

12/1/2020 City Council Meeting

Handouts received after agenda posted

REAL PROPERTY LEASE AGREEMENT CITY OF LEMOORE AND PEOPLE'S PROPERTIES, LLC

This Real Property Lease Agreement ("Agreement") is made and entered into as of this December ____, 2020 ("Effective Date") between the City of Lemoore, as Successor Agency to the Lemoore Redevelopment Agency ("Lemoore") and People's Properties, LLC ("Lessee"), pursuant to the following Recitals, which are a substantive part of this Agreement:

RECITALS

- A. Lessee is in the cannabis business in Lemoore, California.
- B. Lessee desires to lease property as set forth in **Exhibit A** with an option to purchase.
- C. Lemoore as Successor Agency owns two parcels (APN: 024-080-074-000 and 024-080-076-000) with a total of approximately 19.15 acres of undeveloped land as noted in **Exhibit A**, in the City of Lemoore, County of Kings, California ("Property").
- D. Lessee desires to use the Property for cannabis cultivation and agricultural-related uses.
- E. Lemoore is willing to lease the Property to Lessee upon the terms and conditions set forth in this Agreement.
- F. The City of Lemoore, in its capacity as a municipal corporation, intends to acquire the Property from the Successor Agency, and assume all rights and responsibilities provided under this Agreement, including the responsibilities of lessor and seller of the Property.

NOW, THEREFORE, for the consideration set forth herein, Lemoore and Lessee agree as follows:

AGREEMENT

- 1. <u>Lease of Property</u>. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Lemoore, Lemoore hereby leases to Lessee, for the purposes described below, the exclusive use and possession upon, over, across and under the Property, for the purpose of conducting agricultural-related uses in accordance with the Agreement.
- 2. <u>Term of Lease</u>. The term of this Agreement shall commence as of the date of execution and completion of the Feasibility Period hereof and shall remain in effect for one-year (Initial Term) with an automatic renewal for another one-year term (First Extension) followed by an automatic four year term (Second Extension) unless earlier terminated as herein provided. Lessee shall have a 60 day "Feasibility Period" as follows:

Lessee shall have a feasibility period of sixty (60) days from the latest date this Lease is executed by all parties hereto (the "Feasibility Period") to review, in Lessee's sole discretion, the condition and suitability of the Property for Lessee's intended use, including but not limited to development costs, financial and market feasibility, zoning, condition of title, and the physical and environmental condition of the Property. Lemoore shall deliver to Lessee copies of any and all plans, documents, studies and other pertinent materials that affect the acquisition and/or development of the Property. From and after the date of this Lease, Lessee, its agents, employees and contractors shall have the right to enter the Property for the purpose of conducting such investigations, inspections and tests of the property as Lessee deems necessary in order to determine the condition and suitability of the Property including, but not limited to, the feasibility matters. Lessee shall indemnify and hold Lemoore harmless from and against any and all loss, expense, claim, damage and injury to person or property resulting from the negligent acts of Lessee, its employees, consultants, engineers, authorized agents and contractors on the Property in connection with the performance of any investigation of the Property as contemplated herein; provided that Lessee shall have no responsibility for liability solely arising from any act or omission of Lemoore or its agents. At any time prior to the expiration of the Feasibility Period and for any reason whatsoever, lessee may cancel the transactions contemplated herein by providing Lemoore with written notice of cancellation and the entire Deposit, plus any accrued interest, shall be returned to Lessee. Should Lessee wish to proceed with the transaction contemplated herein at any time during the Feasibility Period, Lessee shall provide Lemoore with written notice of such intent and at that time Option/Lease. Term shall begin and the Deposit shall be treated pursuant to Section 3(a) hereof. Lemoore may terminate the transaction only if Lessee materially breaches any of the terms and conditions hereof.

- 3. Rent. Lessee shall pay to Lemoore an annual payment of \$2,000.00 per usable acre rent for a total of Thirty Eight Thousand Three Hundred Dollars (\$38,300.00) ("Rent"). Following an initial first year payment of \$38,300.00 due upon execution of this Lease, rent of \$3,191.66 is due and payable on the first day of the month and is delinquent on the next day. Ninety percent of rent payments shall be credited to the purchase price upon exercise of the purchase option.
- a. <u>Delivery</u>. All rent shall be paid by Lessee and be personally delivered or mailed to the City of Lemoore, Finance Department, 711 W. Cinnamon Dr., Lemoore, California, or any other place or places that Lemoore may designate by written notice to Lessee.

4. Use of Premises.

- a. <u>Purpose</u>. Lessee shall be permitted to use the Property for cannabis cultivation and agricultural-related uses (the "Intended Use"). No other uses shall be permitted on the Premises except incidental or ancillary uses without the prior express written consent of Lemoore.
- b. <u>Alterations and Improvements</u>. Lessee shall be permitted to construct irrigation and other agricultural-related peripheral improvements ("Improvements"), both underground and above ground on the Property. The Improvements shall be constructed in accordance with all applicable laws and regulations. No other alterations or improvements shall

be made to the Property without the advance and express written consent of Lemoore, and upon such terms and conditions as Lemoore may require. The precise plans for the Improvements shall be submitted for review and approval by Lemoore.

- c. <u>Permits, Land Use Approvals, and Licenses</u>. Lessee shall construct and install the Improvements in conformance with all applicable State, County, or municipal laws, rules, and regulations, and shall obtain any required permits and land use approvals before commencing construction and installation of the Improvements and maintain any such permits throughout the term of this Agreement.
- d. <u>Compliance with Laws</u>. Lessee shall comply with all statutes, ordinances, regulations and requirements of all governmental entities (including the City of Lemoore), relating to Lessee's use and occupancy of the Property, whether those statutes, ordinances, regulations and requirements are now in force or are subsequently enacted. Lessee shall not use the Property or permit the Property, or any portion thereof, to be improved, developed, used or occupied in any manner that is in any way in violation of any valid law, ordinance, or regulation of any state, county, or local governmental agency.
- e. <u>Waste and Nuisance</u>. Lessee shall not use the Property, or allow the Property to be used, in any manner that will constitute a nuisance or unreasonable annoyance to the adjacent properties.
- f. <u>Maintenance</u>. Lessee, at its sole cost and expense, shall at all times during the term of this Agreement keep and maintain the Property, and all personal property, buildings, structures and improvements thereon in good order and condition, and free from rubbish.
- g. <u>Utilities</u>. Lessee shall make all arrangements for and be solely responsible for paying for any applicable utilities and services furnished to or used by Lessee or its agents and invitees in connection with the Property, including, but not limited to, gas, electricity, water, sewer, telephone, cable, trash collection, and for all applicable connection charges.

5. Taxes, Assessments, and Fees.

- a. <u>Possessory Interest Tax and Assessments</u>. Lessee shall be solely responsible for any property taxes arising out of Lessee's use or occupancy of the Property. Lessee shall pay before delinquency any and all possessory interest taxes and assessments levied against it or resulting from Lessee's use or occupancy of the Property. Lemoore makes no representation as to whether or not taxes are due, but agrees that it shall be responsible for all taxes that may be due as of the Effective Date of this Lease. On demand by Lemoore, Lessee shall furnish Lemoore with satisfactory evidence of these payments. Lemoore shall forward all notices from any tax authority immediately upon receipt but in no case less than 30 days from the due date of any such taxes in order to allow Lessee to meet its payment obligations under the section.
- b. <u>Personal Property Tax</u>. Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges ("Taxes") that are levied and assessed against

Lessee's personal property installed or located in or on the Property, if any, and that become payable during the term of this Agreement. On demand by Lemoore, Lessee shall furnish Lemoore with satisfactory evidence of these payments.

- c. <u>Business License Fees</u>. If Lessee owns a business operating in the City of Lemoore, Lessee shall pay before delinquency any and all business license fees that are levied and assessed against the Lessee, and that become payable during the term of this Agreement, pursuant to the Lemoore Municipal Code. If applicable, Lessee's failure to pay any applicable business license fee to Lemoore shall constitute a default under this Agreement.
- 6. <u>Indemnification</u>. Lessee hereby releases and shall indemnify, defend, and hold harmless Lemoore and Lemoore's officials, officers, employees, agents, and volunteers from and against all liability, claims, suits, damages, losses, costs, and expenses, including reasonable attorney's fees, incurred in connection with or arising out of: (1) Lessee's use, occupation, or control of the Property (including Lessee's agents, employees, invitees, lessees, sub-lessees, or volunteers); (2) any breach of Lessee's performance obligations under this Agreement; or (3) any acts, omissions or negligence of Lessee or any person or entity claiming through or under Lessee, or Lessee's agents, employees, contractors, invitees, or visitors, except to the extent such claim, suit, damage, loss, or expense is caused by the sole negligence or willful misconduct of Lemoore's officials, officers, employees, agents, or volunteers.
- 7. <u>Insurance Requirements</u>. Lessee, at its sole cost and expense, shall procure and maintain, for the duration of this Agreement, insurance against claims for injuries to persons and for damage to property that may arise from or in connection with the use, occupation, or control of the Property by Lessee or its agents, employees, invitees, lessees, or volunteers. The cost of such insurance shall be borne by Lessee.
 - a. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 - i. Insurance Services Office Commercial General Liability coverage ("Occurrence" form CG0001).
 - ii. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
 - iii. Property Insurance against all risk of loss to any Lessee property, improvements and betterments.
 - b. Minimum Limits of Insurance. Lessee shall maintain limits no less than:
 - i. General Liability: \$1,000,000.00 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- ii. Workers' Compensation coverage as required by State of California statutory limits.
- iii. Employer's Liability: \$1,000,000.00 per accident for bodily injury or disease.
- iv. Property Insurance: Full replacement cost with no coinsurance penalty provision.
- c. <u>Insurance Provisions</u>. The general liability policy is to contain, or be endorsed to contain, the following provisions:
 - i. Lemoore, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of Premises owned, occupied or used by Lessee. The coverage shall contain no special limitations on the scope of protection afforded to Lemoore, its officers, officials, employees, agents, or volunteers.
 - ii. Lessee's insurance coverage shall be primary insurance as it respects to Lemoore, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by Lemoore, its officers, officials, employees, agents, or volunteers shall be in excess of Lessee's insurance and shall not contribute with it.
 - iii. Any failure to comply with reporting or other provisions of the policies including breaches of warranties, shall not affect coverage provided to Lemoore, its officers, officials, employees, agents or volunteers.
 - iv. Coverage shall state that Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - v. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Lemoore.
- d. <u>Acceptability of Insurers</u>. The insurance described in this section is to be placed with an insurer or insurers licensed to do business in California, admitted by the California Insurance Commissioner, and which have a current A.M. Best's rating of not less than "A-."

- e. <u>Verification of Coverage</u>. Lessee shall furnish Lemoore with original endorsements or certificates of insurance evidencing the coverage required by this section. The endorsements/certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- 8. Environmental Warranties. Lessee warrants and represents that it will not use, generate, manufacture, produce, store, or dispose of, on, under, or about Premises, or transport to or from the Premises, any Hazardous Materials, polychlorinated biphenyls (PCBs), or petroleum (including crude oil or any fraction or derivative thereof), except those uses incidental to the installation, use and maintenance of any approved improvements on the Property and in accordance with all applicable laws and regulations. Lessee shall, at its expense, comply with all applicable laws, regulations, rules and orders, regardless of when they become or became effective, including without limitation those relating to health, safety, noise, environmental protection, waste disposal, and water and air quality, and furnish satisfactory evidence of such compliance upon request of Lemoore.

Lessee shall not permit to be piled or stored upon the Property any Hazardous Materials, gun powder, dynamite, gasoline, or explosive substance or material, except where used in the ordinary course of Lessee's business and in compliance with all applicable laws. Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Property due to Lessee's use and occupancy thereof, Lessee, at its expense, shall be obligated to clean the Property to the satisfaction of Lemoore and any governmental body having jurisdiction thereover.

Lessee agrees to indemnify, defend, and hold harmless Lemoore against all liability, cost and expense (including without limitation any fines, penalties, judgments, litigation costs and attorneys' fees) incurred by Lemoore as a result of Lessee's breach of this section, or as a result of any such discharge, leakage, spillage, emission or pollution, regardless of whether such liability, cost or expense arises during or after the Agreement term, unless such liability, cost or expense is proximately caused solely by the active negligence of Lemoore.

The term "Hazardous Materials" when used in this Agreement shall mean any hazardous waste, hazardous substance, hazardous materials or toxic substances as defined, as of the Effective Date, in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Premises, and any substance defined as "hazardous waste" in Health and Safety Code section 25117 or as a "hazardous substance" in Health and Safety Code section 25316, and in the regulations adopted and publications promulgated under these laws. "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon gas, and petroleum or petroleum fractions, whether or not defined as a hazardous waste or hazardous substance in any such statute, ordinance, rule, or regulation as of the Effective Date.

9. <u>Liens and Claims</u>. Lessee shall promptly and fully pay for all materials for any improvements installed or constructed on the Property and shall promptly and fully pay all persons who perform labor on said improvements. If any mechanics' or materialmens' liens or any other liens or claims for any work done or materials furnished at Lessee's request are filed against the Property, Lessee shall remove the liens and claims at Lessee's own expense. If

Lessee fails to remove the liens or claims and any judgment is entered thereon or thereunder, Lessee shall pay that judgment. Should Lessee fail, neglect, or refuse to remove any lien or claim or to pay any judgment in a timely manner, Lemoore shall have the right to pay any amount required to release any such liens or claims, or to defend any action brought on the liens or claims and to pay any judgment entered on the liens or claims. Under those circumstances, Lessee shall be liable to Lemoore for all costs, damages, reasonable attorneys' fees, and any amounts expended by Lemoore in defending any proceedings or in the payment of any of said liens or claims or any judgment obtained therefore. Lemoore may post and maintain upon the Property a notice of non-responsibility.

- 10. <u>Leasehold Encumbrances</u>. Lessee shall not encumber by deed of trust, mortgage, or other security instrument, all or a part of Lessee's interest under this Agreement without the advance and express written consent of Lemoore, and upon such terms and conditions as Lemoore may require. Any encumbrance existing as of the Effective Date shall be subject to all covenants, conditions, or restrictions set forth in this Agreement and to all rights and interests of Lemoore.
- 11. <u>Successors: Assignment and Subletting.</u> This Agreement shall inure to the benefit of and be binding upon the heirs, administrators, executors, successors, and assigns of the Parties hereto, but shall not be assigned or subleased by Lessee without the prior written consent of Lemoore, which consent shall be granted or withheld in Lemoore' sole discretion. Notwithstanding the foregoing, Lemoore shall allow either an assignment of this Agreement or the subletting of this Agreement to People's Farming, LLC, a California limited liability company ("People's Farming"), as the operator for purposes of the Intended Use. Lessee shall promptly provide Lemoore with a copy of the assignment or sublease after it is executed by Lessee and People's Farming.
- 12. Property Leased "AS IS". The Property, including all access points, are leased to Lessee, and Lessee accepts the Property in its existing "AS IS" condition on the Effective Date. Lemoore shall not be required to make or construct any alteration including structural changes, additions or improvements to the Property, and shall have no maintenance or repair obligations with respect to the Property. Lessee expressly waives the provisions of sections 1941 and 1942 of the California Civil Code and all rights to make repairs at the expense of Lemoore as provided in section 1942 of the Civil Code. Lessee acknowledges that neither Lemoore, nor any officer, employee, or agent of Lemoore has made any representation or warranty with respect to the condition of the Property, the suitability of the Property for the intended use by Lessee, or compliance of the Property with the Americans With Disabilities Act of 1990 (or any accessibility guidelines or other regulations promulgated thereunder). Any agreements, warranties or representations not expressly contained in this Agreement shall in no way bind Lemoore or Lessee, and Lemoore and Lessee expressly waive all claims for damages by reason of any statement, representation, warranty, promise, or agreement, if any, not contained in this Agreement.
- 13. <u>Bankruptcy</u>. Lemoore shall have the right to terminate this Agreement by written notice and to take exclusive possession of the Property in the event: (a) Lessee is adjudged bankrupt; (b) Lessee becomes insolvent; (c) any action or proceeding for debtor relief of Lessee is

commenced; or (d) Lessee seeks general debtor relief by extrajudicial means. Receipt of rent or other payments from any person for use of the Property shall not constitute a waiver of Lemoore's right to terminate as above set forth.

14. <u>Reservations</u>. Subject to Lessee's written approval in each specific instance, which shall not be unreasonably withheld, Lemoore reserves for itself and those to whom it grants such right, the right to construct, maintain and operate any existing and new or additional pipes, communication and power transmission facilities upon, over, and beneath the Property, so long as the exercise of such right does not unreasonably interfere with Lessee's rights and authorized uses under this Agreement.

Lemoore reserves the title and exclusive right to all of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying the Property, or that may be produced therefrom, including, without limiting the generality of the foregoing, all petroleum, oil, natural gas and other hydrocarbon substances and products derived therefrom, together the with exclusive and, perpetual right thereto, without, however, the right to use or penetrate the surface of, or to enter upon the Property within five hundred feet (500') of the surface thereof to extricate or remove the same.

- 15. <u>Subterranean Facilities</u>. The absence of markers, monuments or maps indicating the presence of subterranean facilities, whether belonging to Lemoore or otherwise, does not constitute a warranty or representation that none exist. Lessee accepts this Agreement with full cognizance of the potential presence of such, acknowledging that the costs of Lessee's use may increase by reason thereof, and acknowledges that the owner or owners thereof may have acquired the right to continue to maintain such facilities by the passage of time.
- 16. <u>Eminent Domain</u>. In the event of the taking or condemnation of all or any part of the Property, Lessee may receive compensation only for any taking of or damage to Lessee-owned Improvements. Any compensation awarded and interest thereon, including the compensation for the land value and interest thereon, shall belong to Lemoore.

17. Default.

- a. <u>Lessee's Default</u>. The occurrence of any of the following shall constitute a default by Lessee:
 - i. Failure to pay rent, insurance premiums, or taxes, or any other sums due hereunder as a result of Lessee's use of the Property within thirty (30) days of the due date;
 - ii. Abandonment of the Property, in whole or in part;
 - iii. Failure to perform any other provision of this Agreement if the failure to perform is not cured within thirty (30) days after notice has been served upon Lessee.

- b. <u>Notice of Default</u>. Notices given under this section shall specify the alleged default and the applicable Agreement provisions and shall demand that Lessee cure the default within thirty (30) days or quit the Property.
- c. <u>Termination Resulting from Default</u>. Lemoore may terminate this Agreement immediately upon written notice to Lessee if Lessee defaults on any obligation under this Agreement and fails to cure such default within thirty (30) days after written notice from Lemoore of such default. In the event of a default by Lessee under this Agreement, Lemoore may terminate this Agreement and regain possession of the Property in the manner provided by the laws of unlawful detainer of the State of California in effect at the date of such default. At Lemoore's option, if Lessee has breached this Agreement and/or abandoned the Property, in whole or in part, this Agreement shall continue in effect for so long as Lemoore does not terminate Lessee's right to possession, and Lemoore may enforce all rights and remedies under this Agreement, including the right to recover the rent as it becomes due. Further, Lemoore shall be entitled to recover from Lessee damages and to exercise such other rights and remedies as provided to Lemoore under the laws of the State of California.
- d. <u>Right to Cure at Lessee's Expense</u>. Lemoore, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lemoore, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lemoore shall be due immediately from Lessee to Lemoore upon Lemoore's written demand for payment to Lessee, and if paid at a later date, shall bear interest at the rate of ten percent (10%) per annum from the date the written demand for payment is sent by Lemoore until Lemoore is reimbursed by Lessee. The sum, together with interest on it, shall be additional rent.
- 18. Option to Purchase Property. Notwithstanding anything to the contrary in this Agreement, during the term of the Lease the following early termination and option to purchase provisions shall apply:
- a. <u>Option to Purchase Property</u>. During the Term of this Lease, upon not less than sixty (60) days written notice, Lessee may elect to purchase the Property ("Option").

If the Option is exercised, the purchase price ("Purchase Price") for the Property shall be \$30,000 per acre for a total purchase price of Five Hundred Seventy-Four Thousand Dollars (\$574,000.00).

Upon execution of the Option, the parties shall open escrow with Chicago Title Company, 7330 North Palm Avenue, Suite 101, Fresno, California 93711, in accordance with the customary terms of Kings County. Lessee shall close escrow no later than 60 days from the exercise of the purchase option.

Lessee will pay for CLTA Owner's Policy of Title Insurance and documentary transfer tax. Parties will share the escrow fee equally and allocate other closing costs consistent with the practice in Kings County, California. Upon close of escrow, the Lease shall terminate.

- b. <u>Right of First Refusal</u>. During the Term of this Lease, upon receipt by Lemoore of a written offer to purchase the Property, Lessee shall be advised of the written offer and have thirty (30) days to give notice to Lemoore of Lessee's intent to exercise Lessee's Option to purchase the Property at the Purchase Price. This Right of First Refusal shall not apply to any offer made to Lemoore as Successor Agency by the City of Lemoore in its capacity as a municipal corporation.
- 19. <u>Termination</u>. Lemoore may terminate this Agreement upon written notice to Lessee if Lessee defaults on any obligation of this Agreement as outlined in Section 17 and that default remains uncured for thirty (30) days after written notice of default. Lessee may terminate this Agreement as follows: (1) By exercising the Option pursuant to Section 18; (2) By exercising written notice during the Feasibility Period in Section 2; or (3) for convenience by providing 60 days prior written notice prior to the end of the Initial Term or an extension term hereof. Lessee acknowledges and agrees that it is entering into this Agreement voluntarily and that upon termination of this Agreement according to its terms, Lessee shall not be entitled to any relocation assistance or benefits from Lemoore.
- 20. <u>Waiver</u>. No delay or omission in the exercise of any right or remedy of Lemoore on any default by Lessee shall impair such right or remedy or be construed as a waiver. The receipt and acceptance by Lemoore of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. If such delinquent rent is accepted after notice of default and termination has been served, the acceptance shall not constitute a waiver. Lemoore's consent to or approval of any act by Lessee requiring Lemoore's consent or approval shall not be deemed to waive or render unnecessary Lemoore's consent to or approval of any subsequent act by Lessee. Any waiver by Lemoore of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.
- 21. <u>Entry and Inspection of Property</u>. Lemoore and its authorized representatives shall have the right to enter and inspect the Property with at least twenty-four (24) hours advance notice to determine whether the Premises are in good condition and whether Lessee is complying with its obligations under this Agreement.
- 22. <u>Relationship of Parties</u>. Lemoore is not, nor shall it become or be deemed to be, a partner or a joint venturer with Lessee by reason of the provisions of this Agreement nor shall this Agreement be construed to authorize either party to act as the agent for the other.
- 23. Notice. Any and all notices or other communications required or permitted by this Agreement or by law to be delivered to, served on, or given to either party to this Agreement by the other party to this Agreement, shall be in writing and shall be deemed properly delivered, given or served when personally delivered to such party, or in lieu of personal service such notice or other communication shall be deemed properly delivered, given or served on the earliest of (1) the date actually received, (2) three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, addressed to the respective party at the address shown below, or (3) one (1) business day after deposit with a delivery service, which guarantees next business day delivery, addressed to the respective party as shown below. Either

party may change its address for purposes of notice by giving written notice of such change of address to the other party in accordance with the provisions of this paragraph, which change of address shall be effective five (5) business days after giving notice thereof. As of the date of this Agreement, the addresses of the parties are set forth below their signatures.

- 24. <u>Effect of Termination of Agreement</u>. Termination or expiration of this Agreement shall not release any Party hereto from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to such termination or expiration, or thereafter in case by the terms of this Agreement it is provided that anything shall or may be done after termination or expiration hereof.
- 25. <u>Entire Agreement and Amendments</u>. This Agreement contains all the agreements of the Parties concerning the subject matter of it and cannot be amended or modified except by a subsequent written agreement executed by both Parties. This Agreement shall not be modified or amended in any way except in writing signed by the Parties hereto.
- 26. <u>Severability</u>. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.
- 27. <u>Third Party Beneficiaries</u>. Nothing in this Agreement shall be construed to confer any rights upon any party not a signatory to this Agreement.
- 28. <u>Attorney's Fees</u>. If either Party commences an action against the other party arising out of or in connection with this Agreement, the Party prevailing in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and costs of suit.
- 29. <u>Voluntary Agreement; Authority to Execute</u>. Lessee and Lemoore each represent that they have read this Agreement in full and understand and voluntarily agree to all provisions herein. The Parties further declare that prior to signing this Agreement they each had the opportunity to apprise themselves of relevant information, through sources of their own selection, including consultation with counsel of their choosing if desired, in deciding whether to execute this Agreement. The signatories to this Agreement represent that they have the proper authority to execute this Agreement on behalf of the respective Party.
- 30. <u>Counterpart Copies</u>. The Agreement may be signed in counterpart or duplicate originals, and any signed counterpart or duplicate original shall be equivalent to a signed original for all purposes.
- 31. <u>Exhibits</u>. The Exhibits attached hereto are incorporated into and made a part of this Agreement as if set out in full in this Agreement.
- 32. <u>Recording</u>. Lessee or Lemoore shall, upon request, execute, acknowledge, and deliver to the other a memorandum of the Option for recording purposes. All resulting fees and taxes shall be paid by the party requesting recordation.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the

Effective Date.	
LESSEE:	LEMOORE:
By:	By:Nathan Olson, City Manager
Send Notices To:	Send Notices To:
	City of Lemoore Attn: Nathan Olson 711 W. Cinnamon Drive Lemoore, California 93245 Email: nolson@lemoore.com Phone: (559) 924-6744

EXHIBIT A

[Property Description]

