

ATTACHMENT 1

COPY OF LEASE EXECUTED SEPTEMBER 25, 2012, AMENDED FEBRUARY 26, 2013, WITH
JEANNE FLEEK AND MICHAEL SCOLLARD

ORIGINAL

LEASE

This Lease is made and entered into this 25th day of September, 2012, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and JEANNE FLEEK and MICHAEL SCOLLARD, a General Partnership, hereinafter referred to as LESSEE;

WHEREAS, COUNTY owns and operates a building known as the Humboldt County Courthouse; and

WHEREAS, COUNTY desires that a Snack Bar be operated for use by its employees and the public at said building; and

WHEREAS, LESSEE desires to operate said Snack Bar; and

WHEREAS, it is deemed mutually desirable by the parties that LESSEE be permitted to operate said Snack Bar; and

WHEREAS, pursuant to Government Code Section 25536, the Board of Supervisors, by a four-fifths vote, may enter into a lease of County property for employee cafeteria purposes without competitive bidding.

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

COUNTY leases to LESSEE and LESSEE leases from COUNTY the following described premises located in Eureka, County of Humboldt, State of California:

A. Approximately 1,406 square feet of that portion of the third floor of the Courthouse, located at 825 5th Street, Eureka, California, as shown on Exhibit A, which is attached hereto and incorporated herein. Said space is hereinafter referred to as Premises.

B. Additionally, COUNTY leases to LESSEE all that equipment listed on Exhibit B, which is attached hereto and incorporated herein. Said equipment is to be used only in connection with the use of the above-mentioned Premises and is not to be removed from Premises without first obtaining written approval from COUNTY'S Purchasing Department.

2. USE OF PREMISES

The Premises shall be used by LESSEE to operate a Snack Bar and all activities incidental thereto at the Humboldt County Courthouse. Except as allowed by separate agreement, LESSEE shall not conduct any other activities in the Courthouse.

3. TERM OF LEASE

A. The initial term of this Lease shall be for a period of one (1) year commencing October 1, 2012 and terminating on September 30, 2013.

B. Upon approval by COUNTY and LESSEE, the Lease may be extended on a year to year basis, but not beyond September 30, 2018. If LESSEE wishes to extend the term, LESSEE shall notify COUNTY in writing ninety (90) days prior to the end of the initial or extended term. Within thirty (30) days of receipt of such notice, COUNTY shall approve or disapprove extension of the Lease.

C. Any holding over with COUNTY'S consent beyond the term of this Lease shall be a month to month tenancy, with all the terms and conditions of this Lease.

4. RENT

LESSEE shall pay to COUNTY as rent for the leased Premises a monthly rental as follows:

Four Hundred Dollars (\$400.00) per month.

Rent shall be paid in advance on the first day of each month, except in the event that LESSEE'S occupancy shall commence on a day other than the first day of the month, the rent for the first partial month shall be prorated at one-thirtieth (1/30) of the rental rate for each calendar day the Premises are ready for occupancy during such month.

Rent shall be made payable to County of Humboldt, and submitted to County of Humboldt, Purchasing Department, 825 5th Street, Room 112, Eureka, CA 95501.

5. LATE FEE

If rent is not paid by the tenth (10th) day of each month, it shall be considered delinquent and LESSEE shall pay to COUNTY an amount equal to ten percent (10%) of the past due amount.

6. SECURITY DEPOSIT

LESSEE has, prior to commencement of this Lease, deposited with COUNTY, the sum of Five Hundred Dollars (\$500.00) as security for the full and faithful performance of each and every term, provision, covenant, and condition of this Lease. If LESSEE defaults in respect to any of the terms, provisions, covenants, or conditions of this Lease, including but not limited to the payment of any rent, COUNTY may use, apply, or retain the whole or any part of this security deposit for the payment in default or for any other sum which COUNTY may spend or be required to spend by reason of LESSEE'S default. Should LESSEE fully and faithfully comply with all the terms, provisions, covenants, and conditions of this Lease, the security deposit or any balance of the security deposit shall be returned to LESSEE within thirty (30) days of the expiration of the Lease.

7. UTILITIES

COUNTY agrees to furnish and pay for all charges for gas, refuse collection, water/sewer and electricity supplied to and used in the leased Premises by LESSEE, unless such use is determined by COUNTY to be unreasonable. LESSEE shall pay for its own telephone, computer and fax services to the leased Premises.

LESSEE waives any and all claims against COUNTY for compensation for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of any utility system, water supply system, drainage system, heating or gas system, air conditioning system, electrical apparatus or wiring serving the Premises.

8. JANITORIAL SERVICES

LESSEE shall be responsible for janitorial services and supplies within the leased Premises. LESSEE shall maintain the Premises at all times in a neat, orderly, and safe condition.

9. MAINTENANCE AND REPAIRS OF PREMISES AND EQUIPMENT

A. COUNTY shall be responsible for maintenance to the exterior of the building and for the following:

- (1) Light fixtures (excluding bulbs and any of LESSEE'S light fixtures);
- (2) Major plumbing fixtures, water lines, gas lines, and waste lines;
- (3) Electrical wiring, main service, subpanels, switches, and plugs;
- (4) Scheduled painting and replacement of floor coverings;
- (5) All major appliances including refrigerators, freezers, grill, deepfryer, oven, microwave, dishwasher, water heater for dishwasher, electric food slicer and mixer, except as provided in Section 9D of this Lease; and
- (6) All repairs or replacement as necessary of counters, tables and chairs.

B. LESSEE shall, to the satisfaction of COUNTY, keep and maintain the interior of the leased Premises and all improvements of any kind which may be erected, installed, or made thereon in good condition and substantial repair, except as provided in Section 9A above. It shall be LESSEE'S responsibility to take all steps necessary or appropriate to maintain such a standard of condition and repair. In addition, LESSEE expressly agrees to maintain the interior of the Premises in a safe, clean, wholesome, and sanitary condition to the complete satisfaction of COUNTY and in compliance with all applicable laws. Upon receipt of any and all Health Department inspection reports LESSEE shall provide a copy of said reports to the Purchasing and Public Works Department.

C. LESSEE further agrees to be responsible for the following:

- (1) All damage caused by LESSEE, its employees, and/or customers;
- (2) All of LESSEE'S inventory;
- (3) Waste line stoppage caused by Snack Bar, as determined by COUNTY;
- (4) Replacement of light bulbs;

- (5) Any installation and/or repair of phone/computer systems within leased Premises;
- (6) Cleaning of range hood;
- (7) Cleaning of all grease traps in leased Premises; and
- (8) Any interior pest maintenance that may be needed.

D. LESSEE shall be responsible for the maintenance, repair, and good working order of all equipment listed in Exhibit B, except as provided in Section 9A of this Lease, up to a maximum amount of \$200.00 for each piece of equipment per calendar year. Said calendar year shall begin on the commencement date of Lease. All other equipment not listed on Exhibit B shall be the sole responsibility of LESSEE.

COUNTY shall have the right to enter upon and inspect the leased Premises at any time for cleanliness and safety.

LESSEE shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this section, except that LESSEE shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by COUNTY. If LESSEE does not perform its obligations within the time limitations in this section, COUNTY, after notice to LESSEE, may terminate the Lease or perform the obligations and has the right to be reimbursed for the sum COUNTY actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of LESSEE'S obligations. If LESSEE does not reimburse COUNTY within ten (10) days after demand from COUNTY, COUNTY shall have the right to collect ten percent (10%) interest per annum on the sum COUNTY has expended until COUNTY is reimbursed in full. Any notice or demand concerning a material hazard or emergency may be made orally, by telephone or otherwise, provided that written confirmation is given within two (2) days after the oral notice or demand is made. Such confirmation shall be made as provided in Section 30 "Notice".

10. INVENTORY

LESSEE shall inventory all equipment listed on Exhibit B and file said inventory with the Purchasing Department as of June 30th of each year. If any of the items listed on Exhibit B is missing, destroyed, or no longer serviceable at the time said inventory is taken, LESSEE shall replace such items at its sole cost and expense with similar equipment of comparable quality unless the Purchasing Department determines that said item(s) need not be replaced.

Upon termination of this Lease, LESSEE shall return the Premises and equipment listed in Exhibit B in as good a condition as when rented, with the exception of normal wear and tear.

11. IMPROVEMENTS AND ALTERATIONS

LESSEE may make non-structural alterations or improvements to the Premises to accommodate LESSEE'S use of the Premises. However, LESSEE shall not make any alterations or improvements without the prior written consent of COUNTY. Such consent shall not be unreasonably withheld.

12. POSSESSORY INTEREST

This Lease may create a possessory interest, as described in Section 107 et seq. of the Revenue and Taxation Code of the State of California in tax exempt property. If such an interest is created, it may be subject to property taxation and the party in whom the possessory interest is vested may be subject to the payment of taxes on such interest.

13. INSTALLATION AND REMOVAL OF TRADE FIXTURES

LESSEE may cause or permit to be installed and/or affixed to the Premises such fixtures, signs and equipment as LESSEE deems desirable and all such fixtures, signs and equipment shall remain the property of LESSEE and may be removed at any time provided that LESSEE, at its expense, shall repair any damage caused by reason of such removal. All such fixtures, signs and equipment that are exterior to the Premises shall be approved by the Purchasing Department or its designee.

14. LESSEE'S RIGHT TO ERECT SIGNS

LESSEE shall not install any advertising signs without prior approval of the Director of Public Works or his designee.

15. HOLD HARMLESS/INDEMNIFICATION

A. LESSEE shall indemnify, defend and hold harmless COUNTY and its officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorneys' fees, which are caused by any negligent or willful acts of misconduct or omissions (either directly or through or by its officers, agents or employees) in connection with LESSEE'S duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of the COUNTY.

B. COUNTY shall indemnify, defend and hold harmless LESSEE and its officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorneys' fees, which are caused by any negligent or willful acts of misconduct or omissions (either directly or through or by its officers, agents or employees) in connection with COUNTY'S duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of the LESSEE.

C. Acceptance of insurance, if required by this Lease, does not relieve LESSEE from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by LESSEE'S operations regardless if any insurance is applicable or not.

16. LESSEE'S INSURANCE

This Lease shall not be executed by COUNTY and LESSEE is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the following provisions have been complied with, and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.

Without limiting LESSEE'S indemnification provided for herein, LESSEE shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Lease and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of LESSEE, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

A. Comprehensive or Commercial General Liability Insurance

Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.

B. Property Insurance

LESSEE is responsible for insuring its personal property.

C. Workers' Compensation Insurance Coverage

If required by California law, and in accordance with the statutory limits set forth therein. Said policy shall contain or be endorsed to contain a waiver of subrogation against COUNTY, its officers, agents, and employees.

17. SPECIAL INSURANCE REQUIREMENTS

Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

A. LESSEE

(1) The Comprehensive General Liability Policy shall provide that the COUNTY, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of LESSEE. The coverage shall contain no special limitations on the scope of protection afforded to the COUNTY, its officers, officials, employees, and volunteers. Said policy shall also contain a provision stating that such coverage:

- a. Includes contractual liability.
- b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards".
- c. Is primary insurance as regards to County of Humboldt.
- d. Does not contain a pro-rata, excess only, and/or escape clause.
- e. Contains a cross liability, severability of interest or separation of insureds clause.
- f. Shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY and in accordance with the Notice provisions set forth under Section 30. It is further understood that LESSEE shall not terminate such coverage until it provides COUNTY with proof satisfactory to COUNTY that equal or better insurance has been secured and is in place.
- g. Is primary coverage to COUNTY, and insurance or self-insurance programs maintained by COUNTY are excess to LESSEE'S insurance and will not be called upon to contribute with it.

(2) LESSEE shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Lease by COUNTY. The endorsements shall be on forms as approved by the County's Risk Manager or County Counsel. Any deductible or self-insured retention over \$100,000 shall be disclosed to and approved by COUNTY. If LESSEE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Lease, take out the necessary insurance, and LESSEE agrees to pay the cost of said insurance. COUNTY is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to LESSEE under this Lease.

(3) COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered and LESSEE shall be required to purchase additional coverage to meet the aggregate limits set forth above.

B. COUNTY AND LESSEE

(1) The COUNTY and LESSEE agree that insurance carried or required to be carried by either of them against loss or damage to property by fire, flood, earthquake, acts of terrorism, acts of war or other casualty shall contain a clause whereby the insurer waives its right to subrogation against the other party, its elected officials, directors, employees, volunteers, and agents and each party shall indemnify the other against any loss or expense, including reasonable attorneys' fees resulting from the failure to obtain such waiver.

(2) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

(3) Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to LESSEE, COUNTY, their officers, officials, employees, and volunteers.

18. PARKING

Any parking space assigned to LESSEE, if available, shall be designated by the County Administrative Office.

19. DESTRUCTION OF PREMISES

In the event the Premises are destroyed in whole or in part by fire or other casualty to the extent that they are substantially unusable, LESSEE reserves the right to forthwith terminate this Lease upon written notice within seven (7) days following the date of loss.

If such casualty occurs and a portion of said Premises is still usable by LESSEE, the rent shall be prorated on a square footage basis of usable space until the Premises are restored to their original condition. Payment of prorated rent shall not constitute a waiver of LESSEE'S right to terminate this Lease as provided in this section (19).

In the event that the Premises are destroyed in whole or in part by fire or other casualty, and the cost of restoring the same exceeds the then remaining rental for the unused portion of the term of this Lease, COUNTY shall have the option to rebuild or to terminate this Lease. Such option shall be exercised by COUNTY by notice in writing to LESSEE within seven (7) days following the date of loss. COUNTY'S option to rebuild shall not constitute a waiver of LESSEE'S right to terminate this Lease, as provided in this section (19).

20. OPERATION OF PREMISES

A. LESSEE shall operate the Snack Bar a minimum of eight hours a day from 7:30 a.m. to 4:00 p.m., Monday through Friday, excluding holidays or upon mandated closure by the Board of Supervisors, when the Courthouse is not open for business.

B. Several areas of the Courthouse are subject to remodeling during the term of this Lease. It is understood by LESSEE that this may result in less business during some stages of the remodeling.

C. LESSEE is aware that time is of the essence for those with half hour lunches. LESSEE agrees to provide fast, efficient service and to offer a variety of food, including vegetarian and low fat items. All prices charged for food, goods, and/or services supplied to the public on or from the Premises shall be fair and reasonable, based upon the following considerations:

- (1) The degree of public service involved in the sale of the goods and/or services;
- (2) The market prices charged by other competing and/or comparable businesses.

(3) The reasonableness of the profit margin as related to industry wide profit margins.

D. LESSEE agrees that the Snack Bar will be operated and managed in a competent and efficient manner at least comparable to other well managed operations of similar type.

E. LESSEE shall allow COUNTY'S employees to bring and eat their own food in the dining area of Premises.

F. LESSEE shall at all times retain active, qualified, competent, and experienced personnel to supervise LESSEE'S operation and shall require them to be properly dressed, clean, courteous, efficient, and neat in appearance at all times.

G. LESSEE shall not employ any person(s) in or about the Premises who shall use offensive language or act in a loud, boisterous, or otherwise improper manner.

H. LESSEE may install, operate and derive income from vending machines on the Premises during the term of this Lease, provided written approval is obtained in advance from COUNTY. LESSEE shall be responsible for vending machines. COUNTY reserves the right to maintain control of the location, number, kind of machine, and kind of products vended from said vending machines.

I. LESSEE will be allowed to shut the Premises down for two (2) weeks per year, at a time to be approved by the Director of Public Works or his designee.

21. JURY ASSEMBLY ROOM VENDING MACHINES

During the term of this Lease, LESSEE may install, maintain, and furnish all supplies necessary for the operation of soft drink and snack vending machines in the Jury Assembly Room. Each month during the term of this Lease, LESSEE shall pay to COUNTY twenty percent (20%) of the proceeds from the operation of said vending machines. Said payment for the preceding calendar month is due by the 10th day of each month to the County of Humboldt and to be submitted to the Purchasing Dept., 825 5th Street, Room 131, Eureka, CA 95501. LESSEE may install additional vending machines outside of Premises and Jury Assembly Room with the written approval of the Director of Public Works. Any such vending machines are subject to the same terms and conditions as required in section 20H of this Lease.

22. EMERGENCY CONTACTS

LESSEE shall provide to the Public Works Department, and keep current, a list of supervisory employees and telephone numbers for emergency use. COUNTY'S Building Maintenance Department shall be given keys to the Premises for off hours entry.

23. FIRE HAZARD

LESSEE shall keep the area leased or used clear of oil and trash that may be deemed a fire hazard. COUNTY reserves the right to restrict LESSEE from conducting any activity or storing inflammable materials or substances which would increase COUNTY'S insurance rate or cause an insurance agreement of COUNTY to be terminated.

24. NO SMOKING

Pursuant to Humboldt County Code §971-1 et seq., the Courthouse is a smoke-free building. LESSEE shall comply with this ordinance.

25. NUCLEAR FREE CLAUSE

LESSEE certifies by its signature below that LESSEE is not a nuclear weapons contractor, in that LESSEE is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. LESSEE agrees to notify COUNTY immediately if it becomes a nuclear weapons contractor, as defined above. COUNTY may immediately terminate this Lease if it determines that the foregoing certification is false or if LESSEE becomes a nuclear weapons contractor.

26. COMPLIANCE WITH LAWS

LESSEE agrees to comply with all local, state and federal laws and regulations, including but not limited to the Americans With Disabilities Act. LESSEE further agrees to comply with any applicable federal, state or local licensing standards, any applicable accrediting standards, and any other applicable standards or criteria established locally or by the state or federal governments.

27. LESSEE DEFAULT

LESSEE shall be in default of this Lease if it fails or refuses to perform any material provision of this Lease that it is obligated to perform if the failure to

perform is not cured within ten (10) days after written notice of the default has been given by COUNTY to LESSEE. If the default cannot reasonably be cured within ten (10) days, LESSEE shall not be in default of this Lease if LESSEE commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

28. COUNTY'S REMEDIES ON LESSEE'S DEFAULT

COUNTY, at any time after LESSEE is in default, may terminate this Lease or may cure the default at LESSEE'S cost. If COUNTY at any time, by reason of LESSEE'S default, pays any sum or does any act that requires the payment of any sum, the sum paid by COUNTY shall be due from LESSEE to COUNTY within ten (10) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate COUNTY is permitted by law to charge from the date the sum is paid by COUNTY until COUNTY is reimbursed by LESSEE. The remedies set forth in this section (28) are in addition to and do not in any manner limit other remedies set forth in particular sections of this Lease.

29. TERMINATION

Except as otherwise provided, COUNTY reserves the right to terminate this Lease, upon seven (7) days written notice, for any cause or reason provided by the Lease itself, or by law, or upon the happening of one or more of the following:

A. The making by LESSEE of any general assignment for the benefit of creditors.

B. The failure of LESSEE to pay promptly when due all charges, fees, or other payments in accordance with this Lease.

C. The failure of LESSEE to remedy any default, breach, or violation of county, municipal, federal and/or state laws or regulations by LESSEE or its employees.

D. The violation of any of the provisions of this Lease.

E. The building becomes damaged due to fire, flood, earthquake, or any other natural disaster.

F. Intentionally supplying COUNTY with false or misleading information or misrepresenting any material fact on its application or documents or in its statement to or before COUNTY, or intentional failure to make full disclosure on its financial statement or other documents.

30. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

LESSEE: Jeanne Fleek and Michael Scollard
803 Mad River Road
Arcata, CA 95521

COUNTY: County of Humboldt
Public Works Department
Real Property Division
1106 Second Street
Eureka, CA 95501

All insurance notices shall also be addressed to:

County of Humboldt
Attn: Risk Management
825 5th Street, Room 131
Eureka, CA 95501

Each party may at any time change its address for notice by giving written notice of such change to the other party in the manner provided in this Section.

31. ASSIGNMENT

This Lease may not be assigned by either party.

32. LEASE MODIFICATION

This Lease may be modified only by subsequent written agreement signed by COUNTY and LESSEE.

33. LESSEE NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY

While engaged in carrying out and complying with the terms and conditions of this Lease, LESSEE is an independent contractor and not an officer, employee, or agent of COUNTY.

34. ATTORNEYS' FEES

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Lease to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorneys' fees (including reasonable value of services rendered by County Counsel) on appeal, if any. As used herein, "the party prevailing" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

35. WAIVER OF BREACH

The waiver by COUNTY of any breach of any provision of this Lease shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Lease.

36. REMEDY FOR BREACH

In the event of breach of this Lease by LESSEE or COUNTY, COUNTY and/or LESSEE shall have all rights and remedies provided by law.

37. SURRENDER OF PREMISES

At the termination of this Lease, LESSEE shall surrender the leased Premises to COUNTY in good condition and repair, except for normal wear and tear.

38. BINDING EFFECT

All provisions of this Lease shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, successors, and assigns.

39. JURISDICTION AND APPLICABLE LAWS

This Lease shall be construed under the laws of the State of California. Any dispute arising hereunder or relating to this Lease shall be litigated in the

State of California and venue shall lie in the County of Humboldt unless transferred by Court order pursuant to Code of Civil Procedure §§394 and 395.

40. INTERPRETATION

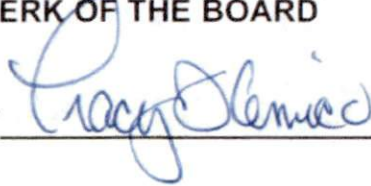
As this Lease was jointly prepared by both parties, the language in all parts of this Lease shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto upon the date first written above.

(SEAL)

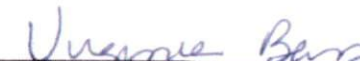
ATTEST:
CLERK OF THE BOARD

BY



COUNTY OF HUMBOLDT

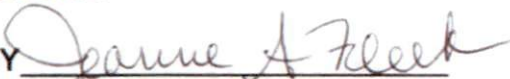
BY



CHAIRPERSON
BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

LESSEE:

BY



JEANNE FLEEK

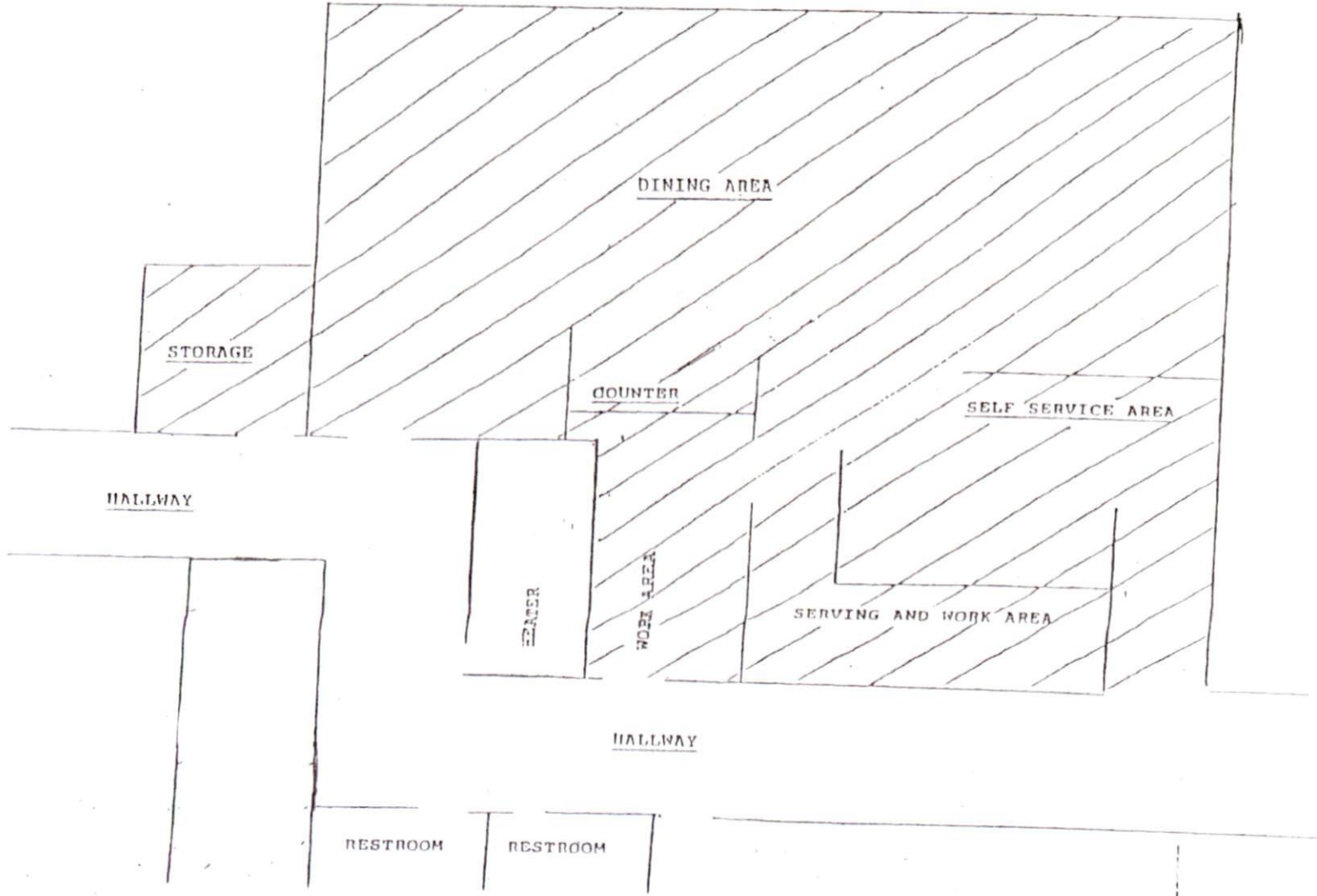
BY



MICHAEL SCOLLARD

SNACK BAR LEASED PREMISES

EXHIBIT A



THIRD FLOOR - HUMBOLDT COUNTY COURTHOUSE

EXHIBIT B

AMENDMENT #20 -Snack Bar

ITEM	CO NUMBER	QTY	INV	STR	COMMENTS
Bell		1	1		
Board, Cutting, plastic, white		1	1		
Bottle, Condiment, squeeze (mustard, ketchup, salad dress.)		6	6		
Bowl, Ceramic, various sizes		27	18		
Bowl, Mixing, SS (asst'd sizes)		7	7		
Bowl, Plastic		10	0		
Cabinet, Pastry, True, GDM-12, w/glass doors		1	1		
Cabinet, Pastry, True, GDM-12, w/glass doors		1	1		
Can Opener, Manual, Small		1	1		
Cart, McClintock, open w/5 plastic bins		1	1		
Cash Register, TEC MA-205	115-672-103	1	1		
Chair, Dining, Black & chrome	115-566-101-167	66	64		
Chair, Executive, brown, w/arms	205-570-115	1	1		
Colander, Aluminum		1	0		
Collar, 2-hole, SS, 20x12, inserts		2	2		
Counter, SS, Dish Table w/sink (in kitchen)	115-411-101	1	1		
Counter, SS, Backbar cook WN w/Built-in Grill & Fryer	115-439-101	1	1		
Counter, SS, Cafe-Serv, w/sink (main room)	115-457-103	1	1		
Counter, SS, Condiment Cabinet (by coffee machine)	115-457-104	1	1		
Counter, Wood Lam PL Top Tray Ret. Shelf (front&back)	115-178-101	1	1		
Creamer, Glass, w/plastic top		2	0		
Cup, Coffee, ceramic		39	39		
Cup, Measuring, SS		19	7		
Cup, Soup/Custard, ceramic		2	0		
Cutter, Cookie, aluminum		2	0		
Dish, Casserole, oval, ceramic, green/white		7	7		
Dishwasher, Commercial, Hobart Lxi	FAM000000599	1	1		
Dispenser, Salad Dressing, SS, 4sel. w/2lids, 4spoons, 5 SS cold pks		1	0		
Dispenser, Sugar, glass w/metal top		4	1		
Dispenser, Syrup, glass		4	1		
Dustpan		1	1		
File Cabinet, 2-dr. (in kitchen)		1	0		
Fire System, Range Guard	115-862-101	1	1		
Fork		26	26		
Freezer, Chest, Kelvinator, ice cream	115-438-103	1	1		
Freezer, Commercial, Imperial/Northland	115-438-104	1	1		
Freezer, Upright, Arctic Air, commercial	115-438-105	1	1		
Fryer, Deep, Wells, one basket, drop-in unit	115-441-001	1	1		
Funnel (2 large, 2 sml)		1	0		
Garbage Can, Plastic, Wood Grain, Large		2	2		
Garbage Can, Plastic, under coffee		1	1		
Garbage Can, Plastic, small, black		1	1		
Garbage Can, Heavy-duty, plastic, w/wheels (large/small)		2	2		
Garbage Disposal, Commercial (Grainger)	115-453-102	1	2		
Glass, Gold, 6-oz.		11	0		Earthquake damaged
Glass, Sherbet, Footed, 4.5-oz.		14	0		Earthquake damaged
Glass, Sundae, 6-oz.		5	0		Earthquake damaged
Glass, Small, Clear		42	0		Earthquake damaged
Grater		2	2		
Gauge, Temperature		3	2		

ITEM	CO. NUMBER	QTY INV	COMMENTS
Water, Water, Electric, Booster Lectro- ed (for dishwasher)	115-421-1C	1 0	
Holder, Health Permit, wood		0 0	
Holder, Order		1 0	
Knife, Butter		18 14	
Knife, Steak		6 0	
Ladle, Strainer, Large, Metal		1 1	
Ladle, Soup, various sizes		6 6	
Lid, Aluminum, round, 12", w/handle		1 1	
Lid, Flat, SS, 21x13		1 1	
Lid, SS, 21x13x4		1 1	
Lid, SS, Notched, 12 75x10 5		2 2	
Lid, SS, Notched, 12 5x7		6 6	
Lid, SS, Notched, 6 5x6 75		15 11	
Lid, SS, Notched, 9 5" round		5 2	
Lid, SS, Notched, 7 5" round		2 2	
Microwave, GE	115-705-102	1 1	
Mop, oil		1 0	
Napkin Holder, metal		13 13	
Oven, Convection, Countertop, Toastmaster	115-451-101	1 1	
Pan, Cupcake/Muffin (12)		1 1	
Pan, Pizza		2 2	
Pan, Sauce, Aluminum, 8.5 qt, 6 qt, 4 qt		3 3	
Pan, SS, 4x6x3, for salad bar		4 4	
Pan, SS, 6.25x6.75x2.75 (condiment size)		5 5	
Pan, SS, 6.75x6.25x6		2 2	
Pan, SS, 6.75x12.5x6		4 4	
Pan, SS, 7x6.25x4 (condiment size)		12 12	
Pan, SS, 10 25x12 5x4		1 1	
Pan, SS, 10 25x12 5x6		1 1	
Pan, SS, 21x13x2.5		1 1	
Pan, SS, 20.5x13x4		1 1	
Peeler, Potato		1 0	
Pie Server		1 0	
Plates, Ceramic, 4-5"		21 0	Earthquake damaged
Plate, Ceramic, 6-7"		31 4	Earthquake damaged
Plates, Ceramic, 8-10"		27 10	Earthquake damaged
Plates, Plastic, 6"		6 4	
Plate, Casserole, plastic, white		10 0	
Platters, Oval, assorted sizes		25 14	Earthquake damaged
Pot, Round, SS, 9.25x8		11 10	
Pot, SS, 7" round x 7.5" high		3 0	
Pot, SS, 3-gal. (1 lid)		1 1	
Pot, SS, 5-gal, w/lid		1 1	
Rack, Candy		1 1	
Rack, Chip		1 1	
Rack, Refrigerator/Freezer		2 0	
Rack, Wire, ice cream		5 0	
Refrigerator, Commercial, St. Steel, True	115-437-103	1 1	
Refrigerator, SS, True, TUC-27G	115-462-104	1 1	
Refrigerator, True, w/glass doors, GDM-12	FAM000000596/7	2 2	

ITEM	CO NUMBER	QTY INV	COMMENTS
Sandwich Unit, Refrig., (pastry cabinet)	2 slots/containers	1 1	
Sandwich Unit, True TSSU-48-12	115-462-2C	1 1	
Scales, 25#	FAM000000598	1 1	
Scoop, Flour		1 1	
Scoop, Ice Cream		3 2	
Scraper, Grill		4 4	
Seat, Child's, plastic		1 1	
Shaker, Salt, Aluminum, Kitchen		1 1	
Shaker, Salt & Pepper, Glass		3 3	
Shelving Unit, SS, Portable, 5 shelves (storeroom)		31 28	
Shelving Unit, SS, 4 shlvs, 6' x 4' x 18" (storeroom)	115-729-101	1 1	
Signboard w/letters		1 1	
Slicer, Egg, metal		1 0	
Slicer, Food, Electr., Commercial, Hobart		1 1	
Spatula, Metal	115-435-101	1 1	
Spatula, Plastic		3 2	
Spoon, Long-handled, aluminum		2 1	
Spoon, Slotted		4 4	
Spreader, Sandwich		5 5	
Strainer, Hand		4 2	
System, Grease Removal	FA0000014851	1 1	Not yet installed
Table, Dining, Rectangular, 72x30"			
Table, Dining, Square, 36x36"	115-217-101-110	10 10	
Table, Metal, UT SS shelf under, hi shlvs, 1 drw (kitchen)	115-217-111-113	3 3	
Tablespoons	115-216-101/102	1 1	
Teapot, Individual		38 7	
Teaspoons		2 1	
Tongs, Metal (sml, med, large, x-large)		37 17	
Tongs, Plastic, small		19 5	
Toothpick Holder, ceramic		5 5	
Tops, Aluminum, for grated cheese		1 1	
Tops, Aluminum, for sugar		3 0	
Tray, Plastic, for cup lids		3 0	
Tray, Serving, Large and Small		1 1	
		39 22	

I hereby certify that all items listed in Exhibit B, Amendment #20 are accounted for as indicated, and are on the Snack Bar premises. They are in good condition, except for normal wear and tear, unless otherwise noted. Signatures reflect approval of amended figures showing the purchase of certain items.

Date	Purchasing Signature	Real Property Signature
	<i>Michael D. Scallard</i>	<i>Jeanne A. Clark</i>
Date	Courthouse Café Signature	Courthouse Café Signature

ORIGINAL

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT is made as of September 25 2012, between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY and JESSALYNN KUNKLER and ALAN SADLER, a General Partnership, hereinafter referred to as LESSEE.

WHEREAS, LESSEE entered into a Lease on July 27, 2010, and COUNTY approved extending the Lease through July 31, 2013 on May 8, 2012, to operate the Courthouse Snack Bar; and

WHEREAS, LESSEE desires to be released from said Lease upon COUNTY approval and execution of new lease to Jeanne Fleek and Michael Scollard; and

WHEREAS, LESSEE states upon termination of Lease that all terms and conditions of the Lease dated July 27, 2010 have been met and all monies owed, paid up to date; and

WHEREAS, Jeanne Fleek and Michael Scollard desire to operate the Courthouse Snack Bar and enter into a Lease with COUNTY for same.

NOW, THEREFORE it is mutually agreed as follows:

1. *Lease Termination.* COUNTY and LESSEE agree that the Lease entered into on July 27, 2010 between the COUNTY and LESSEE shall be terminated on September 30, 2012, the Termination Date. From and after the Termination Date, the Lease will be of no further force and effect, and COUNTY and LESSEE will be released from any further obligations under the Lease, except for those obligations that accrued prior to the Termination Date and those obligations and indemnifications that survive termination according to the Lease or by law.

2. *Payment.*

(a) LESSEE will pay COUNTY the Base Monthly Rent and other charges due under the Lease up to and including the Termination Date in accordance with the Lease.

(b) COUNTY shall return the security deposit in the amount of Five Hundred Dollars (\$500.00), held by COUNTY pursuant to the Lease (the "Security Deposit") to LESSEE.

3. *Consideration.* As consideration for the COUNTY'S consent to the termination of the Lease and to facilitate a smooth transition of the operation of the Courthouse Snack Bar, LESSEE shall train the new cafeteria operators in the management and operation of the facility. The training shall be during the first month of operation by the new operators and shall be for forty (40) hours.

4. *Surrender.* LESSEE will surrender possession of the Premises to COUNTY pursuant to Section 37 of the Lease. From and after the Termination Date, LESSEE will have no further right to occupy the Premises, except for training of new operators as required by Section 3.

Any failure by LESSEE to remove all of its personal property, furniture, trade fixtures and equipment on or before the Termination Date, or after the issuance of any order for possession and writ of restitution will be conclusively deemed an abandonment by LESSEE of all such property and this Agreement will be considered a bill of sale conveying that property to COUNTY.

5. *Indemnity.* The obligations of LESSEE set forth in the Lease that by their terms survive the Lease will survive termination pursuant to this Agreement, including without limitation all indemnifications of COUNTY by LESSEE (the "Surviving Lease Obligations"). Further, LESSEE agrees to indemnify COUNTY and to hold COUNTY harmless from and against all injury, loss, claims or damage (including attorneys' fees, investigation costs and disbursements from the first notice that any claim or demand is to be made or may be made) to any person or property, arising from, relating to, or in connection with the use or occupancy of the Premises or the conduct or operation of LESSEE'S business in the Premises. The indemnity set forth in this Section 5 will be deemed to be in addition to the Surviving Lease Obligations.

6. *Representation by LESSEE.* LESSEE represents and warrants that it has not made any assignment, sublease, transfer, conveyance or other disposition of (i) the Lease; (ii) its interest in the Lease; or (iii) any claim, demand, obligation, liability, action, or cause of action arising under the terms of the Lease, to any person, firm, partnership, association, or other entity. LESSEE further represents and warrants that the execution and delivery of this Agreement will not violate and will not constitute a default under any agreements with any third parties by which it is bound.

7. *Representations by COUNTY and LESSEE.* COUNTY and LESSEE represent and warrant to each other that:

- (a) Each has read this Agreement and knows and understands its contents fully;
- (b) Each voluntarily executes this Agreement and accepts the terms of the Agreement without any compulsion whatsoever and without being influenced by any statement or representation of any other person or party; and
- (c) Each is authorized to execute this Agreement, and all necessary corporate action has been taken to authorize execution of this Agreement.

8. *Remedies of COUNTY.* If an Event of Default occurs prior to the Termination Date, COUNTY reserves the right to take any action under the Lease or by law.

9. *Miscellaneous.* This Agreement constitutes the entire understanding and agreement of COUNTY and LESSEE with respect to the matters covered by it and supersedes all prior agreements and understandings, written or oral, between COUNTY and LESSEE with respect to such matters. This Agreement may not be modified or amended, nor may any term or provision be waived or discharged, except in writing signed by the party or parties against whom such

amendment, modification, waiver or discharge is sought to be enforced. The waiver by any party of any breach by another party of any provision of this Agreement will not constitute or operate as a waiver of any other breach of such provision or of any other provision by such party, nor will any failure to enforce any provision operate as a waiver of such provision or any other provision. This Agreement will be construed in accordance with, and be governed by, the laws of the State of California. In the event of litigation arising out of this Agreement, the prevailing party will be entitled to an award of reasonable attorneys' fees and costs incurred in such litigation. This Agreement will benefit and be binding upon the parties to it and their respective heirs, representatives, successors and assigns.

COUNTY and LESSEE have entered into this Lease Termination Agreement as of its date.

(SEAL)

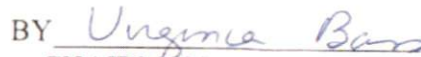
ATTEST:
CLERK OF THE BOARD

BY



COUNTY OF HUMBOLDT

BY



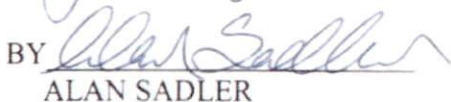
CHAIRMAN
BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

LESSEE:

BY


JESSALYNN KUNKLER

BY


ALAN SADLER

ORIGINAL

FIRST AMENDMENT TO LEASE

This Amendment to the Lease entered into on September 25, 2012, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY and Jeanne Fleek and Michael Scollard, a general partnership, hereinafter called LESSEE, is entered into this 26 day of February, 2013.

WHEREAS, the parties entered into a Lease for the use of the premises at 825 Fifth Street, Eureka, CA., for the purpose of operating a Snack Bar ; and

WHEREAS, COUNTY and LESSEE desire to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. Paragraph 20, A, OPERATION OF PREMISES, of the Lease is amended to read as follows:

A. LESSEE shall operate the Snack Bar a minimum of eight hours a day from 7:30 a.m. to 4:00 p.m., Monday through Thursday. LESSEE shall operate the Snack Bar from 7:30 a.m. to 2:00 p.m. on Fridays. Snack Bar shall be closed on all holidays or upon mandated closure by the Board of Supervisors, when the Courthouse is not open for business.

2. In all other respects the Lease between the parties entered into on September 25, 2012 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Lease dated September 25, 2012, on the date indicated above.

(SEAL)
ATTEST:
CLERK OF THE BOARD

COUNTY OF HUMBOLDT

By Craig Olimio
Deputy

By Ray Smith
Chairman, Board of Supervisors
County of Humboldt
State of California

LESSEE:

By Jeanne Fleek

By Michael D Scollard