LEASE AGREEMENT

This Lease Agreement ("Agreement") is dated _____ and is between Baltara Enterprises, L.P., a California Limited Partnership ("Lessor"), and the County of Fresno, a political subdivision of the State of California ("Lessee").

Article 1

Leased Premises

1.1 Leased Premises. The Lessor hereby leases to the Lessee the warehouse and office space at the location commonly known as 2600 Cesar Chavez Blvd #118, Fresno, CA 93721, a portion of Assessor Parcel Number (APN) 468-174-02 (the "Premises"). The Parties agree that the Premises Rentable Square Footage (RSF) is approximately 30,427 square feet as shown in Exhibit A.

Lessor reserves the right to use (and the Premises does not include) the roof and exterior wall of the Premises, and the area beneath, adjacent to, and above the Premises, together with the right (but not necessarily the obligation) to install, use, maintain, repair, and replace equipment machinery, pipes, conduits and wiring through the Premises, which serve other parts of the Building, in a manner and in location which do not unreasonably interfere with Lessee's use of the Premises.

Lessee shall have the right to free daily parking of passenger vehicles by its employees and visitors in the parking facility designated by Lessor at no additional charge to Lessee, subject to all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility, including any sticker or other identification system established by Lessor. Such parking shall be located along the perpendicular stalls along Santa Fe Blvd side of the building and any other street parking surrounding the building including Santa Fe, Cesar Chavez, and P Streets.

Lessee shall have sole rights during the entire potential lease term (which includes extensions) to use the gated parking lot behind the building (APN 468-174-07) as shown in Exhibit A. Lessee acknowledges that the shared trash and recycling bins are located in that area and utilized by all building tenants.

1.2 Covenants. The Lessor covenants that the Premises are in compliance with all applicable laws, ordinances and regulations, including but not limited to safety regulations, health and building codes, including, without limitation, the Americans with Disabilities Act and that the Premises shall remain in such compliance throughout the term of this Agreement, except for items which are caused or created by Lessee's occupancy or equipment.

1.3 Compliance with Laws. The Lessor shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its obligations under this Agreement, including but not limited to workers compensation, labor, and confidentiality laws and regulations.

Article 2

Lessee's Responsibilities

2.1 The Lessee shall use the Premises as warehouse and office space. The Lessee agrees to comply with applicable laws, ordinances and regulations in connection with such use.

Article 3

Rent, Invoices, and Payments

3.1 The Lessee agrees to pay, and the Lessor agrees to receive, rent for the use of its Premises under this Agreement and as described in Exhibit B to this Agreement, entitled "Rent Schedule."

3.2 Maximum Rent. The maximum Rent payable to the Lessor under this Agreement is $756,136.39 pursuant to the Rent Schedule referred to in Section 3.1. The Lessor acknowledges that the Lessee is a local government entity, and does so with notice that the Lessee's powers are limited by the California Constitution and by State law, and with notice that the Lessor may receive rent according to the terms of this Agreement and while this Agreement is in effect, and subject to the maximum amount payable under this section. The Lessor further acknowledges that Lessee's employees have no authority to pay the Lessor except as expressly provided in this Agreement.

3.3 Payment. The Lessee shall pay rent for each month on the first day of each month.

3.4 Incidental Expenses. The Lessor is solely responsible for all of its costs and expenses that are not specified as payable by the Lessee under this Agreement.

3.5 Building Operating Costs/Common Area/Utilities. The Lessor shall be responsible for all Building operating expenses, including real property taxes, building fires and structural insurance, property management cost, common area maintenance and repairs, and all utilities (water, sewer, and trash removal). Lessor shall pay for the gas and electricity for the common areas of the building and Lessee shall pay for its separately metered electricity within its space. Notwithstanding anything herein, to the contrary, Lessee shall be responsible for its data, telephone and computer network systems.

Lessee shall pay, prior to delinquency, all taxes against or levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee located in the Premises. In the event any or all of the Lessee's trade fixtures, furnishings, equipment and other personal property are to be assessed and taxed as property of Lessor, Lessee shall pay to Lessor within (10) days after delivery to Lessee by Lessor of a written statement setting forth such amount, the amount of such taxes only applicable to Lessee's Property.

Article 4

Term of Agreement

4.1 Term. This Agreement is effective on February 1, 2026, and terminates on January 31, 2028, except as provided in section 4.2, "Extension," or Article 6, "Termination and Suspension," below.

4.2 Extension. The term of this Agreement may be extended for no more than one (1), one (1) year period, only upon written approval of both parties at least ninety (90) days before the first day of the next one-year extension period. The Director of General Services or his or her designee is authorized to sign the written approval on behalf of the Lessee based on the Lessor's satisfactory performance. The extension of this Agreement by the Lessee is not a waiver or compromise of any default or breach of this

Agreement by the Lessor existing at the time of the extension whether or not known to the Lessee.

Article 5

Notices

5.1 Contact Information. The persons and their addresses having authority to give and receive notices provided for or permitted under this Agreement include the following:

For the Lessee:

County of Fresno
Director of General Services
333 W. Pontiac Way
Clovis, CA 93612
GSDContracts@fresnocountyca.gov

For the Lessor:

Baltara Enterprises LP
Attn: William Dyck
2025 N Gateway Blvd #101
Fresno, CA 93727
will@summafresno.com

5.2 Change of Contact Information. Either party may change the information in section 5.1 by giving notice as provided in section 5.3.

5.3 Method of Delivery. Each notice between the Lessee and the Lessor provided for or permitted under this Agreement must be in writing, state that it is a notice provided under this Agreement, and be delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by Portable Document Format (PDF) document attached to an email.

(A) A notice delivered by personal service is effective upon service to the recipient.

(B) A notice delivered by first-class United States mail is effective three Lessee business days after deposit in the United States mail, postage prepaid, addressed to the recipient.

(C) A notice delivered by an overnight commercial courier service is effective one Lessee business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.

(D) A notice delivered by PDF document attached to an email is effective when transmission to the recipient is completed (but, if such transmission is completed outside of Lessee business hours, then such delivery is deemed to be effective at the next beginning of a Lessee business day), provided that the sender maintains a machine record of the completed transmission.

5.4 Claims Presentation. For all claims arising from or related to this Agreement, nothing in this Agreement establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

Article 6

Termination and Suspension

6.1 Termination for Non-Allocation of Funds. The terms of this Agreement are contingent on the approval of funds by the appropriating government agency. If sufficient funds are not allocated, then the Lessee, upon at least 30 days' advance written notice to the Lessor, may:

(A) Modify the services provided by the Lessor under this Agreement; or

(B) Terminate this Agreement.

6.2 Termination for Breach.

(A) Upon determining that a breach (as defined in paragraph (C) below) has occurred, the Lessee may give written notice of the breach to the Lessor. The written

notice may suspend performance under this Agreement and must provide at least 30 days for the Lessor to cure the breach.

(B) If the Lessor fails to cure the breach to the Lessee's satisfaction within the time stated in the written notice, the Lessee may terminate this Agreement immediately.

(C) For purposes of this section, a breach occurs when, in the determination of the Lessee, the Lessor has:

(1) Obtained or used funds illegally or improperly;

(2) Failed to comply with any part of this Agreement;

(3) Submitted a substantially incorrect or incomplete report to the Lessee; or

(4) Improperly performed any of its obligations under this Agreement.

6.3 Termination without Cause. In circumstances other than those set forth above, the Lessee may terminate this Agreement by giving at least 90 days advance written notice to the Lessor.

6.4 No Penalty or Further Obligation. Any termination of this Agreement by the Lessee under this Article 6 is without penalty to or further obligation of the Lessee.

6.5 Lessee's Rights upon Termination. Upon termination for breach under this Article 6, the Lessee may demand repayment by the Lessor of any monies disbursed to the Lessor under this Agreement that, in the Lessee's sole judgment, were not expended in compliance with this Agreement. The Lessor shall promptly refund all such monies upon demand. This section survives the termination of this Agreement.

Article 7

Independent Lessor

7.1 Status. In performing under this Agreement, the Lessor, including its officers, agents, employees, and volunteers, is at all times acting and performing as an independent Lessor, in an independent capacity, and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the Lessee.

7.2 Verifying Performance. The Lessee has no right to control, supervise, or direct the manner or method of the Lessor's performance under this Agreement, but the Lessee may verify that the Lessor is performing according to the terms of this Agreement.

7.3 Benefits. Because of its status as an independent contractor, Lessor has no right to employment rights or benefits available to Lessee employees. The Lessor is solely responsible for providing to its own employees all employee benefits required by law. Lessor shall save the Lessee harmless from all matters relating to the payment of Lessor's employees, including compliance with Social Security withholding and all related regulations.

7.4 Services to Others. The parties acknowledge that, during the term of this Agreement, the Lessor may provide services to others unrelated to the Lessee.

Article 8

Indemnity and Defense

8.1 Indemnity of Lessee. The Lessor shall indemnify and hold harmless and defend the Lessee (including its officers, agents, employees, and volunteers) against all claims, demands, injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and liabilities of any kind to the Lessee, the Lessor, or any third party that arise from or relate to the performance or failure to perform by the Lessor (or any of its officers, agents, subcontractors, or employees) under this Agreement. The Lessee may conduct or participate in its own defense without affecting the Lessor's obligation to indemnify and hold harmless or defend the Lessee.

8.2 Indemnity of Lessor. The Lessee shall indemnify and hold harmless and defend the Lessor (including its officers, agents, employees, and volunteers) against all claims, demands, injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and liabilities of any kind to the Lessor, the Lessee, or any third party that arise from or relate to the performance or failure to perform by the Lessee (or any of its officers, agents, subcontractors, or employees) under this Agreement. The Lessor may

conduct or participate in its own defense without affecting the Lessee's obligation to indemnify and hold harmless or defend the Lessor.

8.3 Survival. This Article 8 survives the termination of this Agreement.

Article 9

Insurance

9.1 The Lessor shall comply with all the insurance requirements in Exhibit D to this Agreement.

9.2 Lessee's Insurance. For the mutual benefit of Lessor and Lessee, Lessee shall, during the term of this Agreement, cause to be issued and maintained comprehensive public liability and property damage insurance with contractual liability coverage in the sum of at least $2,000,000 for injury to or death of one person, and $4,000,000 for injury to or death of more than one person in any one accident, insuring the Lessee against liability for injury and/or death occurring in, on, or about Premises or common areas. Lessor shall be named as an additionally insured on the policy and such evidence shall be presented in writing to Lessor by Lessee prior to the commencement of the Agreement. Insurance shall be obtained from an insurance company properly licensed and qualified to do business in the State of California and rated A-XII or better in "Best's Insurance Guide." The Lessee shall maintain all such insurance in full force and effect during the entire term of this Agreement and shall pay all premiums for the insurance. Evidence of insurance and of the payment of premiums shall be delivered to Lessor. Lessee further agrees to keep at its sole expense all of Lessee's personal property, trade fixtures and equipment that may be on or about the Premises insured for an amount that will ensure the ability of Lessee to fully replace against loss or damage by fire or peril thereof. The protection, replacement, and insurance of the entire contents of Lessee's Premises are the sole responsibility of Lessee, and the loss or destruction of any of Lessee's property due to any cause including but not limited to fire, flood, disaster, roof leakage, building damage, theft, or other peril is in no way insured, guaranteed, or protected by Lessor.

Article 10

Inspections, Audits, and Public Records

10.1 Inspection of Documents. The Lessor shall make available to the Lessee, and the Lessee may examine at any time during business hours and as often as the Lessee deems necessary, all of the Lessor's records and data with respect to the matters covered by this Agreement, excluding attorney-client privileged communications. The Lessor shall, upon request by the Lessee, permit the Lessee to audit and inspect all of such records and data to ensure the Lessor's compliance with the terms of this Agreement.

10.2 State Audit Requirements. If the compensation to be paid by the Lessee under this Agreement exceeds $10,000, the Lessor is subject to the examination and audit of the California State Auditor, as provided in Government Code section 8546.7, for a period of three years after final payment under this Agreement. This section survives the termination of this Agreement.

10.3 Public Records. The Lessee is not limited in any manner with respect to its public disclosure of this Agreement or any record or data that the Lessor may provide to the Lessee. The Lessee's public disclosure of this Agreement or any record or data that the Lessor may provide to the Lessee may include but is not limited to the following:

(A) The Lessee may voluntarily, or upon request by any member of the public or governmental agency, disclose this Agreement to the public or such governmental agency.

(B) The Lessee may voluntarily, or upon request by any member of the public or governmental agency, disclose to the public or such governmental agency any record or data that the Lessor may provide to the Lessee, unless such disclosure is prohibited by court order.

(C) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure under the Ralph M. Brown Act (California Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

(D) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure as a public record under the California Public Records Act (California Government Code, Title 1, Division 10, Chapter 3, beginning with section 7920.200) ("CPRA").

(E) This Agreement, and any record or data that the Lessor may provide to the Lessee, is subject to public disclosure as information concerning the conduct of the people's business of the State of California under California Constitution, Article 1, section 3, subdivision (b).

(F) Any marking of confidentiality or restricted access upon or otherwise made with respect to any record or data that the Lessor may provide to the Lessee shall be disregarded and have no effect on the Lessee's right or duty to disclose to the public or governmental agency any such record or data.

10.4 Public Records Act Requests. If the Lessee receives a written or oral request under the CPRA to publicly disclose any record that is in the Lessor's possession or control, and which the Lessee has a right, under any provision of this Agreement or applicable law, to possess or control, then the Lessee may demand, in writing, that the Lessor deliver to the Lessee, for purposes of public disclosure, the requested records that may be in the possession or control of the Lessor. Within five business days after the Lessee's demand, the Lessor shall (a) deliver to the Lessee all of the requested records that are in the Lessor's possession or control, together with a written statement that the Lessor, after conducting a diligent search, has produced all requested records that are in the Lessor's possession or control, or (b) provide to the Lessee a written statement that the Lessor, after conducting a diligent search, does not possess or control any of the requested records. The Lessor shall cooperate with the Lessee with respect to any Lessee demand for such records. If the Lessor wishes to assert that any specific record or data is exempt from disclosure under the CPRA or other applicable law, it must deliver the record or data to the Lessee and assert the exemption by citation to specific legal authority within the written statement that it provides to the Lessee under this section. Lessor's assertion

of any exemption from disclosure is not binding on the Lessee, but the Lessee will give at least 10 days' advance written notice to the Lessor before disclosing any record subject to Lessor's assertion of exemption from disclosure. Lessor shall indemnify the Lessee for any court-ordered award of costs for attorney fees under the CPRA that results from the Lessor's delay, claim of exemption, failure to produce any such records, or failure to cooperate with the Lessee with respect to any Lessee demand for any such records.

Article 11

Disclosure of Self-Dealing Transactions

11.1 Applicability. This Article 11 applies if Lessor is operating as a corporation or changes its status to operate as a corporation.

11.2 Duty to Disclose. If any member of the Lessor's board of directors is party to a self-dealing transaction, he or she shall disclose the transaction by completing and signing a "Self-Dealing Transaction Disclosure Form" (Exhibit C to this Agreement) and submitting it to the Lessee before commencing the transaction or immediately after.

11.3 Definition. "Self-dealing transaction" means a transaction to which the Lessor is a party and in which one or more of its directors, as an individual, has a material financial interest.

Article 12

General Terms

12.1 Maintenance. The Lessor shall be responsible for the structural condition of the Premises and for all exterior and interior maintenance, including, but not limited to, the air conditioning, heating, electrical, windows, plumbing, roof, floor coverings, painting and graffiti removal, fire/life-safety systems including, but not limited to, fire suppression systems and alarms and smoke/fire alarm systems, landscaping, parking lot, and replacing lighting. The Lessor covenants that the Premises shall be maintained in substantially the same condition as that existing at the commencement of this Agreement.

(A) Except as expressly provided as Lessor's obligation above, Lessee shall keep the premises in good condition and repair. All damage or injury to the Premises or the

Building resulting from the act or negligence of Lessee, its employees, agents or visitors, guests, invitees or licensees, or by the use of the Premises (other than normal wear and tear from Lessee's use of the Premises), shall be promptly repaired by Lessee at its sole cost and expense, to the satisfaction of Lessor. Lessor may make any necessary repairs which are not promptly made by Lessee as required by this Agreement following: (1) Lessee's receipt of written notice from Lessor, and (2) the reasonable opportunity of Lessee to make said repair within 30 days of receipt of said written notice. Lessor may thereupon charge Lessee for the cost of reasonable repairs, which costs shall be paid by Lessee within 45 days from invoice from Lessor.

(B) Lessor agrees to furnish the Premises from 7:00 a.m. to 6:00 p.m. Mondays through Fridays, excepting local and national holidays, including Christmas Day, Thanksgiving Day, Labor Day, Memorial Day, New Year's Day and July 4th. Air conditioning and heat shall be provided in such quantities as is reasonably necessary for the comfortable occupancy of the Premises. Lessee shall comply with all Rules and Regulations which Lessor may establish for the proper functioning and protection of the common area air conditioning, heating, elevator, electrical, intrabuilding cabling and wiring and plumbing systems. Lessor may comply with mandatory or voluntary controls or guidelines promulgated by any government entity relating to the use or conservation of energy, water, gas, light, or electricity or the reduction of automobile or other emissions without creating any liability of Lessor to Lessee under this Agreement, as long as compliance with voluntary controls or guidelines does not interfere with Lessee's permitted use of the Premises under this Agreement. Lessee agrees to pay for all utilities and other services utilized by Lessee, and any additional Building services furnished to Lessee that exceed what is normally required for office use as stated in this section, and which are not uniformly furnished to all tenants of the Building, at the rate generally charged by Lessor to tenants of the Building for such utilities or services. Lessee shall cooperate with Lessor's voluntary energy conservation measures, provided such energy conservation measures, including Lessor's actions to convert the building to a "Green Building", do not interfere

with Lessee's reasonable use of the Premises. Notwithstanding anything herein to the contrary, Lessee shall fully cooperate with Lessor with any government-mandated energy regulations.

(C) Lessee will not, without the prior reasonable written consent of Lessor, use any apparatus or device in the Premises which will in any way unreasonably increase the amount of electricity or water usually furnished or supplied for use of the Premises as general office space; nor connect any apparatus, machine or device with water pipes or electric current (except through existing electrical outlets and pipe connections in the Premises), for the purpose of using electricity or water. Lessee agrees that Lessor shall be the sole and exclusive representative with respect to, and shall maintain exclusive control over, the reception, utilization and distribution of electrical power, regardless of point or means of origin, use or generation. Lessee shall not have the right to contract directly with any provider of electrical power or services.

(D) If Lessee requires heating, ventilation, and/or air conditioning during times other than those times provided in this section above, Lessee shall give Lessor such advance notice as Lessor shall reasonably require, and Lessor shall bill Lessee monthly at the then-current rate set by the local electric utility for such after-hours use.

(E) As an exception to events that may occur, in the event Building systems such as air conditioning and heating units, restroom fixtures are not draining properly, water intrusion or leaks or other events that cause immediate material impact to the occupancy of the Premises by Lessee, Lessor shall respond within twenty four (24) hours after written notice by Lessee to Lessor to make repairs and replace equipment to restore the systems to full working order. Lessor covenants that the Premises shall be maintained in a condition commensurate to other similar office buildings in the Fresno, CA area.

(F) Notwithstanding anything herein to the contrary, but subject to Lessor's obligation to cure its breach of its covenant to maintain the Premises as stated in this Section 12.1, Lessor shall not be liable for, and there shall be no rent abatement as a result of any stoppage, reduction, or interruption of any such services caused by governmental rules,

regulations or ordinances, riot, strike, labor disputes, breakdowns, accidents, necessary repairs, or other such cause outside of Lessor's control. Further notwithstanding anything herein to the contrary, but subject to Lessor's obligation to cure its breach of its covenant to maintain the Premises:

(1) Such failure, delay, or diminution shall not be considered to constitute an eviction or a disturbance of Lessee's use and possession of the Premises; and

(2) Lessor shall not be liable under any circumstances for a loss of or injury to property or for injury to or interference with Lessee's business, including loss of profits through, in connection with, or incidental to a failure to furnish any of the utilities or services hereunder.

12.2 Breach of Obligation to Maintain. In the event the Lessor breaches its obligation to maintain the Premises as herein provided, the Lessee may give written notice to the Lessor within 15 days of the discovery of such breach. The Lessor shall then have 30 days from the date of notice to cure its breach. If the period for cure expires and if, in the Lessees' reasonable determination, the Lessor has failed to cure, then the Lessee may, at their election:

(A) Terminate this Agreement as herein after provided. In such case, the Lessee shall have the right to demand the Lessor refund any monies which, in the judgement of the Lessee, were paid to the Lessor pursuant to the Agreement but which were not earned by the Lessor by consequence of its breach. Upon receipt of such demand, the Lessor shall promptly refund all such monies; or

(B) Cure the Lessor's breach and deduct the cost of such cure, together with reasonable administrative costs, from the Lessees' future rent obligation. The Lessee's decision to cure the Lessor's breach shall not constitute a waiver of any rights or remedies that Lessee may have arising from this Agreement or by operation of law.

12.3 Destruction or Damage from Casualty. If the Premises are damaged or destroyed as a result of fire, earthquake, act of God, or any other identifiable event of a sudden, unexpected, or unusual nature (hereinafter "Casualty"), then the Lessor shall

either promptly and diligently repair the damage at its own cost, or terminate the Agreement as hereinafter provided.

(A) If the Lessor elects to repair the Casualty damage to the Premises, then it shall within 30 days after the date of Casualty provide written notice (hereinafter "Notice of Repair") to the Lessee indicating the anticipated time required to repair. The Lessor shall bear the cost of all repairs to the Premises, including the cost to repair any alteration or fixtures installed or attached thereto by the Lessee. Such repairs shall restore the Premises to substantially the same condition as the existing at the commencement of this Agreement and shall be made in compliance with all applicable state and local building codes. The Lessor shall not be liable to the Lessee for compensation for any loss of business, or any inconvenience or annoyance arising from repair of the Premises as a result of the Casualty except for rent reduction as hereinafter provided. The Lessee shall be responsible at its sole cost and expense for the replacement of its personal property.

(B) The Lessor may only elect to terminate the Agreement due to Casualty if: the Premises have been destroyed or substantially destroyed by said Casualty; and the estimated time to repair the Premises exceeds 240 days from the date of the Casualty. The Lessor shall provide the Lessee with written notice of its election to terminate within 30 days after the date of Casualty.

(C) In the event of Casualty, Lessee's obligation to pay rent shall be reduced beginning on the date of Casualty. Such reduction shall be proportional to the damage caused to the Premises by the Casualty as determined by the Lessee. If the Lessor elects to repair the Premises pursuant to the terms of this Agreement, then the rent reduction shall continue until the date of the local governing body issuing a safe to stock certificate for the Premises.

(D) If the Lessee does not receive a Notice of Repair from Lessor within 30 days after a Casualty, or if the anticipated period of repair contained in the Notice of Repair exceeds 240 days, then the Lessee may elect to terminate this Agreement as hereinafter provided. In such case, the Lessee shall have the right to demand that the Lessor refund

any monies which, in the judgment of the Lessee, were paid to the Lessor pursuant to the Agreement but which were not earned by the Lessor by consequence of the Casualty. Upon receipt of such demand, the Lessor shall promptly refund all such monies.

12.4 Surrender of Possession. Upon the expiration or termination of this Agreement, the Lessee will surrender the Premises to Lessor in such condition as that existing at the commencement of this Agreement, less reasonable wear and tear, less the effects of any Casualty as herein defined, and less the effects of any breach of the Lessor's covenant to maintain. The Lessee will not be responsible for any damage with the Lessee is not obligated hereunder to repair.

12.5 Improvements to the Premises and Alterations. Lessee shall make no alterations, installations, changes, or additions in or to the Premises or the Building (collectively Alterations). Alterations shall not include moveable office furniture, office furnishings, or office equipment.

(A) Lessee may request that Lessor perform minor Alterations to the Premises. Such improvements may include such improvements as upgrades to door fixtures, the addition of electrical outlets, and other similar minor improvements. Subject to Lessor's approval, Lessor agrees to provide Lessee with an estimate of the cost of such Alterations. Upon Lessee's approval of the estimate provided by Lessor, Lessor shall perform the improvements. Lessee agrees to reimburse Lessor for the actual cost of such approved Alterations. An invoice for this cost shall be provided to Lessee after the completion of the Alterations and will be paid by Lessee to Lessor within 45 days of receipt of the invoice. Such Alterations shall not exceed a total of $30,000 for the full Term of this Agreement.

(B) Lessee shall keep the Premises and the Building free from any mechanic's liens, vendors liens, or any other liens arising out of any work performed, materials furnished or obligations incurred by Lessee, and Lessee agrees to defend, indemnify and hold lessor harmless from and against any such lien or claim or action thereon, together with costs of suit and reasonable attorneys' fees and costs incurred by Lessor in connection with any such claim or action. All expenses (including reasonable attorneys' fees) incurred by

Lessor in connection with any such liens shall be considered Additional Rent under this Agreement and shall be payable by Lessee within 45 days of an invoice provided by Lessor to Lessee.

12.6 Fixtures. The Lessor agrees that any equipment, fixtures or apparatus installed in or on the Premises by the Lessor shall continue to be the property of that governmental entity and may be removed by that governmental entity at any time. The respective governmental entity shall repair damage caused by the removal of its fixtures. Any fixtures not removed with the Lessee surrender possession shall become the property of the Lessor.

12.7 Right of Entry. The Lessor, or its representative(s), upon twenty-four (24) hour notice, shall have the right to enter the Premises at any time during business hours, or at such other time as the Lessee deems appropriate, to make any alterations, repairs or improvements to the Premises. The normal business of the Lessee or its invitees shall not be unnecessarily inconvenienced. In the event of an emergency, the Lessor may enter the Premises at any time without giving prior notice to the Lessee. Lessee acknowledges that Suite 118 warehouse has building-wide utility services inside such as a main fire sprinkler riser, main electrical meters and switchgear, and other utility services servicing areas beyond the scope of this Agreement, and Lessor may enter the Premises without notice to maintain, repair, and ensure the continued services of these utilities.

12.8 Estoppel Certificate. Lessee shall, at any time upon not less than sixty (60) days' prior written request by Lessor, execute, acknowledge and deliver to Lessor a written estoppel certificate, in a form reasonably satisfactory to Lessor, certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and, if applicable, the dates to which the monthly rent and any other charges have been paid in advance. Any such statement delivered pursuant to this Section 12.8 may be relied upon by third persons, including a prospective purchaser or encumbrancer of the Premises.

12.9 Subordination, Non-Disturbance, and Attornment. If after the Effective Date, Lessor desires to obtain a loan from a bank (the "Bank") and thereby encumber the Premises with a deed of trust ("Deed of Trust"), the Parties agree, and Lessor shall cause the Bank, as beneficiary of the Deed of trust, to agree, to enter into a Subordination, Non-Disturbance, and Attornment Agreement ("SNDA") in form and substance reasonably acceptable to Lessee, Lessor, and the Bank. The agreed-upon SNDA shall include the following terms, generally outlined below, which outline not an exhaustive list of terms, or the specific terms, for the agreed-upon SNDA:

(A) This Lessee shall subordinate the priority of this Lease to the Deed of Trust;

(B) In the event of a foreclosure of the Deed of Trust, or a transfer of the Real Property in lieu thereof or in any other manner whereby Bank or its successors-in-interest succeed to the interest of Lessor under this Lease, so long as there shall then exist no breach or event of default by Lessee under this Lease which has continued to exist for such period of time (after notice, if any, required by this Lease) as would entitle Lessor to terminate this Lease:

(1) This Lease, including the leasehold interest of Lessee hereunder shall not be disturbed or otherwise adversely affected by reason of such foreclosure or transfer of the Real Property in lieu thereof or in any other manner;

(2) Other than as set forth in the SNDA, none of Lessee's rights and interest under this Lease, shall be affected in any way by reason of any default under the Deed of Trust, and this Lease shall continue in full force and effect;

(3) Bank and its successors-in-interest shall recognize and accept Lessee as the lessee under this Lease, subject to the terms and conditions of this Lease as modified by the SNDA;

(4) The Bank and its successors-in-interest as lessor under this Lease, shall have all of the rights and obligations of Lessor under this Lease (provided that neither Bank nor such successors-in-interest shall be liable for any act or omission of Lessor as the prior lessor under this Lease, except that Lessee shall be entitled to

exercise all of its rights and remedies under this Lease with respect to continuing defaults hereunder resulting from the acts or omissions of Lessor arising after Bank, or its successor-in-interest, has received Lessee's notice to Bank, or its successor-in-interest, with respect to such defaults and has not, after a reasonable opportunity to cure, under the SNDA cured the same under the SNDA;

(5) Bank shall not join Lessee as a party defendant in any action or foreclosure proceeding unless such joinder is with respect to this Lease, including the Real Property, and required by law to foreclose the Deed of Trust, then only for such purpose and not for the purpose of terminating this Lease; and

(6) Lessee shall to attorn the Bank, and its transferee, as if the Bank and such transferee were Lessor under this Lease;

(7) Upon Lessee's receipt of written demand from Bank, which shall include notice of same has been given in writing to Lessor, that Bank has elected to terminate the license granted to Lessor to collect Rents from Lessee under this Lease, as provided in the Deed of Trust, and directing Lesse to make payment thereof directly to Bank.

(C) Lesse shall, for any Rents due and payable thirty (30) days thereafter, comply with such written demand and direction to pay and shall not be required to determine whether Lessor is in default under any obligations to Bank, or to honor any conflicting demand from Lessor, and (b) Lessee shall be entitled to full credit under this Lease for any Rents paid to Bank in accordance with such written demand and direction to the same extent as if such Rents were paid directly to Lessor; Any disputes between or among the Bank, including its successors-in-interest, and Lessor shall be dealt with and adjusted solely between or among the Bank, including its including its successors-in-interest, and Lessor.

(D) The SNDA shall be governed by California law.

12.10 Modification. Except as provided in Article 6, “Termination and Suspension,” this Agreement may not be modified, and no waiver is effective, except by written

agreement signed by both parties. The Lessor acknowledges that Lessee employees have no authority to modify this Agreement except as expressly provided in this Agreement.

12.11 Non-Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

12.12 Governing Law. The laws of the State of California govern all matters arising from or related to this Agreement.

12.13 Jurisdiction and Venue. This Agreement is signed and performed in Fresno County, California. The Lessor consents to California jurisdiction for actions arising from or related to this Agreement, and, subject to the Government Claims Act, all such actions must be brought and maintained in Fresno County.

12.14 Construction. The final form of this Agreement is the result of the parties' combined efforts. If anything in this Agreement is found by a court of competent jurisdiction to be ambiguous, that ambiguity shall not be resolved by construing the terms of this Agreement against either party.

12.15 Days. Unless otherwise specified, "days" means calendar days.

12.16 Headings. The headings and section titles in this Agreement are for convenience only and are not part of this Agreement.

12.17 Severability. If anything in this Agreement is found by a court of competent jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of this Agreement with lawful and enforceable terms intended to accomplish the parties' original intent.

12.18 No Waiver. Payment, waiver, or discharge by the Lessee of any liability or obligation of the Lessor under this Agreement on any one or more occasions is not a waiver of performance of any continuing or other obligation of the Lessor and does not prohibit enforcement by the Lessee of any obligation on any other occasion.

12.19 Entire Agreement. This Agreement, including its exhibits, is the entire agreement between the Lessor and the Lessee with respect to the subject matter of this

Agreement, and it supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature unless those things are expressly included in this Agreement. If there is any inconsistency between the terms of this Agreement without its exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving precedence first to the terms of this Agreement without its exhibits, and then to the terms of the exhibits.

12.20 No Third-Party Beneficiaries. This Agreement does not and is not intended to create any rights or obligations for any person or entity except for the parties.

12.23 Authorized Signature. The Lessor represents and warrants to the Lessee that:

(A) The Lessor is duly authorized and empowered to sign and perform its obligations under this Agreement.

(B) The individual signing this Agreement on behalf of the Lessor is duly authorized to do so and his or her signature on this Agreement legally binds the Lessor to the terms of this Agreement.

12.24 Force Majeure. The Parties shall not be liable for any failure or delay in the performance of their respective obligations hereunder caused by forces beyond its reasonable control, including, but not limited to the following, acts of God, nature or war; riots; pandemics; (each an event of “force majeure”), provided however;

(A) As soon as commercially practicable after the occurrence of any such event of force majeure, the party claiming an event of force majeure shall promptly provide written notice thereof to the other party and in such notice shall give reasonably full particulars concerning the nature, scope and anticipated duration of the event of force majeure, and unless such party gives notice of the cessation, or extension, of the occurrence of the event of force majeure, the event of force majeure shall be deemed to have ceased as of the date in such notice, or subsequent notice for the same event, of force majeure, and

(B) An event of force majeure will in no event include economic hardship, or acts, omissions, circumstances, or events caused by, or through, a third party that is under contract with a party where and to the extent that the acts, omissions, circumstances, or events caused by, or through, the third party could have been avoided by commercially-reasonable, timely, and diligent management or administration of the third party's performance of its contractual obligations and duties under its contract by the party to such contract.

12.25 Counterparts. This Agreement may be signed in counterparts, each of which is an original, and all of which together constitute this Agreement.

12.26 Electronic Signatures. The parties agree that this Agreement may be executed by electronic signature as provided in this section.

(A) An "electronic signature" means any symbol or process intended by an individual signing this Agreement 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) version of an original handwritten signature.

(B) Each electronic signature affixed or attached to this Agreement;

(1) Is deemed equivalent to a valid original handwritten signature of the person signing this Agreement 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.

(C) 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).

(D) 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 upon that representation.

(E) This Agreement is not conditioned upon the parties conducting the transactions under it by electronic means and either party may sign this Agreement with an original handwritten signature.

[*SIGNATURE PAGE FOLLOWS*]

The parties are signing this Agreement on the date stated in the introductory clause.

LESSOR
Baltara Enterprises L.P., a California Limited Partnership

William Dyck, President

LESSEE
COUNTY OF FRESNO

Garry Bredefeld
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

Deputy

For accounting use only:

Org No.:	7530
Account No.:	7340
Fund No.:	0107
Subclass No.:	10000

Exhibit A

Leased Premises are a Portion of APN 468-174-02

Leased Premises include APN 468-174-07 (Parking)

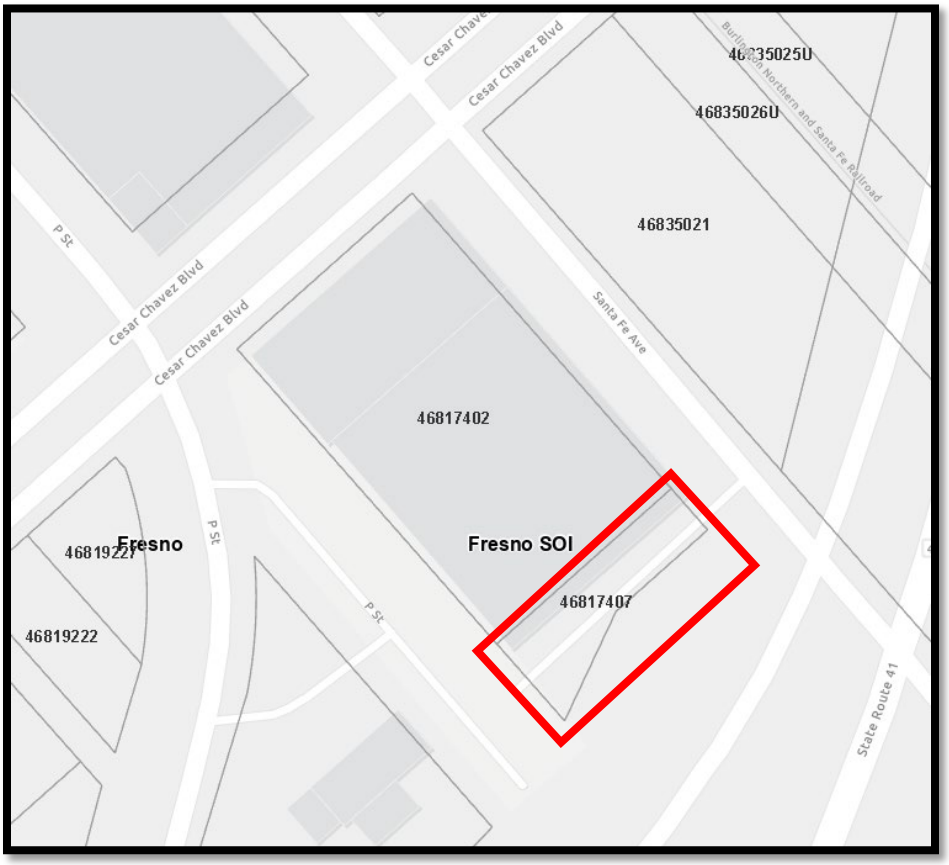

Exhibit A

Suite 118 (Leased Premises) identified by Red Outline below

(Only 1st Floor of Building Shown)

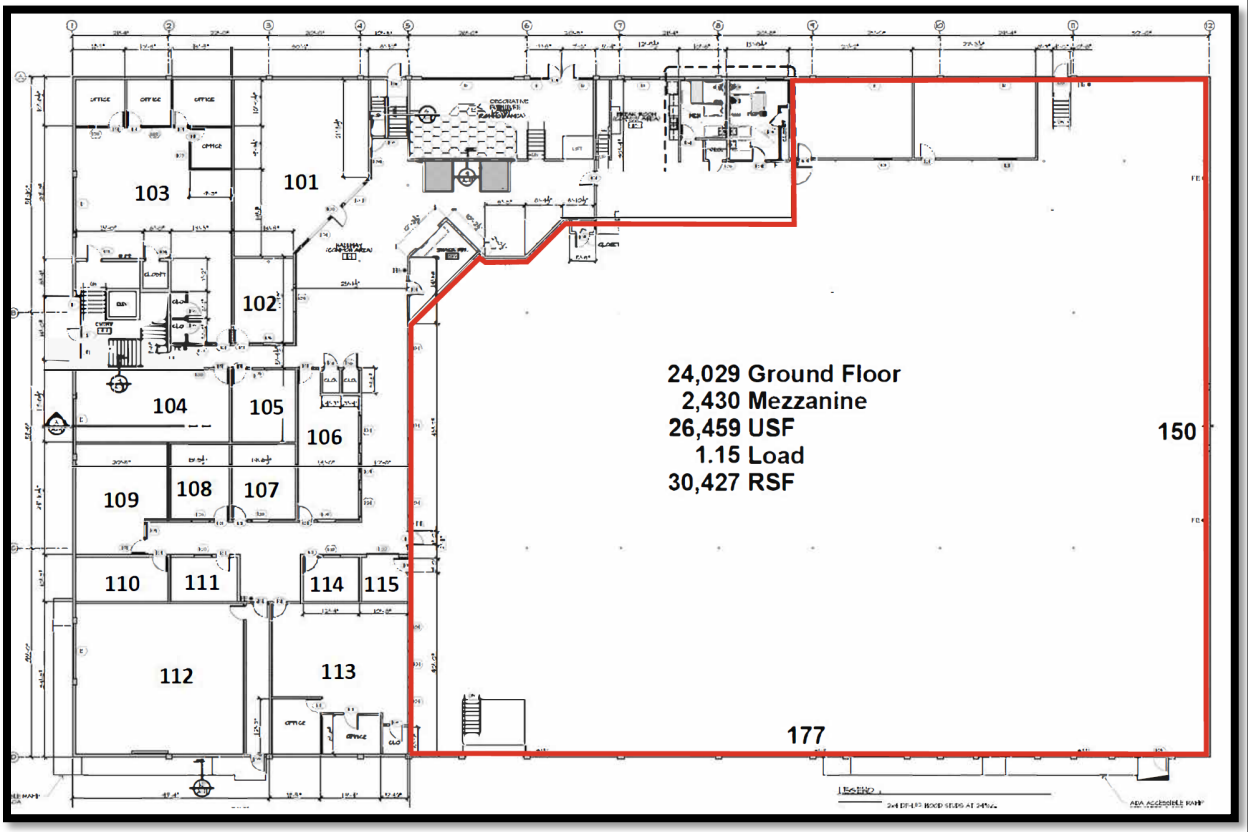

Exhibit B

Rent Schedule

Lease Year	Per Month Lease Cost	Per Year Lease Cost
Year 1	$20,386.09	$244,633.08
Year 2	$20,997.67	$251,972.04
Year 3 Option	$21,627.60	$259,531.20
	Max Lease	**$756,136.32**

Exhibit C

Self-Dealing Transaction Disclosure Form

In order to conduct business with the Lessee of Fresno ("Lessee"), members of a Lessor's board of directors ("Lessee Lessor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the Lessee. 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 used 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 Lessee. 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.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

Exhibit C

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

EXHIBIT D

Insurance Requirements

1. Required Policies

Without limiting the County's right to obtain indemnification from the Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement.

(A) **Commercial General Liability.** Commercial general liability insurance with limits of not less than Two Million Dollars ($2,000,000) per occurrence and an annual aggregate of Four Million Dollars ($4,000,000). This policy must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.

(B) **Automobile Liability.** Automobile liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.

(C) **Workers Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.

(D) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence for bodily injury and for disease.

2. Additional Requirements

(A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County's Risk Manager or the County Administrative Office, the Contractor shall deliver, or cause its broker or producer to deliver, to the County Risk Manager, at 2220 Tulare Street, 16th Floor, Fresno, California 93721, or HRRiskManagement@fresnocountyca.gov, and by mail or email to the person identified to receive notices under this Agreement, certificates of insurance and endorsements for all of the coverages required under this Agreement.

(i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy required by this Agreement and that waiver does not invalidate the insurance policy.

(ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and

volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.

(iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.

(B) **Acceptability of Insurers.** All insurance policies required under this Agreement must be issued by admitted insurers licensed to do business in the State of California and possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less than A: VII.

(C) **Notice of Cancellation or Change.** For each insurance policy required under this Agreement, the Contractor shall provide to the County, or ensure that the policy requires the insurer to provide to the County, written notice of any cancellation or change in the policy as required in this paragraph. For cancellation of the policy for nonpayment of premium, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 10 days in advance of cancellation. For cancellation of the policy for any other reason, and for any other change to the policy, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 30 days in advance of cancellation or change. The County in its sole discretion may determine that the failure of the Contractor or its insurer to timely provide a written notice required by this paragraph is a breach of this Agreement.

(D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains insurance with broader coverage, higher limits, or both, than what is required under this Agreement, then the County requires and is entitled to the broader coverage, higher limits, or both. To that end, the Contractor shall deliver, or cause its broker or producer to deliver, to the County's Risk Manager certificates of insurance and endorsements for all of the coverages that have such broader coverage, higher limits, or both, as required under this Agreement.

(E) **Waiver of Subrogation.** The Contractor waives any right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under the policy of worker's compensation insurance required by this Agreement. The Contractor is solely responsible to obtain any policy endorsement that may be necessary to accomplish that waiver, but the Contractor's waiver of subrogation under this paragraph is effective whether or not the Contractor obtains such an endorsement.

(F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor fails to keep in effect at all times any insurance coverage required under this Agreement, the County may, in addition to any other remedies it may have, suspend or terminate this Agreement upon the occurrence of that failure, or purchase such insurance coverage, and charge the cost of that coverage to the Contractor. The County may offset such charges against any amounts owed by the County to the Contractor under this Agreement.

EXHIBIT D

(G) **Subcontractors.** The Contractor shall require and verify that all subcontractors used by the Contractor to provide services under this Agreement maintain insurance meeting all insurance requirements provided in this Agreement. This paragraph does not authorize the Contractor to provide services under this Agreement using subcontractors.