understanding that the exercise of the Purchase Option is entirely voluntary by LESSEE, and that the conveyance of the Premises by LESSOR to LESSEE is, and shall be, on an "AS IS" basis, with absolutely no representations or warranties, express or implied, regarding the Premises.

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h) Deliveries to LESSEE. Upon Closing Date, LESSOR shall deliver to LESSEE originals or copies of all current drawings, plans, licenses, permits, and other Due Diligence Materials (to the extent not previously provided) pertaining to the Premises in LESSOR's possession and control.

i) Lease Not Terminated. Notwithstanding any provision or rule of Law to the contrary, LESSOR and LESSEE hereby acknowledge, confirm, agree and covenant that this LEASE shall not terminate upon LESSEE's delivery of the Purchase Option Notice, LESSEE's exercise of the Purchase Option, or LESSOR's and LESSEE's entering into the Sale and Purchase Agreement, and this LEASE shall continue in full force and effect through and including the Expiration Date. For the avoidance of doubt, from and after LESSEE's delivery of the Purchase Option Notice, LESSEE's exercise of the Purchase Option, and/or LESSOR's and LESSEE's entering into the Sale and Purchase Agreement, LESSEE shall remain obligated to pay, and liable for the payment of, all Rent due and payable hereunder through and including the Expiration Date.

39. ELECTRONIC SIGNATURES. The parties agree that this LEASE may be executed by electronic signature as provided in this section. An "electronic signature" means any symbol or process intended by an individual signing this LEASE to represent their signature, including but not limited to (1) a digital signature; (2) a faxed version of an original handwritten signature; or (3) an electronically scanned and transmitted (for example by PDF document) of a handwritten signature. Each electronic signature affixed or attached to this LEASE (1) is deemed equivalent to a valid original handwritten signature of the person signing this LEASE for all purposes, including but not limited to evidentiary proof in any administrative or judicial proceeding, and (2) has the same force and effect as the valid original handwritten signature of that person. The provisions of this section satisfy the requirements of Civil Code section 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3, Part 2, Title 2.5, beginning with section 1633.1). Each party using a digital signature represents that it has undertaken and satisfied the requirements of Government Code section 16.5, subdivision (a), paragraphs (1) through (5), and agrees that each other party may rely

1 upon that representation. This LEASE is not conditioned upon the parties conducting the  
2 transactions under it by electronic means, and either party may sign this LEASE with an  
3 original handwritten signature.

4 40. AUTHORITY - LESSOR represents and warrants that each individual executing  
5 this LEASE on behalf of LESSOR is duly authorized to execute and deliver this LEASE on  
6 behalf of HERITAGE CENTRE LLC, and that this LEASE is binding upon HERITAGE  
7 CENTRE LLC in accordance with its terms. The terms of this LEASE are intended by the  
8 Parties as a final expression of their agreement with respect to such terms as are included in  
9 this LEASE and may not be contradicted by evidence of any prior or contemporaneous  
10 agreement, arrangement, understanding or negotiation (whether oral or written).

11 41. TIME OF THE ESSENCE – Time is of the essence with respect to the  
12 performance of all obligations to be performed or observed by the Parties, respectively, under  
13 this LEASE.

14 42. FURTHER DOCUMENTS – Subject to the terms and conditions of this LEASE,  
15 the Parties promptly shall execute and deliver any and all additional documents, and  
16 instruments, notices and shall do any and all other acts and things, reasonably necessary in  
17 connection with the performance of their respective obligations under this LEASE and to carry  
18 out the provisions of this LEASE.

19 43. EQUAL CONSTRUCTION – The terms of this LEASE shall not be construed in  
20 favor of or against any Party. In connection with the negotiation and drafting of this LEASE, the  
21 Parties have been represented by counsel.

22 44. NO LITIGATION – LESSOR represents and warrants to LESSEE that, as of the  
23 Effective Date, (a) LESSOR is not involved in or aware of pending or, to LESSOR’s actual  
24 knowledge, threatened claim, demand, or litigation which could affect the Real Property and/or  
25 this LEASE, and (ii) there are no proceedings pending or, to LESSOR’s actual knowledge,  
26 threatened against LESSOR before any court or administrative agency relating to the Real  
27 Property and/or this LEASE, which may adversely affect the Real Property now or in the  
28 future, or which may adversely affect LESSOR’s ability to fulfill all obligation under this LEASE.

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45. ENTIRE LEASE - This LEASE constitutes the entire LEASE between the LESSOR and LESSEE with respect to the subject matter hereof, and supersedes all prior leases, negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly referenced in this LEASE. The Parties shall, concurrently herewith, also execute a separate termination of the existing Lease Agreement for the Premises, dated June 22, 2021, which termination shall be effective as of 11:59pm on February 28, 2022.

This LEASE shall be binding on and inure to the benefit of LESSOR'S heirs, successors, and assigns.

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EXECUTED as of the date first herein written.

LESSOR:  
HERITAGE CENTRE LLC

DocuSigned by:  
By J.R. Orton III  
J.R. Orton, III, Manager

LESSEE:  
COUNTY OF FRESNO

By [Signature]  
Brian Pacheco, Chairman of the  
Board of Supervisors of the County of

Fresno

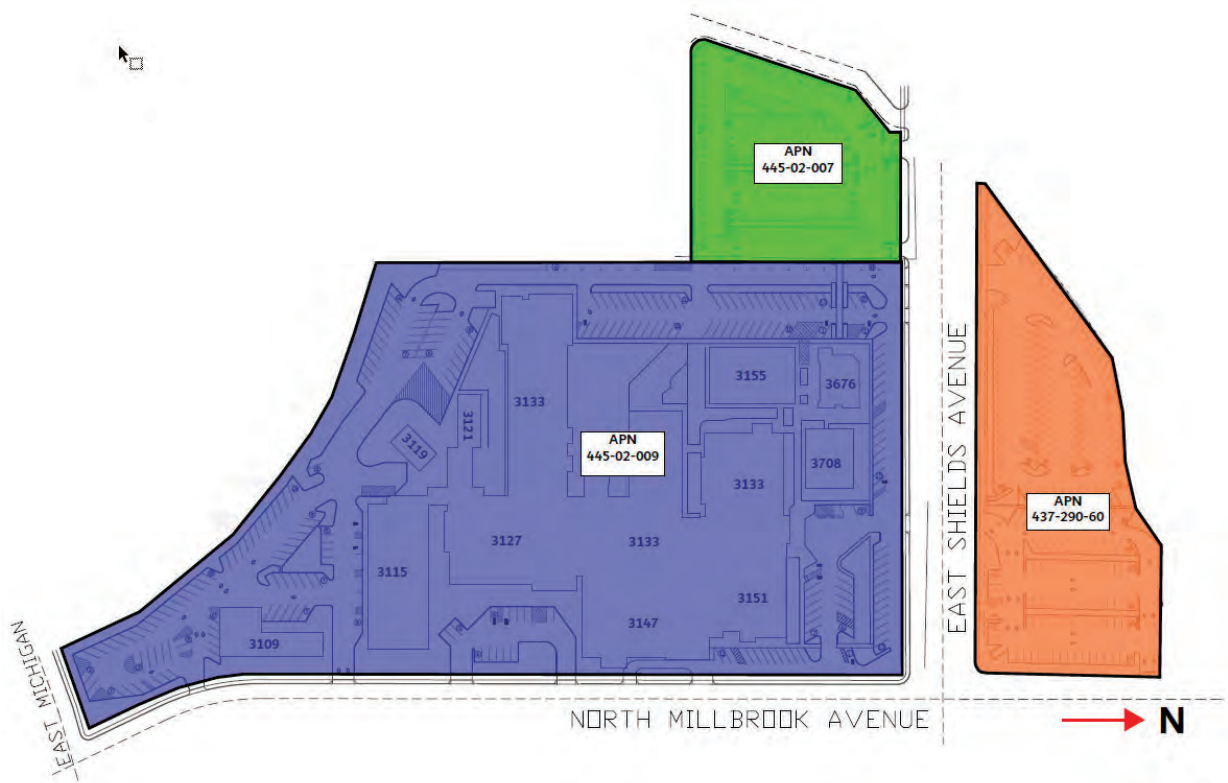
ATTEST:  
Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By [Signature]  
Deputy

Fund 0001  
Subclass 10000  
Org No. ~~###~~ 5630  
Acct. No. ~~###~~ 7340

# EXHIBIT A SITE PLAN

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**EXHIBIT B**  
**LEGAL DESCRIPTION**

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APNs 445-020-17, 445-020-09 and 437-290-60

**EXHIBIT C**  
**TENANT IMPROVEMENTS AND PAYMENT SCHEDULE**

	<b>Monthly Base Rent</b>		<b>Monthly Tenant Improvement Payments**</b>
Year 1	\$220,000.00	Year 1	\$141,366.79
Year 2	\$220,000.00	Year 2	\$141,366.79
Year 3	\$220,000.00	Year 3	\$141,366.79
Year 4	\$220,000.00	Year 4	\$141,366.79
Year 5	\$220,000.00	Year 5	\$141,366.79
Year 6	\$230,000.00	Year 6	\$141,366.79
Year 7	\$230,000.00	Year 7	\$141,366.79
Year 8	\$230,000.00	Year 8	\$141,366.79
Year 9	\$230,000.00	Year 9	\$141,366.79
Year 10	\$230,000.00	Year 10	\$141,366.79

**\*\* Example:** Tenant Improvement Payments assume \$10,000,000.00 in Tenant Improvement costs, all Tenant Improvements are completed and paid for one month before Year 2, and amortized over 8-years at 8% per annum. Tenant Improvement costs not to exceed \$10,000,000.00 without LESSEE's written approval. This schedule shall be updated to reflect actual costs once final costs are known.

**Tenant Improvements**

The Scope of Work (including all labor, materials and equipment required to complete the work as outlined below (subject to change), shall be performed by Lessor and Lessor's contractor. The Scope of Work includes the following:

**Demolition/Abatement**

- Demo and remove interior walls, acoustical ceiling system and wires
- HVAC ductwork as needed per plans
- Remove abandoned electrical
- Dispose of plumbing fixtures, restroom fixtures and partitions per plans
- Demo and remove doors and frames per plans

**Concrete**

- Pour and place concrete to patch trenches for new plumbing per plans

**Rough Carpentry**

- Supply all lumber and hardware per plans

**Casework**

- Fabricate and install upper/lower cabinets and hardware per plans and Tenant specifications
- Install Countertops per plans and Tenant specifications

**Insulation**

- Furnish and install all wall and ceiling insulation per plans

**Door Frames/Hardware**

- Furnish and install all doors and hardware per plans

**Studs/Drywall**

- Furnish and install all studs and drywall per plans

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Flooring/Base

- Furnish and install all carpet, VCT or LVT per plans

Painting

- Paint interior surfaces per plans and Tenant specifications
- Exterior painting not included

Acoustical Ceiling

- Furnish and install all acoustical ceiling per plans

Code Signage

- Provide and install code signage per plans

Restroom Accessories

- Furnish and install all restroom accessories per plans

Fire Extinguishers/Cabinets

- Furnish and install all fire extinguishers and cabinets per plans

Fire Sprinklers

- Modify existing fire sprinklers per plans as necessary

Plumbing

- Provide and install all plumbing per plans
- Furnish and install plumbing fixtures for all restrooms and break rooms

HVAC

- Furnish and install all ducting to accommodate new offices, rooms, and restrooms
- Furnish and install new registers/grilles per plans

Electrical

- Provide and install all electrical per plans
- Furnish and install new light fixtures and controls per plans

Fire Alarm

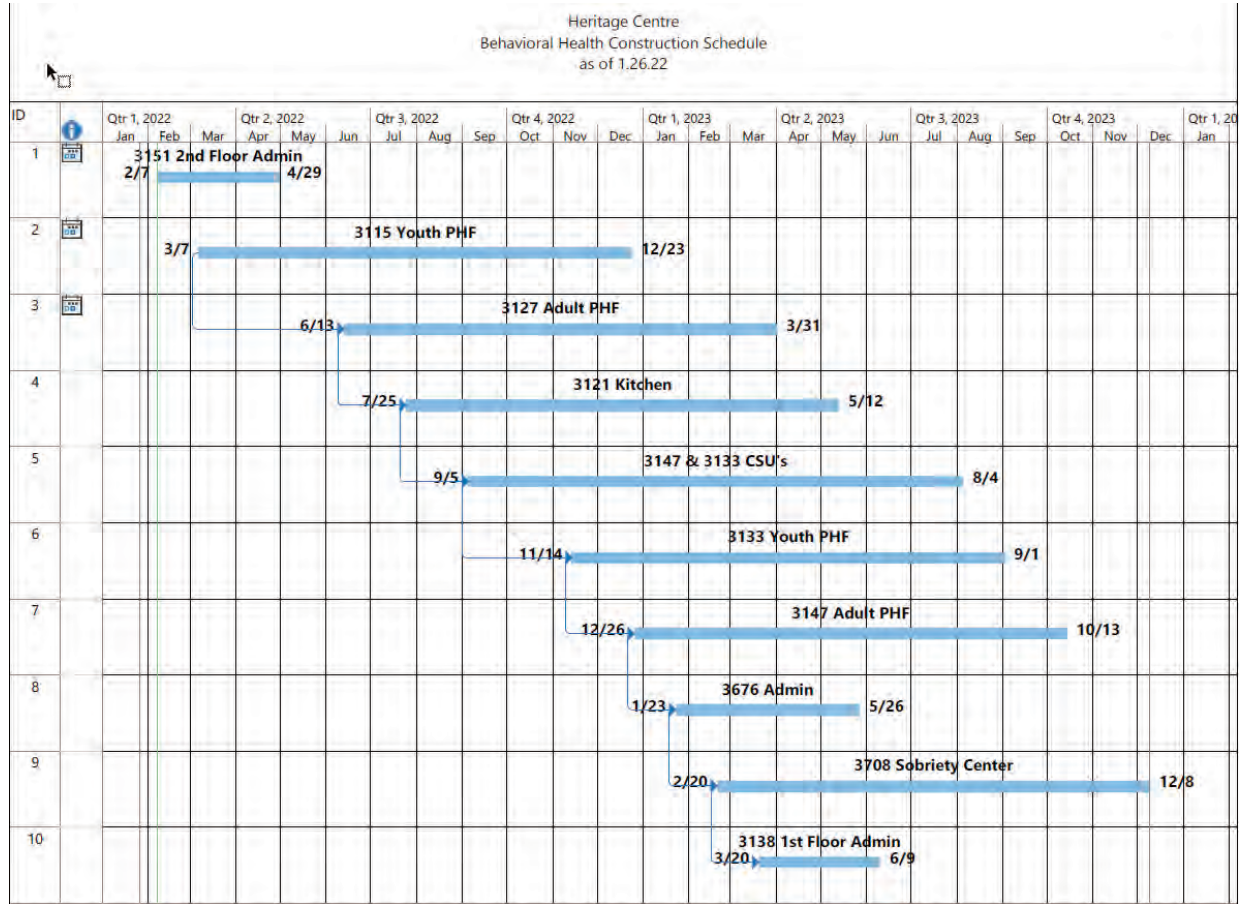
- Modify existing fire alarm system per plans

Exclusions

- 1) Data (servers, patch panel, cable, punch-down etc.)
- 2) Phone systems (cables and equipment)
- 3) Security camera and intrusion systems
- 4) Noise mitigation systems
- 5) Furniture (Cubicles/modular furniture, chairs etc and fixtures)
- 6) Appliances
- 7) Playground equipment
- 8) New chillers, boilers and air handlers (Central Plant)
- 9) New roof
- 10) Elevator modernization
- 11) LEED Certification

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Proposed timeline is as follows:



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Exhibit "D"  
L-336

PERFORMED DAILY:

- Vacuum all carpeted areas
- Dust mop/sweep, mop floors
- Spot clean carpets
- Dust cleared desk and table surfaces, clean counters
- Empty all waste baskets and dispose of trash in appropriate trash bins
- Remove interior cobwebs
- Clean smudges and unsightly appearances from door jambs, light switches, glass partitions, and counters
- Clean and sanitize all sinks, toilets, and urinals
- Refill paper supplies in restrooms (paper towels, toilet tissue, soap, etc.)

PERFORMED WEEKLY:

- Dust picture frames and partition tops

PERFORMED EVERY THREE MONTHS:

- Exterior windows
- Dust/clean baseboards
- Dust all mini blinds
- Wash/clean light fixtures and A/C vents

PERFORMED EVERY SIX MONTHS:

- Interior windows
- Steam clean all carpets
- Strip and wax vinyl and tile floors

PERFORMED ONCE PER YEAR

Wash/clean walls

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PERFORM AS REQUIRED

- Wet mop floors
- Dust wall picture frames and partition tops
- High dust, including walls, light fixtures. vents and ledges above normal reach door ledges
- Dust/clean baseboards

**EXHIBIT E**

<p>RECORDING REQUESTED BY</p> <p>AND WHEN RECORDED MAIL TO:</p> <p>County of Fresno  Director of Internal Services/  Chief Information Officer  333 W. Pontiac Way  Clovis, CA 93612</p>	<p>FOR RECORDER'S USE ONLY</p>
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EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTIONS 27383 AND 27388.1(a)(2)(D)(AB 110, SB 2) AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE ("Memorandum") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the County of Fresno, a political subdivision of the State of California ("County"), whose address as of the date hereof is 333 W. Pontiac Way, Clovis, California 93612, and Heritage Centre, LLC ("Lessor"), whose address is 1475 Powell Street, Suite 101, Emeryville, California 94608.

A. Lessor represents that it is the sole fee owner of that certain improved real property located in Fresno County, State of California, and having a street address of 3109, 3127, 3133, 3147, and 3676 N. Millbrook, Fresno, CA 93726 (the "Real Property");

B. Pursuant to that certain Lease Agreement of the same date as this Memorandum of Lease (the "Lease Agreement"), Lessor has leased certain Premises (as defined in the Lease Agreement) located on and constituting a portion of the Real Property to the County, and the County has leased such Premises from the Lessor;

C. Pursuant to the terms and conditions of the Lease Agreement, this Memorandum is to be recorded in the Official Records of the Fresno County Recorder with respect to the Real Property for the purpose of memorializing the existence of the Lease Agreement, the terms and conditions of which inure to the benefit of, and bind the Lessor, the County, and their respective successors and assigns. Any third-party interested in obtaining information about the Lease Agreement may contact the parties at the above-referenced addresses.

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IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first above written.

LESSOR:  
HERITAGE CENTRE, LLC.

LESSEE:  
COUNTY OF FRESNO:

By: \_\_\_\_\_

By: \_\_\_\_\_

[Notary Attestation-Attached]

Robert W. Bash, Director of Internal Services/  
Chief Information Officer

[Notary Attestation-Attached]

### SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

*"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"*

The definition above will be utilized for purposes of completing this disclosure form.

### INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
  - a. The name of the agency/company with which the corporation has the transaction; and
  - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

**Mail the completed form to:**

County of Fresno  
Attn: Lease Services (L-336b)  
Internal Services Department  
333 W. Pontiac Way  
Clovis, CA 93612

<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date:</b>	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):</b>			
<b>(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	

**SALE AND PURCHASE AGREEMENT  
AND ESCROW INSTRUCTIONS**

THIS SALE AND PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ ("Effective Date"), by and between the COUNTY OF FRESNO, a political subdivision of the State of California ("Buyer"), and HERITAGE CENTRE LLC, a California limited liability company ("Seller"). Seller and Buyer are sometimes collectively referred to herein as the "Parties" and singularly as a "Party."

**RECITALS:**

This Agreement is made and entered into with respect to the following facts and circumstances:

- A. Seller is the sole owner of fee title of that certain real property and improvements located at the street address of 3109, 3115, 3119, 3121, 3127, 3133, 3147, 3151 and 3155 N. Millbrook Avenue and 3676 and 3708 E. Shields Avenue, Fresno, CA 93726, County of Fresno, State of California, (APN 437-290-60, APN 445-020-17, and APN 445-020-09), which includes six buildings, totaling approximately 173,200 square feet, together with all exterior common areas, including 514 paved parking stalls, associated landscaping, and any and all other improvements to such real property and all other transferable personal property in which Seller may have any interest that is affixed thereto (collectively, "Improvements"), at the time of the Closing Date (as defined in Section 6.05 herein), all as more particularly described in Exhibit "A," attached and incorporated by this reference (collectively, the "Real Property").
- B. Buyer desires to purchase the Real Property from Seller, and Seller desires to sell the Real Property to Buyer, pursuant to the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants herein contained, and for other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

**ARTICLE I**

**AGREEMENT TO PURCHASE THE REAL PROPERTY**

- 1.01 The Real Property. Subject to all terms, covenants, conditions, and provisions of this Agreement, and for the consideration herein set forth, Seller agrees to sell the Real Property to Buyer, and Buyer agrees to buy the Real Property from Seller on the Closing Date (as defined in Section 6.05, herein).

It is hereby acknowledged by the parties that Seller shall not convey to Buyer claims relating to any real property tax refunds or rebates for periods accruing prior to the Closing, any and all tax deductions available by reason of the sale contemplated herein, and any existing insurance claims, all of which claims shall be reserved by Seller.

- 1.02 Purchase Price. The "Purchase Price" shall be one million dollars (\$1,000,000.00) for the Real Property in "AS-IS" condition under Section 2.05, herein.
- 1.03 Buyer's Deposit. The Buyer shall deposit into Escrow with Escrow Holder (as defined in Section 6.01, herein) a good faith refundable deposit of \$100,000.00 ("Buyer's Deposit"). The Buyer's Deposit shall be held in an interest-bearing account for the benefit of the Buyer. The Buyer's Deposit, together with interest thereon, shall be applied to the purchase price of the Real Property at the close of Escrow (as defined in Section 6.01, herein). In the event Buyer terminates this Agreement for the purchase of the Real Property prior to the expiration of Buyer's Due Diligence Period (as defined in Section 2.02, herein), the entire Buyer's Deposit, plus accrued interest, shall be refunded to Buyer. If, after the expiration of the Due Diligence Period, the close of Escrow hereunder does not occur solely because of Buyer's material breach or default, the entire Buyer's deposit, plus accrued interest, shall be disbursed to and retained by Seller as liquidated damages.
- 1.04 Payment of the Purchase Price. The Purchase Price for the Real Property shall be paid by Buyer to Seller as follows:

Upon execution of this Agreement, Buyer shall deposit Buyer's Deposit into Escrow. Buyer shall deposit into Escrow with Escrow Holder at least three (3) business days before the Closing Date (as defined in Section 6.05, herein), immediately available cash funds equal to the difference between (a) and (b) immediately below:

- (a) Buyer's Deposit, including any interest on the Buyer's Deposit, plus any credit that Seller shall be required to give to Buyer under Section 7(h) of the Lease (as defined in Section 7.03, herein); and
- (b) The Purchase Price, plus Buyer's share of closing costs pursuant to this Agreement, less any amount for Property Taxes and Charges (defined in Section 6.04(e), herein) paid by Seller that may be credited to Buyer under Section 6.04(e), herein.

## **ARTICLE II**

**POSSESSION, PHYSICAL INSPECTION, AND  
CONDITION OF THE REAL PROPERTY**

- 2.01 Possession. Subject to Buyer paying the Purchase Price, and otherwise complying with the terms and conditions of this Agreement, which Buyer is required to comply with up to and on the Closing Date, Buyer shall have the exclusive right to own and possess the Real Property on and at all times after the Closing Date subject only to the Permitted Exceptions (as defined in Section 3.01 herein).
- 2.02 Inspection of the Real Property. Buyer, and Buyer's agents, employees, and representatives (collectively "Buyer's Agents") acknowledge that Buyer commenced its inspection of the Real Property prior to Buyer's execution of this Agreement. Buyer shall have until December 31, 2031 (the "Due Diligence Period") to perform and complete all remaining due diligence regarding the Real Property, including: review of matters of title, inspection of the physical condition of the Real Property, obtaining an acceptable appraisal of the property, obtaining an acceptable Phase I and Phase II Environmental Site Assessment, and performing any other inspections, reviewing any agreements relating to the Real Property, obtaining all necessary approvals from the Board of Supervisors, and conducting other such due diligence as Buyer determines appropriate. At any time during the Due Diligence Period, at Buyer's sole discretion, Buyer shall have the right to terminate this Agreement without cause, and to cancel said Escrow with no further obligation or offset. Upon Buyer's termination of this Agreement and cancellation of Escrow, the Buyer's Deposit, plus any accrued interest thereon, shall be immediately refunded to Buyer (less Buyer's share, herein, of any required fees paid to Escrow Holder).
- 2.03 Physical Condition of the Property. Without making any representations or warranties as to the physical condition of the Real Property, Seller shall not damage or cause the physical condition of the Real Property to deteriorate or change (normal wear and tear excepted) after the Effective Date of the Purchase Agreement without the prior written consent of Buyer.
- 2.04 Plans and Specifications. If Seller has not already done so, within ten (10) business days of the Effective Date of this Purchase Agreement, Seller shall deliver to Buyer a copy of all plans and specifications, and records for the Improvements (collectively, "Plans"), if any, provided however, if Seller does not possess any such Plans, Seller shall give written confirmation thereof to Buyer and Escrow Agent within such period. Within ten (10) business days after receipt of the Plans, if any, from Seller, Buyer shall review and approve or disapprove the Plans by written statement sent to Seller.

**2.05 "As-Is" Purchase. SUBJECT ONLY TO THOSE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN SECTION 4.01, HEREIN, BUYER SHALL TAKE TITLE TO THE REAL PROPERTY, IN ITS PRESENT PHYSICAL CONDITION, AND ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, DEFECTS AND DEFICIENCIES, WHETHER KNOWN OR UNKNOWN, IT BEING UNDERSTOOD THAT SELLER IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER TO BUYER AS TO THE PHYSICAL CONDITION, INCLUDING WITHOUT LIMITATION, HABITABILITY, MERCHANTABILITY, OR FITNESS OF THE REAL PROPERTY, OR ANY PORTION THEREOF, FOR ANY PARTICULAR USE OR PURPOSE BY BUYER, WHETHER OR NOT SUCH PROPOSED USE OR PURPOSE HAS BEEN COMMUNICATED TO SELLER OR IS DESIRED BY SELLER, NOR IS SELLER MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE PRESENCE, ABSENCE OR PROXIMITY ON, UNDER, IN, OR NEAR THE REAL PROPERTY OF ANY HAZARDOUS, TOXIC, CARCINOGENIC OR OTHERWISE HARMFUL SUBSTANCES, OR SEISMIC FAULTS OR FLOOD HAZARDS, NOR IS SELLER MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO WHETHER OR NOT SUCH PROPERTY COMPLIES OR DOES NOT COMPLY WITH ANY LAWS, REGULATIONS, ORDINANCES, RELATED TO THE CONDITION, USES OR OCCUPANCY THEREOF. SELLER SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE (INCLUDING CONSEQUENTIAL DAMAGE) OR DIMINUTION OF VALUE OF ANY KIND OR NATURE CAUSED TO THE REAL PROPERTY, DIRECTLY OR INDIRECTLY, WHETHER OR NOT SUCH LOSS, DAMAGE (INCLUDING CONSEQUENTIAL DAMAGE) OR DIMINUTION OF VALUE WAS DISCOVERED BEFORE OR AFTER THE CLOSING DATE.**

**BUYER ACKNOWLEDGES THAT BUYER HAS SPECIFICALLY READ AND UNDERSTOOD, AND AGREES TO ALL OF THE PROVISIONS OF THIS SECTION 2.05:**

\_\_\_\_\_ (BUYER'S INITIALS)

**ARTICLE III**

**CONDITION OF TITLE TO THE REAL PROPERTY**

**3.01 Condition of Title to the Real Property. Seller shall convey to the Buyer fee title to the Real Property, subject only to (i) the terms and conditions of this Agreement, and (ii) the following exceptions (the "Permitted Exceptions"):**

- (a) The easements and rights-of-way for public roads, public utilities and underground pipelines that are of public record.
- (b) The lien for property taxes, assessments, fees, and charges that are assessed but not yet delinquent, provided that all such taxes, assessments, fees, and charges accrued as of the Closing Date shall be apportioned to, and borne by, Seller.
- (c) The exceptions to title reflected on a Preliminary Report that has been prepared by Escrow Holder, and delivered to Buyer, pursuant to subsection 3.02(a), herein, and except for certain redactions made to such Preliminary Report as reflected therein, Buyer accepts pursuant to the terms of such subsection 3.02(a).
- (d) All matters created by or on behalf of Buyer.

3.02 Title Insurance.

- (a) 1) Buyer obtained a Preliminary Report prior to Buyer's execution of this Agreement, and Seller has provided Buyer with a copy of that certain Preliminary Report, as Title No. FFOM-2012107383 -BW, dated October 4, 2021, 7:30 AM. Buyer and Seller agree that Seller, at its sole cost and expense, shall cure certain defects in the title to the Real Property, and therefore those defects have been redacted from such Preliminary Report. Such Preliminary Report, excluding all of such redacted defects, is incorporated by this reference, as Exhibit "C," and Buyer accepts the remaining permitted exceptions that are shown on the Preliminary Report, Exhibit "C." All such defects in the title to the Real Property, excluding the exceptions permitted herein by Buyer, shall be cured by Seller, at its sole cost and expense, by removing such defects from the title to the Real Property prior to the close of escrow.
- (b) At the Closing Date, and as a condition to Buyer's obligation to purchase the Real Property, Escrow Holder shall issue and deliver to Buyer its standard coverage ALTA Owner's Policy of Title Insurance insuring title to the real Property in Buyer in the condition set forth in the Preliminary Report, Exhibit "C" (subject to any cure in the title to the Real Property, as required to be made by Seller, at its sole cost and expense, as provided herein), and with liability in the amount of the Purchase Price (the "Title Policy"). Buyer shall bear the cost of the ALTA policy premium over and above the cost of a standard CLTA Owner's policy, including the cost of an ALTA survey necessary to issue the ALTA Extended Owner's policy.

- (c) Buyer shall cause Escrow Holder to issue a Final Title Report, with only Permitted Exceptions approved by Buyer, dated as of the Closing Date.

## **ARTICLE IV**

### **COVENANTS, WARRANTIES, AND REPRESENTATIONS**

- 4.01 Covenants, Warranties and Representations of Seller. Seller hereby makes the following covenants, representations, and warranties, and acknowledges that Buyer's execution of this Agreement has been made, and Buyer's acquisition of the Real Property will be made in material reliance by Buyer on these covenants, representations, and warranties:
- (a) Authority. Seller holds sole fee title ownership in the Real Property. As to Seller, no authorization, approval, filing, consent, qualification, registration, or other order of the State of California or authority or agency thereof, or other state or federal governmental authority or agency, is required for the valid authorization, execution, delivery, and performance of this Agreement. Further, Seller covenants, represents, and warrants that Seller is duly authorized to execute this Agreement on behalf of Seller, with respect to Seller's sale of the Real Property to Buyer, and Seller shall evidence such consent on the Grant Deed. The person(s) executing this Agreement on behalf of Seller is authorized to bind Seller to the terms and conditions of this Agreement.
  - (b) No Violation. Neither this Agreement, nor anything provided to be done hereunder, violates or will violate any contract, agreement, or instrument whatsoever, including without limitation any laws, regulations, or policies relating to any financing, grant, or award agreement or instrument to which Seller is a party, bound, or obligated thereto.
  - (c) Governmental Violations. To the best of Seller's knowledge, Seller has no knowledge of any written notice of any pending, threatened, or unresolved violations of County, State, or Federal building, zoning, fire, or health codes or ordinances, or any other governmental law, regulation, rule or policy affecting Seller and concerning the Real Property; provided however, that Buyer acknowledges there was a Phase I Environmental Study completed by Buyer on                     .
  - (d) Eminent Domain. To the best of Seller's knowledge, Seller has no actual, current knowledge of any pending or threatened proceedings in eminent domain or otherwise that would affect the Real Property.

- (e) Litigation. To the best of Seller's knowledge, after having conducted a reasonably diligent investigation, Seller has no knowledge of any actions, suits, claims, legal proceedings pending or threatened against Seller involving or affecting the sale of the Real Property to Buyer, at law or in equity, before any court, administrative forum, or governmental agency.
- (f) Encumbrances. Seller has not entered into any agreement with any third parties regarding the sale, lease, management, repair, improvement, or any other matter affecting the Real Property that would be binding on Buyer or the Real Property after the Closing Date of this Agreement.
- (g) Performance. Seller shall timely perform and comply with all of Seller's covenants and agreements contained herein, and shall satisfy all conditions contained herein that Seller is required to perform, comply with, or satisfy under this Agreement.
- (h) Known Inaccurate Representations. If Buyer becomes aware that any of the representations contained in this Section 4.01 are not true and correct as of the Closing Date ("Known Inaccurate Representations"), then Buyer may, at its option, (i) waive such misrepresentations and close this transaction, or (ii) unless Seller, at its sole cost and expense, cures such misrepresentation to Buyer's reasonable satisfaction prior to the scheduled Closing Date, terminate this Agreement by written notice thereof to Seller and to Escrow Holder, in which event the Buyer's Deposit plus accumulated interest shall be returned to Buyer. Buyer hereby acknowledges and agrees that, upon the Closing of Escrow, any claim of Buyer relating to any Known Inaccurate Representations shall be automatically waived in full by Buyer.
- (i) Person By Which Knowledge is Measured. For purposes of Section 4.01(a)-(h), (i) where "the best of Seller's knowledge" is referenced, it shall mean the present knowledge of the chief executive officer of Seller.

4.02 Covenants, Warranties and Representations of Buyer. Buyer hereby makes the following covenants, representations and warranties, and acknowledges that Seller's execution of this Agreement has been made and Seller's sale of the Real Property will be made in material reliance by Seller on these covenants, representations, and warranties:

- (a) Authority. Buyer has the full power, authority, and legal capacity to enter into, and perform Buyer's obligations under this Agreement, and to purchase the Real Property as provided herein, without the

need for obtaining the consent or approval of any other person, court or governmental agency, body or subdivision. The person(s) executing this Agreement on behalf of Buyer is authorized to bind Buyer to the terms and conditions of this Agreement.

- (b) Litigation. To the best of Buyer's knowledge, after having conducted a reasonably diligent investigation, Buyer has no knowledge of any actions, suits, claims, legal proceedings pending or threatened in writing against Buyer involving the purchase of the Real Property from Seller, at law or in equity, before any court, administrative forum, or governmental agency.
- (c) No Prospective Violations. To the best of Buyer's knowledge, Buyer has no knowledge that the execution and delivery of this Agreement violates any contract, agreement or instrument to which Buyer is a party or bound.
- (d) Performance. Buyer shall timely perform and comply with all covenants and agreements herein, and shall satisfy all conditions that Buyer is required to perform, comply with, or satisfy under this Agreement.
- (e) For purposes of Section 4.02(a)-(d), where knowledge of Buyer is referenced, it shall mean the present knowledge of Buyer's authorized representative who executes this Agreement on behalf of Buyer.

## **ARTICLE V**

### **CONDITIONS PRECEDENT**

5.01 Conditions Precedent to Seller's Obligation to Perform. Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

- (a) Buyer shall have timely and fully performed each of the acts to be performed by it hereunder, including without limitation, depositing the Purchase Price, and Buyer's share of the Closing Costs (as defined in Section 6.04, herein) into Escrow (as defined in Section 6.01, herein) with Escrow Holder prior to Buyer's respective deadlines provided in Section 1.04 and Section 6.02(b), herein.
- (b) Each of Buyer's representations and warranties set forth in Section 4.02, herein, shall be true at the time of executing this Agreement, and as of the Closing Date, as if affirmatively made at that time.

The foregoing conditions are solely for the benefit of Seller, any or all of

which may be waived in writing by Seller in Seller's sole discretion.

5.02 Conditions Precedent to Buyer's Obligations to Perform. Buyer's obligation to perform as set forth herein is expressly conditioned on the satisfaction of each and every one of the following conditions precedent:

- (a) Seller shall have timely and fully performed every act to be performed by it hereunder, including without limitation, deposit into Escrow with Escrow Holder the Grant Deed, as required by Section 6.02(a), herein.
- (b) Each of the representations and warranties of Seller contained in Section 4.01, herein, and in any provision herein, shall be true at the time of executing this Agreement, and as of the Closing Date, as if affirmatively made at that time, except as and to the extent any untruth or discrepancy is caused by any act or omission of Buyer or any person or entity claiming through or under Buyer.
- (c) Escrow Holder shall be irrevocably committed to issue the Title Policy as set forth in Section 3.02(b), herein, in the condition described in Sections 3.01 and 3.02, herein, at least two (2) days prior to the recording of the Grant Deed.
- (d) Buyer did not terminate Escrow, in its sole discretion, prior to the expiration of the Due Diligence Period, as provided in Section 2.02.

The foregoing conditions are solely for the benefit of Buyer, any or all of which may be waived in writing by Buyer in Buyer's sole discretion.

5.03 Failure or Waiver of Conditions Precedent. Seller or Buyer may elect, at any time or times prior to the Closing Date, to waive in writing the benefit of any of their respective conditions set forth in Sections 5.01 and 5.02, herein, as applicable. In any event, the Parties' consent as provided in this Section 5.03 up to the Closing Date shall waive any remaining unfulfilled conditions up to the Closing Date, provided however, such waiver shall not be deemed to waive any subsequently discovered breach of any representation, warranty, or covenant made by either Party to this Agreement.

## **ARTICLE VI**

### **ESCROW**

6.01 Establishment of Escrow. Upon the execution of this Agreement, the Parties shall promptly open an escrow (the "Escrow") with Fidelity National Title Company, 7475 N. Palm Ave, Suite 107, Fresno, CA 93711, (559) 431-8050, or such other title company that is mutually agreeable to the

Parties if such title company is not available or is replaced (“Escrow Holder”) to provide for Seller’s conveyance of the Real Property to Buyer, as provided herein. Prior to the Closing Date, a duplicate of this fully-executed Agreement (or Counterparts thereof) shall be deposited with Escrow Holder, and shall constitute escrow instructions to Escrow Holder concerning this transaction. Escrow Holder shall notify Buyer and Seller, in writing, of the date of “Opening of Escrow.”

6.02 Deposits into Escrow. The Parties shall make the following deposits into Escrow with Escrow Holder:

- (a) Seller’s Deposits. Seller shall deposit into Escrow with Escrow Holder two (2) business days prior to the Closing Date: (i) an executed and acknowledged original Grant Deed in the form attached as Exhibit “B”; (ii) as necessary, Seller’s share of the Closing Costs (as that term is defined in section 6.04, herein); (iii) all plans, specifications, and engineering calculations for the Real Property in Seller’s possession and control, as well as a list of all maintenance contractors, including their contact information, used for the Real Property, and (iv) the keys, alarm codes and/or other instruments to enable access and possession of the Real Property by Buyer.
- (b) On or before the Closing Date, any mortgage or deed of trust or similar debt instrument relating to the Real Property shall be cured by Seller’s removal, at its sole cost and expense, of such title defect from the title of the Real Property, prior to the Close of Escrow, and the written instrument, in recordable form, evidencing the termination and/or reconveyance of the deed of trust or similar debt instrument shall be so deposited into Escrow.
- (c) Buyer’s Deposits. Buyer shall deposit the following into Escrow with Escrow Holder, prior to their respective deadlines provided herein:
  - i. A Preliminary Change in Ownership Report; and
  - ii. Buyer’s share of the Closing Costs (as that term is defined in Section 6.04, herein), at the same time that Buyer is required to deposit the funds for the Purchase Price into Escrow with Escrow Holder, pursuant to Section 1.03, herein.
- (d) Title Report (Buyer’s Deposit). Buyer shall cause the Escrow Holder to deposit the Final Title Report, dated as of the Closing Date, into Escrow, according to the requirements of this Agreement.

- 6.03 Title Insurance. At the Closing Date, Escrow Holder shall issue, effective as of that date, the Title Policy as set forth in Section 3.02 herein.
- 6.04 Costs and Expenses. The Parties agree that all of the Closing costs (collectively, the "Closing Costs") shall be borne by Seller and Buyer as follows:
- (a) Seller shall bear the base cost of the CLTA Preliminary Title Report.
  - (b) Buyer shall pay the premium costs for an ALTA policy and any endorsements that Buyer elects, in its discretion. Buyer shall pay the costs of any survey obtained by Buyer.
  - (c) Any recording fees, transfer taxes, and document preparation fees shall be paid 50% by Seller and 50% by Buyer, except those recording fees, transfer taxes, and document preparation fees for which Buyer is exempt.
  - (d) Escrow fees, and any other costs necessary to achieve a successful closing of Escrow, including the cost of the Final Title Report, shall be paid 50% by Seller and 50% by Buyer.
  - (e) All property taxes, assessments, fees, and charges (collectively, "Property Taxes and Charges") accrued as of the Closing Date shall be paid current by the Seller and shall be prorated as of the Closing Date. Each Party shall bear its own legal, Broker, and accounting fees and costs.
- 6.05 Closing Date. Unless otherwise mutually extended or shortened by the Parties in writing, the closing of Escrow shall be on March 1, 2032 (the "Closing Date"). The Closing Date shall not occur prior to the date of expiration or termination of the Lease.
- 6.06 Procedure for Closing of Escrow. Escrow Holder shall close the Escrow by doing all of the following on the Closing Date:
- (a) Fully pay from funds deposited by Buyer and Seller, the Closing Costs to Escrow Holder;
  - (b) After payment of the Closing Costs to Escrow Holder, pay the balance of funds deposited by Buyer to Seller.
  - (c) Record the Grant Deed in the Official records of Fresno County, return the recorded Grant Deed to Buyer, and provide conformed copies of such recorded document thereof to Seller;

- (d) Deliver a copy of Buyer's and Seller's closing statements for the Escrow to the respective Parties, subject to Section, 6.04 herein; and
- (f) Deliver to Buyer the original and two (2) copies of the Title Policy in the form set forth in subsection 3.02 (b) herein, at the Closing of Escrow.

6.07 Inability to Close Escrow. In the event that Escrow Holder is unable to close the Escrow pursuant to Section 2.02, herein, this Escrow shall terminate. In the event of such termination, Escrow Holder shall return to each Party any money or documents deposited by the Parties and terminate the Escrow; provided however, that any cancellation charges imposed by Escrow Holder shall be paid 50% by Seller and 50% by Buyer.

## **ARTICLE VII**

### **MISCELLANEOUS**

7.01 Survival and Indemnity. Notwithstanding the Closing of Escrow, delivery of instruments, conveyances of the Real Property, and payment of consideration therefor, the Parties agree that the respective representations, warranties, covenants, indemnities, and agreements made by each such Party pursuant to this Agreement shall survive the Closing Date, and each Party agrees to indemnify, defend, and hold the other harmless from and against any and all claims, demands, losses, obligations, damages, liabilities, causes of action, costs, and expenses (including, without limitation, attorney's, paralegals' and other professionals' fees and costs) arising out of or in connection with a breach by the indemnifying Party of any such representation, warranty, covenant, or agreement; provided, however, that the foregoing obligations shall survive the Closing of escrow for a period of one year following the Closing Date.

7.02 Brokers. The Parties acknowledge that no brokers are due any fees and/or commissions under this Agreement. Buyer and Seller each represent and warrant to the other that they have not had any dealings with any person, firm, broker, or finder in connection with the negotiation of this Agreement and/or consummation of the purchase and sale contemplated herein, and no broker or other person, firm or entity is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges that may be claimed by any broker, finder or other similar party by reason of any dealings or act of the indemnifying Party.

- 7.03 Prorations: Any amounts paid to Seller in advance by Buyer for real property taxes and assessments, and property operation expenses and insurance premiums, pursuant to Section 7(d) of the Lease, as well as any credits provided in the Lease, shall be prorated as of the Close of Escrow, and refunded to Buyer into Escrow.
- 7.04 Notices. All notices under this Agreement shall be in writing, and be either personally served, sent by (i) United States Postal Service, with postage prepaid, or (ii) sent by a nationally recognized overnight courier service, and addressed to the respective Parties as follows:

To Buyer: COUNTY OF FRESNO  
Internal Services Department  
333 Pontiac Way  
Clovis, CA 93612  
Attn: Director of  
Internal Services/Chief Information Officer  
Telephone: (559) 600-6200  
Email:

To Seller: HERITAGE CENTRE LLC  
c/o Orton Development, Inc.  
1475 Powell Street, Suite 101  
Emeryville, CA 94608  
Attn: J.R. Orton III and Steve Schwartz  
Telephone: (510) 428-0800  
Email: eorton@ortondevelopment.com and  
sschwartz1@sbcglobal.net

or to such person or at such other place as either Party may from time to time designate by written notice to the other Party.

Notice given in the foregoing manner shall be deemed sufficiently given for all purposes hereunder on the date such notice was (i) personally delivered, deposited and postmarked with the United States Postal Service, or (ii) delivered by a nationally recognized overnight courier service, and such Party shall otherwise comply with this Section 7.04 concerning the giving of notice in such manner, provided further that, in any event, notices of changes of address, or termination of this Agreement under Section 2.02, herein, shall not be effective until actual receipt. For all claims arising out of or related to this Agreement, nothing in this section establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

Notices given hereunder shall not be amendments or modifications to this Agreement.

- 7.05 Entire Agreement. This Agreement, including all exhibits hereto, and all related documents referred to in this Agreement or in the related documents, and the rights and obligations of the Parties hereto, constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof, and supersedes all other Agreement negotiations, proposals, commitments, oral statements, writings, advertisements, publications, and understandings of any nature, unless expressly included in this Agreement.
- 7.06 Amendment. No provisions of this Agreement may be amended or modified in any manner except by an agreement in writing by duly authorized representatives of both Parties.
- 7.07 Successors. The terms, covenants, and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the heirs, executors, administrators, and assignees of the respective Parties.
- 7.08 Assignment.
- (a) Neither Party may assign this Agreement, or transfer any of its rights or obligations under this Agreement, or delegate any of its obligations under this Agreement, without the prior written consent of the other Party.
  - (b) Any such assignment, transfer, or attempted assignment, transfer or attempted transfer, delegation or attempted delegation (in any such event whether voluntary or by operation of law), and any conveyance or attempted conveyance of, grant of rights in or attempted grant of rights in, transfer of or attempted transfer (in any such event (s) whether voluntary or by operation of law) of the Real Property, or any portion thereof, or title thereto, or estate, ownership, or interest or right therein (by way of example, but not limited to, a security interest, lien, encumbrance or deed of trust) by Seller (or anyone claiming by or through Seller), without such consent ) shall be null and void.
- 7.09 Governing Law. This Agreement, including all exhibits hereto, and the rights and obligations of the Parties hereto, shall be governed in all respects, including validity, interpretation, and effect, by the laws of the State of California. For purposes of venue, the performance of this Agreement shall be deemed to be in Fresno County, California. In the event of any litigation between the

Parties arising out of or related to this Agreement, venue for such litigation shall only be Fresno County, California.

- 7.10 Headings. The subject headings of the paragraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of the provisions herein.
- 7.11 Counterparts. This Agreement may be executed by the Parties in different counterparts, all of which together shall constitute one agreement, even though all Parties may not have signed the same document.
- 7.12 Time. Time is of the essence of this Agreement.
- 7.13 No Third-Party Beneficiaries. Notwithstanding anything stated to the contrary herein, there shall be no intended third-party beneficiaries of this Agreement.
- 7.14 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way, unless it would be unreasonable to do so in light of the object of this Agreement as a whole.
- 7.15 Additional Documents. Subject to the terms and conditions of this Agreement, the Parties promptly shall execute and deliver any and all additional documents, instruments, and notices, and shall do any and all other acts and things, reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the provisions of this Agreement, and the consummation of the transactions referenced herein.
- 7.16 Titles. The section titles and headings contained in this Lease are inserted as a matter of convenience and for ease of reference only, and shall be disregarded for all other purposes, including the construction or enforcement of this Agreement or any of its provisions.
- 7.17 Lease Not Terminated. Notwithstanding any provision or rule of law to the contrary, Seller and Buyer hereby acknowledge, confirm, agree and covenant that the Lease shall not terminate upon the execution of this Agreement, the release of contingencies hereunder, or the expiration of the Due Diligence Period, and the

Lease shall continue in full force and effect through and including the "Expiration Date" set forth in the Lease.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**SELLER**

**BUYER**

**HERITAGE CENTRE LLC**

**COUNTY OF FRESNO**

DocuSigned by:  
B J.R. Anton III \_\_\_\_\_  
J 5820FA353A67482... nager

By: \_\_\_\_\_  
[Name: \_\_\_\_\_], Chairman of the Board  
of Supervisors of the County of Fresno

\_\_\_\_\_

**ATTEST:**  
[Name: \_\_\_\_\_]  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By: \_\_\_\_\_  
Deputy

FOR ACCOUNTING USE ONLY:  
ORG No.: 1044  
Account No.: 8300  
Fund: 0035  
Subclass: 10000

**Exhibit "A"**

3109, 3115, 3119, 3121, 3127, 3133, 3147, 3151, and 3155 N. Millbrook Avenue,  
Fresno, CA 93726, County of Fresno, State of California, and 3676 and 3708 E. Shields  
Avenue, Fresno, CA 93726, County of Fresno, State of California  
(APN 437-290-60, APN 445-002-07, and APN 445-002-09)

**Exhibit "H"**  
**Grant Deed**

Recording Requested By:  
When Recorded Mail To:  
The County of Fresno  
Internal Services Department  
333 Pontiac Way  
Clovis, CA 93612

Exempt from Recording Fees; Government  
Code §§ 27383, 27388.1(a)(2)(D) (AB 110,  
SB 2)

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**Grant Deed**

(Fee Simple)

HERITAGE CENTRE LLC, a California limited liability company ("Grantor"), hereby grants, to the COUNTY OF FRESNO, a political subdivision of the State of California ("Grantee"), the real property in the City of Fresno, in the County of Fresno, State of California, described as follows:

Legal description, attached as Exhibit B-1, and incorporated by this reference.

**GRANTEE:**  
COUNTY OF FRESNO, a political  
subdivision of the State of California

**GRANTOR:**  
HERITAGE CENTRE LLC.

By: \_\_\_\_\_  
[Name: \_\_\_\_\_], Director Internal  
Services Department/Chief Information  
Officer

By: \_\_\_\_\_  
J.R. Orton III, Manager

Date: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT "B-1"**  
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CLOVIS, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1: APN: 445-020-07**

THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, THE COUNTY OF FRESNO, CITY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS: °

BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 26, DISTANCE SOUTH 89° 51' WEST 629.45 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH 50° 10' WEST A DISTANCE OF THE 78.29 FEET; THENCE SOUTH 0° 09' EAST A DISTANCE OF 13.15 FEET; THENCE SOUTH 50° 10' WEST A DISTANCE OF 68.73 FEET; THENCE SOUTH 18° 19' WEST A DISTANCE OF 187.51 FEET TO THE POINT OF CURVATURE OF A CURVE WHOSE INTERIOR ANGLE IN 180° 23' AND RADIUS IS 15 FEET; THENCE CURVING TO THE LEFT ALONG SAID CURVE AN ARC DISTANCE OF 28.37 FEET TO THE POINT OF TANGENCY; THENCE NORTH 89° 56' EAST A DISTANCE OF 256.64 FEET; THENCE NORTH 0° 04' EAST A DISTANCE OF 305 FEET TO THE NORTH LINE OF SAID SECTION 26; THENCE SOUTH 89° 51' WEST ALONG SAID NORTH LINE 99.45 FEET TO THE POINT OF BEGINNING.

EXEMPTING THEREFROM THE NORTH 30 FEET THEREOF:

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF WHICH LIES WITHIN THE EAST 530 FEET OF THE NORTHWEST QUARTER OF SECTION 26.

**PARCEL 2: APN: 445-020-09**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

THE EAST 530 FEET OF THAT POTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, LYING NORTH OF THE NORTH LINE OF THE HERNDON CANAL, SAID HERNDON CANAL PROPERTY BEING DESCRIBED IN DEED DATED OCTOBER 31, 1955, TO FRESNO IRRIGATION DISTRICT, RECORDED NOVEMBER

25, 1955 IN BOOK 3686 PAGE 540 OF OFFICIAL RECORDS, DOCUMENT NO. 79976 AND RE-RECORDED DECEMBER 5, 1955 IN BOOK 2690 PAGE 249 OF OFFICIAL RECORDS, DOCUMENT NO. 81832; EXCEPTING THE NORTH 30 FEET THEREOF FOR ROAD PURPOSES.

ALSO EXCEPTING SUCH INTEREST IN AND TO THE EAS 20 FEET FOR ROAD PURPOSES, AS CONVEYED TO THE COUNTY OF FRESNO BY DEED RECORDED JUNE 20, 1952 IN BOOK 3183, PAGE 74 OF OFFICIAL RECORDS, DOCUMENT NO. 34120.

TOGETHER WITH THAT PORTION OF MILLBROOK AVENUE ABANDONED TO THE VALLEY CHILDREN'S HOSPITAL, A CORPORATION, BY AN ORDER OF THE BOARD OF SUPERVISORS OF FRESNO COUNTY ABANDONING THAT PORTION OF MILLBROOK AVENUE AS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, 273.29 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 26, SAID POINT ALSO BEING THE SOUTHERLY CORNER OF OUTLOT "A" OF HEADLINER HOMES NO. 2, AS SAID LOT IS SHOWN ON THE MAP OF HEADLINER HOMES NO. 2, RECORDED SEPTEMBER 22, 1954, IN BOOK 17 PAGE 19 OF PLATS, FRESNO COUNTY RECORDS; THENCE NORTH 0° 11' 10" EAST ALONG THE WEST LINE OF SAID OUTLOT "A", A DISTANCE OF 93.44 FEET TO THE NORTH CORNER OF SAID OUTLOT "A"; THENCE NORTH 25° 37' WEST ALONG THE NORTHWESTERLY PRODUCTION OF THE NORTHEAST LINE OF SAID OUTLOT "A", A DISTANCE OF 0.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 300.0 FEET TO A POINT OF CUSP WITH A TANGENT, SAID POINT OF CUSP BEING ON THE WEST LINE OF MILLBROOK AVE., AS PREVIOUSLY DEEDED; THENCE SOUTH 0° 11' 10" WEST, ALONG THE WEST LINE OF MILLBROOK AVENUE, AS PREVIOUSLY DEEDED, A DISTANCE OF 235.23 FEET; THENCE NORTH 70° 03' EAST, ALONG THE WESTERLY PRODUCTION OF THE SOUTHERLY LINE OF SAID OUTLOT "A", A DISTANCE OF 31.97 FEET TO THE POINT OF BEGINNING; A CERTIFIED COPY OF SAID ORDER HAVING BEEN RECORDED JANUARY 13, 1955, IN BOOK 3542 PAGE 666 OF OFFICIAL RECORDS, DOCUMENT NO. 2621;

ALSO EXCEPTING ANY PORTION THEREOF LYING SOUTHERLY OF THE NORTH LINE OF EAST MICHIGAN AVENUE.

**PARCEL 3: APN: 437-290-60**

THE EAST HALF OF LOT 30 OF NATIONAL COLONY, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 1 PAGE 38 OF RECORD OF SURVEYS, FRESNO COUNTY RECORDS;

EXCEPTING THEREFROM THAT PORTION THEREOF LYING NORTH AND WEST OF THE CENTERLINE OF THE DRY CREEK CANAL.

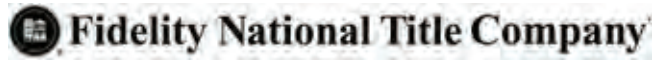
ALSO EXCEPTING THE SOUTH 20 FEET AND THE EAST 20 FEET THEREOF, AS GRANTED TO THE CITY OF FRESNO BY DEED RECORDED JUNE 21, 1957, IN BOOK 3940 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION AS CONVEYED TO THE CITY OF FRESNO AND AS PARTICULARLY DESCRIBED IN GRANT DEED RECORDED MARCH 16, 2004 AS DOCUMENT NO. 2004-0056706 OF OFFICIAL RECORDS.

**EXHIBIT "I"**

Preliminary Report Permitted Exceptions

A true and correct copy of the Fidelity National Title Company Preliminary Report, cover pages 1 through 4, and "Preliminary Report Permitted Exceptions," pages 5 through 21 (the Parties agree that exceptions that have been redacted from Exhibit H are not permitted exceptions), dated October 4, 2021, at 7:30 AM, which is incorporated herein by this reference.



**PRELIMINARY REPORT**

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.*

**Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.**

**Fidelity National Title Insurance Company**

By:

\_\_\_\_\_  
President

Attest:

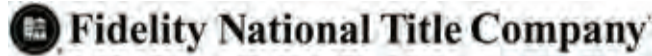
\_\_\_\_\_  
Secretary

Countersigned By:

\_\_\_\_\_  
Authorized Officer or Agent



Visit Us on our Website: [www.fntic.com](http://www.fntic.com)



**ISSUING OFFICE:** 2540 West Shaw Lane, Suite 112, Fresno, CA 93711

**FOR SETTLEMENT INQUIRIES, CONTACT:**

Fidelity National Title Company  
7475 North Palm Avenue, #107 • Fresno, CA 93711  
(559)431-8050 • FAX (559)261-8960

**Another Prompt Delivery From Fidelity National Title Company Title Department  
Where Local Experience And Expertise Make A Difference**

**PRELIMINARY REPORT**

Title Officer: Marc Wisneski  
Email: [marc.wisneski@titlegroup.fntg.com](mailto:marc.wisneski@titlegroup.fntg.com)  
Title No.: FFOM-2012107383-MW

Escrow Officer: Bernadette Watson  
Email: [Bernadette.Watson@fnf.com](mailto:Bernadette.Watson@fnf.com)  
Escrow No.: FFOM-2012107383 -BW

TO: County of Fresno Internal Services Dept.  
333 Pontiac Way  
Clovis, CA 93612  
Attn: Christopher L. Jones

**PROPERTY ADDRESS(ES):** APN's: 437-290-60; 445-002-07; 447-002-09, Fresno, CA

**EFFECTIVE DATE: October 4, 2021 at 07:30 AM**

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy 1990 (04-08-14)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Heritage Centre LLC, a California limited liability company, formerly known as and which acquired title as Valley Center LLC, a California Limited Liability Company

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): [437-290-60](#), [445-020-07](#) and [445-020-09](#)**

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THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1: APN: [445-020-09](#)**

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

THE EAST 530 FEET OF THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER LYING NORTH OF THE NORTH LINE OF THE HERNDON CANAL, SAID HERNDON CANAL PROPERTY BEING DESCRIBED IN DEED DATED OCTOBER 31, 1955, TO FRESNO IRRIGATION DISTRICT, RECORDED NOVEMBER 25, 1955, IN [BOOK 3686 PAGE 540 OF OFFICIAL RECORDS](#), DOCUMENT NO. 79976, AND RE-RECORDED DECEMBER 5, 1955, IN [BOOK 3690 PAGE 249 OF OFFICIAL RECORDS](#), DOCUMENT NO. 81832;

EXCEPTING THE NORTH 30 FEET THEREOF FOR ROAD PURPOSES;

ALSO EXCEPTING SUCH INTEREST IN AND TO THE EAST 30 FEET FOR ROAD PURPOSES, AS CONVEYED TO THE COUNTY OF FRESNO BY DEED RECORDED JUNE 30, 1952, IN [BOOK 3183 PAGE 74 OF OFFICIAL RECORDS](#), DOCUMENT NO. 34120;

TOGETHER WITH THAT PORTION OF MILLBROOK AVENUE ABANDONED TO THE VALLEY CHILDREN'S HOSPITAL, A CORPORATION, BY AN ORDER OF THE BOARD OF SUPERVISORS OF FRESNO COUNTY ABANDONING THAT PORTION OF MILLBROOK AVENUE, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, 273.29 FEET NORTH OF THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 26, SAID POINT ALSO BEING THE SOUTHERLY CORNER OF OUTLOT "A" OF HEADLINER HOMES NO. 2, AS SAID LOT IS SHOWN ON THE MAP OF HEADLINER HOMES NO. 2, RECORDED SEPTEMBER 22, 1954, IN [BOOK 17 PAGE 19](#) OF PLATS, FRESNO COUNTY RECORDS; THENCE NORTH 0° 11' 10" EAST ALONG THE WEST LINE OF SAID OUTLOT "A", A DISTANCE OF 93.44 FEET TO THE NORTH CORNER OF SAID OUTLOT "A"; THENCE NORTH 25° 37' WEST ALONG THE NORTHWESTERLY PRODUCTION OF THE NORTHEAST LINE OF SAID OUTLOT "A", A DISTANCE OF 0.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 300.0 FEET TO A POINT OF CUSP WITH A TANGENT, SAID POINT OF CUSP BEING ON THE WEST LINE OF MILLBROOK AVE., AS PREVIOUSLY DEEDED; THENCE SOUTH 0° 11' 10" WEST, ALONG THE WEST LINE OF MILLBROOK AVENUE, AS PREVIOUSLY DEEDED, A DISTANCE OF 235.23 FEET; THENCE NORTH 70° 03' EAST, ALONG THE WESTERLY PRODUCTION OF THE SOUTHERLY LINE OF SAID OUTLOT "A", A DISTANCE OF 31.97 FEET TO THE POINT OF BEGINNING; A CERTIFIED COPY OF SAID ORDER HAVING BEEN RECORDED JANUARY 13, 1955, IN [BOOK 3542 PAGE 666 OF OFFICIAL RECORDS](#), DOCUMENT NO. 2621;

ALSO EXCEPTING ANY PORTION THEREOF LYING SOUTHERLY OF THE NORTH LINE OF EAST MICHIGAN AVENUE.

**PARCEL 2: APN: [445-020-07](#)**

THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 13 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

**EXHIBIT "A"**  
Legal Description  
(continued)

BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 26, DISTANT SOUTH 89° 51' WEST 629.45 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH 50° 10' WEST A DISTANCE OF 78.29 FEET; THENCE SOUTH 0° 09' EAST A DISTANCE OF 13.15 FEET; THENCE SOUTH 50° 10' WEST A DISTANCE OF 68.73 FEET; THENCE SOUTH 18° 19' WEST A DISTANCE OF 187.51 FEET TO THE POINT OF CURVATURE OF A CURVE WHOSE INTERIOR ANGLE IS 108° 23' AND RADIUS IS 15 FEET; THENCE CURVING TO THE LEFT ALONG SAID CURVE AN ARC DISTANCE OF 28.37 FEET TO THE POINT OF TANGENCY; THENCE NORTH 89° 56' EAST A DISTANCE OF 256.64 FEET; THENCE NORTH 0° 04' EAST A DISTANCE OF 305 FEET TO THE NORTH LINE OF SAID SECTION 26; THENCE SOUTH 89° 51' WEST ALONG SAID NORTH LINE 99.45 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE NORTH 30 FEET THEREOF;

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF WHICH LIES WITHIN THE EAST 530 FEET OF THE NORTHWEST QUARTER OF SAID SECTION 26.

**PARCEL 3: APN: 437-290-60**

THE EAST HALF OF LOT 30 OF NATIONAL COLONY, ACCORDING TO THE MAP THEREOF RECORDED IN [BOOK 1 PAGE 38](#) OF RECORD OF SURVEYS, FRESNO COUNTY RECORDS;

EXCEPTING THEREFROM THAT PORTION THEREOF LYING NORTH AND WEST OF THE CENTERLINE OF THE DRY CREEK CANAL.

ALSO EXCEPTING THE SOUTH 20 FEET AND THE EAST 20 FEET THEREOF, AS GRANTED TO THE CITY OF FRESNO BY DEED RECORDED JUNE 21, 1957, IN BOOK 3940 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION AS CONVEYED TO THE CITY OF FRESNO AND AS PARTICULARLY DESCRIBED IN GRANT DEED RECORDED MARCH 16, 2004 AS [DOCUMENT NO. 2004-0056706 OF OFFICIAL RECORDS](#).

**AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

1. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 005-309  
 Tax Identification No.: 445-020-09 (Parcel 1)  
 Fiscal Year: 2021-2022  
 1st Installment: \$19,980.27 Open  
 2nd Installment: \$19,980.27 Open  
 Exemption: \$0.00  
 Land: \$579,327.00  
 Improvements: \$2,481,163.00  
 Personal Property: \$0.00

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment: Met Flood Assmt  
 Amount: \$1,264.32

2. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 005-309  
 Tax Identification No.: 445-020-07 (Parcel 2)  
 Fiscal Year: 2021-2022  
 1st Installment: \$2,082.23 Open  
 2nd Installment: \$2,082.23 Open  
 Exemption: \$0.00  
 Land: \$238,963.00  
 Improvements: \$76,314.00  
 Personal Property: \$0.00

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment: Met Flood Assmt  
 Amount: \$140.48

**EXCEPTIONS**  
(continued)

3. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area:	005-309
Tax Identification No.:	437-290-60 (Parcel 3)
Fiscal Year:	2021-2022
1st Installment:	\$2,358.49 Open
2nd Installment:	\$2,358.49 Open
Exemption:	\$0.00
Land:	\$361,495.00
Improvements:	\$0.00
Personal Property:	\$0.00

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment:	Met Flood Assmt
Amount:	\$146.48

4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
5. The herein described property lies within the boundaries of the Fresno Metropolitan Flood Control District and may be subject to assessment for drainage fees and/or requirements to construct planned local drainage facilities

Disclosed by:	FMFCD Resolution No. 1816
Recording Date:	July 31, 1995
<u>Recording No.:</u>	<u>95092128 of Official Records</u>

6. Such rights or interest as may exist in and to that portion of said land lying within the Dry Creek Canal, as disclosed by the records of the County Engineer's office of said County and as shown on the map of said Colony.

Affects: Parcel 3

7. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Purpose:	electric transmission line and appurtenances thereto
Recorded:	May 25, 1949, as Document No. 25835, in <u>Book 2737 Page 201, Official Records</u>
Affects:	Parcel 3

**EXCEPTIONS**  
(continued)

8. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Grant to: County of Fresno  
 Purpose: public road  
 Recorded: June 13, 1952  
Recording No. [Book 3177, Page 166](#), Document No. 31368 of Official Records  
 Affects: the South 20 feet of the North 50 feet of the East 380 feet of that portion of the North half of the Northwest quarter of Section 26-13/20, lying North of the North bank of the Herndon Canal

Affects : Parcel 1

9. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted To: City of Fresno  
 Purpose: public street purposes  
 Recorded: October 18, 1961, in [Book 4625 Page 306](#), [Document No. 77516 of Official Records](#)  
 Affects: the North 20.0 feet

Affects : Parcel 2

10. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted To: City of Fresno  
 Purpose: public street purposes  
 Recorded: February 27, 1962, in [Book 4684 Page 139](#), as [Document No. 16480, of Official Records](#)  
 Affects: the South 20.0 feet of the North 50.0 feet of the West 150.0 feet of the East 530.0 feet of the Northeast quarter of the Northwest quarter of Section 26-13/20, lying North of the North line of the Herndon Canal

11. Any irregularities, reservations or other matters in the proceedings occasioning the abandonment or vacation of the street/road named below:

Name: Millbrook Avenue  
 Certified Copy of Resolution – Recording Date: January 13, 1955  
 Certified Copy of Resolution – [Recording No.: Book 3542, Page 666](#), Document No. 2621 of Official Records  
 Affects: A portion of Parcel 1

**EXCEPTIONS**  
(continued)

12. Matters contained in that certain document

Entitled: Grant of Right of Way Agreement  
 Dated: May 11, 1966  
 Executed by: Joseph A. Barkett et al and Shields Medical Arts Center, a California Corporation  
 Recording Date: May 25, 1966  
Recording No.: [Book 5317, Page 334, Document No. 39959 of Official Records](#)

Reference is hereby made to said document for full particulars.

Affects: Parcel 2

Reference is made to said document for full particulars.

13. Matters contained in that certain document

Dated: July 15, 1966  
 Executed by: Wilbur B. Baptist, Eugene G. Tainter, Herbert S. Hunter, Administrator of the Estate of George L. Browing, deceased, and Shields Medical Arts Center, a California Corporation  
 Entitled: Grant of Right of Way  
 Recorded: August 30, 1966, as Document No. 63373, in [Book 5352 Page 239, Official Records](#)

Affects: Parcel 2

14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Fresno  
 Purpose: Public Street  
 Recording Date: February 19, 1971  
Recording No.: [Book 5865, Page 235, Document No. 13237 of Official Records](#)  
 Affects: Parcel 1

15. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
 Lessee: Marvin Simmons, M.D.  
 Disclosed by: Assignment of Lease  
 Recorded: October 19, 1977, as [Document No. 111870](#), in [Book 6897 Page 556, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

**EXCEPTIONS**  
(continued)

16. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Shields Medical Arts X-Ray Group  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111871](#), in [Book 6897 Page 558, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

17. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Paul R. Brother, M.D.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111872](#), in Book 6897 Page 560, Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

18. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Dry Creek Lab Association  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111873](#), in [Book 6897 Page 562, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

19. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Thomas Eliason, M.D., Inc.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111874](#), in [Book 6897 Page 564, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

**EXCEPTIONS**  
(continued)

Affects: Parcel 2

- 20. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Thomas Dunklin, M.D.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111875](#), in [Book 6897 Page 566, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

- 21. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Jack Seymour, Dds  
Disclosed by: Assignment of Lease

Recorded: October 19, 1977, as [Document No. 111876](#), in [Book 6897 Page 568, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

- 22. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Edward Cherniss, M.D.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111877](#), in [Book 6897 Page 570, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

- 23. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Paul Levy, M.D.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111878](#), in [Book 6897 Page 572, Official Records](#)

**EXCEPTIONS**  
(continued)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

- 24. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein

Lessor: Valley Children's Hospital and Guidance Clinic, a California Corporation  
Lessee: Omas Sayeg, M.D.  
Disclosed by: Assignment of Lease  
Recorded: October 19, 1977, as [Document No. 111879](#), in [Book 6897 Page 574, Official Records](#)

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 2

- 25. An unrecorded lease or other agreement providing financial accommodation with respect to certain equipment and personal property, dated September 29, 1978, as disclosed by that certain document entitled "Declaration and Waiver", dated October 24, 1978, executed by and between Crocker Equipment Leasing, Inc., ("Crocker") and Valley Children's Hospital and Guidance Clinic ("customer") recorded November 6, 1978, as Document No. 123738, in Book 7154 Page 70 of Official Records, which document, among other things, contains or provides that said customer shall acquire no title to or interest in such equipment and personal property or any portion thereof by virtue of such installations or attachment.

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: Parcel 1

**EXCEPTIONS**  
(continued)

26. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Purpose: Channel of Big Dry Creek, canal and/or pipeline or pipelines and to flow and conduct water in and through said channel of said Dry Creek and/or sand canal and/or said pipeline or pipelines, and incidental purposes

Recorded: June 22, 1979, as [Document No. 72468](#), in < bk 7312 Page 800, Official Records

Affects: Parcel A: That portion of said Lot 30 of National Colony, described as follows: Beginning at the intersection of the centerline of the Dry Creek Canal with the North line of the South 50 feet of Section 23-13/20, said intersection bears North 89° 49' 34" West, along the South line of said Section, 729.59 feet and North 51° 50' 43" East, 80.6 feet from the South quarter corner of said Section; thence along said centerline, the following courses: (1) North 51° 50' 43" East, 218.05 feet; (2) North 55° 04' 44" East, 75.08 feet; (3) North 73° 45' 53" East 82.07 feet; (4) South 89° 02' 42" East, 61.19 feet; (5) North 78° 09' 49" East, 58.02 feet; (6) North 53° 18' 22" East, 56.03 feet; (7) North 45° 34' 36" East, 61.05 feet; (8) North 44° 36' 56" East, 62.02 feet; (9) North 39° 08' 39" East, 84.21 feet; (10) North 37° 52' 26" East, 16.07 feet, and (11) North 40° 40' 37" East, 17.09 feet; thence (12) along the West line of the East 40 feet of the Southwest quarter of said Section, South 1° 11' 26" West, 41.02 feet; thence (13) South 38° 05' 13" West, 86.96 feet; thence (14) South 43° 13' 50" West, 62.00 feet; thence (15) South 45° 06' 25" West, 61.03 feet; thence (16) South 55° 17' 27" West, 74.02 feet; thence (17) South 77° 40' 15" West, 58.03 feet; thence (18) South 86° 17' 56" West, 60.41 feet; thence (19) South 78° 46' 36" West, 67.69 feet; thence (20) South 56° 58' 50" West, 75.24 feet; thence (21) South 52° 24' 25" West, 184.66 feet to said North line; thence (22) along said North line, North 89° 49' 34" West, 42.23 feet to the point of beginning. Excepting therefrom the Southwesterly 12 feet, being a strip of land 12 feet in width lying Northwesterly of and contiguous to the above described Courses (13) through (21) inclusive. The sidelines of said strip of land to be prolonged or shortened so as to begin in the above described Course (12) and end in the above described Course (22).

Parcel B: A strip of land 12 feet in width in said Lot 30, lying Northwesterly of and contiguous to Courses (13) through (21), inclusive, as said courses are described in Parcel "A". The sidelines of said strip of land to be prolonged or shortened so as to begin in Course (12) and end in Course (22) as said courses are described in Parcel "A".

Affects: Parcel 3

27. Matters contained in that certain document

Dated: January 15, 1980

Executed by: Valley Children's Hospital and Guidance Clinic and City of Fresno

Entitled: Covenant (For Off-Site Parking Spaces)

Recorded: March 4, 1980, as [Document No. 23009](#), in [Book 7478 Page 279, Official Records](#)

Reference is made to said document for full particulars.

28. Matters contained in that certain document

Entitled: Consent to Removal of Personal Property Affixed to Real Property

Executed by: Valley Children's Hospital and Bank of America

Recording Date: March 29, 1982

[Recording No.:](#) [Book 7882, Page 100 of Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS**  
(continued)

Affects: Parcel 1

29. Matters contained in that certain document

Entitled: Covenant (For use of Public Encroachment Space)  
 Dated: April 23, 1984  
 Executed by: Valley Children's Hospital and Guidance Clinic and City of Fresno  
 Recording Date: May 14, 1984  
Recording No.: [84046429 of Official Records](#)

Reference is hereby made to said document for full particulars.

Affects  
 :  
 Parcels 1 and 2, with other property

30. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Gas and Electric Company  
 Purpose: pole lines  
 Recording Date: May 4, 1984  
Recording No.: [84046429 of Official Records](#)  
 Affects: a portion of Parcels 1 and 2

Affects: Parcel 2

31. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Gas and Electric Company  
 Purpose: Facilities  
 Recording Date: April 19, 1985  
Recording No.: [85038449 of Official Records](#)  
 Affects: The portion of the Northeast quarter of the Northwest quarter of Section 26-13/20 conveyed by Shields Medical Arts Center to Valley Children's Hospital and Guidance Clinic by deed dated October 18, 1977, and recorded in [Book 6897 Page 551, Official Records](#) of Fresno County.

32. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: City of Fresno  
 Purpose: public street purposes  
 Recorded: March 6, 1990, as [Document No. 90026426, Official Records](#)  
 Affects: That portion of the East half of said Lot 30, described as follows:

Beginning at a point which lies 20.00 feet West and 20.00 feet North of the Southeast corner of said East half; thence Westerly, parallel with and 20.00 feet North of the South line of said East half, a distance of 16.60 feet; thence Northeasterly to a point which lies 20.00 feet West and 36.60 feet North of said Southeast corner; thence Southerly, parallel with and 20.00 feet West of the East line of said East half, to the point of beginning.

**EXCEPTIONS**  
(continued)

Affects: Parcel 3

- 33. Matters contained in that certain document

Dated: April 25, 1985  
Executed by: Valley Children's Hospital and Richard D. Jones  
Entitled: Covenant and Easement for Storm Drain and Water Supply Pipeline Facilities  
Recorded: May 23, 1985, as [Document No. 85050688, Official Records](#)

Affects: Parcel 2

- 34. A Notice of Manufactured Housing Unit or Commercial Coach, installed on a permanent foundation system

Recording Date: May 10, 1990  
[Recording No.: 90054357 of Official Records](#)

Affects: Parcel 1

- 35. A covenant and agreement

Executed by: Valley Children's Hospital and Guidance Clinic  
In favor of: City of Fresno  
Recorded: July 13, 1990, as [Document No. 90081666, Official Records](#)

Which among other things provides:

For use of public encorachment space

Affects: Parcel 3

- 36. [Redacted]

[Redacted]

[Redacted]

[Redacted]

**EXCEPTIONS**  
(continued)

[Redacted]

[Redacted]

- 37. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey  
Recording Date: January 20, 1999  
Recording No.: [Book 43 Page 16](#) of Records of Survey

- 38. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Central City Commercial Revitalization Redevelopment Project  
Recording Date: September 24, 1999  
Recording No.: [1999-0142572 of Official Records](#)

Revised Notice Under Health and Safety Code

Recording Date: December 12, 2007  
Recording No.: [2007-0219958 of Official Records](#)

- 39. [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**EXCEPTIONS**  
(continued)

40.

[Redacted text block for item 40]

41.

[Redacted text block for item 41]

42.

[Redacted text block for item 42]

**EXCEPTIONS**  
(continued)

[Redacted]

[Redacted]

43.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

44.

Matters contained in that certain document

Entitled: Agreement for Dedication of Flood Easement and Release  
Executed by: Heritage Center, LLC and Fresno Metropolitan Flood Control District  
Recording Date: August 11, 2003  
[Recording No.: 2003-0183791 of Official Records](#)

Reference is hereby made to said document for full particulars.

Affects: Parcels 1 and 2

45.

[Redacted]

[Redacted]

**EXCEPTIONS**  
(continued)

46.

[Redacted text block for item 46]

47.

[Redacted text block for item 47]

48.

[Redacted text block for item 48]

**EXCEPTIONS**  
(continued)

49.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

50.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

51.

Any right of the United States to recover funds from the owner or from any transferee of said land, or of any portion thereon, by reason of the advance of Federal funds including, but not limited to those authorized under Hill-Burton Act.

**EXCEPTIONS**  
(continued)

52. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: Heritage Centre LLC, a California limited liability company, formerly known as and which acquired title as Valley Center LLC, a California Limited Liability Company

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form

**END OF EXCEPTIONS**

## NOTES

Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

- Note 1.** Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:  
  
No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
- Note 2.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 3.** Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.
- Note 4.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 5.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
- Note 6.** Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- Note 7.** Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note 8.** Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

## END OF NOTES



Inquire before you wire!

## WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.  
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>

## FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

### **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

### **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

### **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

### **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

### **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

### **Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

### **Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 934-3354 or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

## ATTACHMENT ONE

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE  
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE  
(CONTINUED)**

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

**[PART I**

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

**PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

## **ATTACHMENT ONE (CONTINUED)**

### **2006 ALTA OWNER'S POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]
7. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here.]

## ATTACHMENT ONE (CONTINUED)

### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### **FNF Underwritten Title Companies**

CTC - Chicago Title Company  
CLTC - Commonwealth Land Title Company  
FNTC - Fidelity National Title Company of California  
FNTCCA - Fidelity National Title Company of California  
TICOR - Ticor Title Company of California  
LTC - Lawyer's Title Company  
SLTC - ServiceLink Title Company

### **Underwritten by FNF Underwriters**

CTIC - Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
CTIC - Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
CTIC - Chicago Title Insurance Company

### **Available Discounts**

#### **DISASTER LOANS (CTIC, CLTIC, FNTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

**EXHIBIT J**

## Estimated Cost Statement/Operating Expenses

	<b>Estimated Annual Cost</b>
1	
2	
3	
4	Property Tax \$ 92,638.00
5	Property Insurance \$ 33,534.00
6	Maintenance/Repair \$ 315,029.00
7	Utilities (PG&E, City Utilities, water,
8	sewer and trash \$ 550,000.00
9	Janitorial \$ 218,376.00
10	\$
11	Landscape Maintenance \$44,616.00
12	Outside Services (Pest Control,
13	Parking Lot Sweeping, etc.) \$12,293.00
14	Office Supplies \$1,022.00
15	Security \$6,352.00
16	Supplies \$17,381.00
17	Telephone \$10,459.00
18	Legal and Accounting \$12,399.00
19	Licenses and Permits \$1,204.00
20	Other Taxes (Franchise Tax Board) \$6,800.00
21	<b>Sub Total</b> \$ 1,322,103.00
22	Plus: Annual Base Rent \$2,640,000.00
23	Total Base Rent & Operating
24	Expenses \$3,962,103.00
25	Management Fee – 3%
26	of the total annual Base Rent and
27	Operating Expenses \$ 118,863.00
27	<b>Annual Total</b> \$ 1,440,966.00
28	<b>Monthly Amount</b> \$120,080.00