



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

D-17

For the meeting of: September 27, 2016
20

Date: August 23, 2016

To: Board of Supervisors

From: Connie Beck, Director
Department of Health and Human Services

Handwritten signature: S. E. Campbell, 8/20/16

Subject: Lease at 1211 and 1215 Fifth Street and 433 M Street, Eureka with Slack and Winzler Properties, LLC

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approves and authorizes the Chair of the Board to sign two (2) originals of the lease for office space at 1211 and 1215 Fifth Street and 433 M Street, Eureka with Slack and Winzler Properties, LLC (Lessor); the lease has an anticipated start date of October 15, 2016, providing Lessor provides county with notice by October 1, 2016, that the modifications specified in the lease have been completed, and shall terminate on September 30, 2022; and
2. Directs the Clerk of the Board to return one (1) executed original of the Lease to the Public Works-Real Property Agent for transmittal to Lessor.

SOURCE OF FUNDING:

Social Services Fund

Prepared by Michelle Tucker, ASO

CAO Approval *[Signature]*

REVIEW: Auditor *[Signature]* County Counsel _____ Human Resources *[Signature]* Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Fennell Seconded by Supervisor Bass
Ayes Sundberg, Fennell, Lovelace, Bohn, Bass
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Sept. 20, 2016
By: *[Signature]*
Kathy Hayes, Clerk of the Board

DISCUSSION:

DHHS proposes entering into the new lease at 1211 and 1215 Fifth Street and 433 M Street, Eureka with Lessor, Slack and Winzler Properties, LLC, so DHHS may relocate its Transition Age Youth (TAY) program, which houses the Humboldt County Transition Youth Collaboration (HCTAYC) program from the program's current location at 550 I Street. The proposed new site provides significantly more space, including a kitchen and dining area, and will continue to allow DHHS to integrate staff in one location that is centrally located, visible, and accessible to the community members the programs strive to serve.

The initial term of this lease shall be for a period of six (6) years commencing October 15, 2016, providing Lessor provides county with notice by October 1, 2016, that the modifications specified in Section 7 of the lease have been completed, and shall terminate on September 30, 2022. In the event said modifications are not completed by October 15, 2016, the commencement date will be five (5) days after Lessor provides county with a written notice premises are ready for occupancy. Any holding over with Lessor's consent beyond the term of this lease shall be a month to month tenancy, with all the terms and conditions of this lease.

DHHS recommends that the Board approves the lease at 1211 and 1215 Fifth Street and 433 M Street, Eureka with Slack and Winzler Properties, LLC.

FINANCIAL IMPACT:

The initial monthly rental cost for the lease will be Five Thousand, Six Hundred Seventy-One Dollars (\$5,671.00) for approximately 5,300 square feet which represents an approximate cost of \$1.07 per square foot. The Lessor pays water, sewer, and janitorial services to the premises. County pays for gas, electricity, trash removal and communications. The current monthly rent is included in the approved budget for fiscal year (FY) 2016-17 in Budget Units 1160-511. The annual rent increase schedule for the leased premises' monthly rental costs follows:

- October 15, 2016 through September 30, 2018, Five Thousand Six Hundred Seventy-One Dollars (\$5,671.00)
- October 1, 2018 through September 30, 2019, Five Thousand Seven Hundred Eighty-Four Dollars (\$5,784.00)
- October 1, 2019 through September 30, 2020, Five Thousand Nine Hundred Dollars (\$5,900.00)
- October 1, 2020 through September 30, 2021, Six Thousand Eighteen Dollars (\$6,018.00)
- October 1, 2021 through September 30, 2022, Six Thousand One Hundred Thirty-Eight Dollars (\$6,138.00)

Approving this lease supports the Board's Strategic Framework by managing resources to ensure sustainability of services and creating opportunities for improved health and safety, and protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works – Real Property

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve this lease; however, this is not recommended because DHHS would need to find alternative suitable office space.

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ATTACHMENTS:

1. Lease at 1211 and 1215 Fifth Street and 433 M Street, Eureka with Slack and Winzler Properties, LLC (2 originals)

LEASE

This Lease is made and entered into this 20th day of September, 2016, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY and Slack and Winzler Properties, LLC, a Limited Liability Company, hereinafter referred to as LESSOR;

WHEREAS, COUNTY desires to lease premises for COUNTY offices and LESSOR desires to lease the premises described herein to COUNTY;

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

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

Approximately 5,300 square feet of APN 001-226-005 located at 1211 and 1215 5th Street, and 433 M Street Eureka, County of Humboldt, State of California, as shown on Exhibit A, Sheets 1 and 2, which are attached hereto and incorporated herein.

2. USE OF PREMISES

The premises shall be used by COUNTY for county offices as determined by COUNTY. At the commencement of this Lease COUNTY intends to use the premises as office space for the Department of Health and Human Services.

3. QUIET ENJOYMENT

Subject to the provisions of this Lease and conditioned upon performance of all the provisions performed by COUNTY hereunder, LESSOR shall secure to COUNTY during the term the quiet and peaceful possession of the premises and all rights and privileges appertaining thereto.

4. TERM OF LEASE

A. The initial term of this Lease shall be for a period of six (6) years commencing October 15, 2016, providing LESSOR provides COUNTY with notice by October 1, 2016, that the modifications specified in Section 7 have been completed, and shall terminate on September 30, 2022. In the event said modifications are not completed by October 15, 2016, the commencement date will be five (5) days after LESSOR provides COUNTY with a written notice premises are ready for occupancy. A Certificate of Occupancy and City of Eureka final inspection shall accompany the written

notice. In the event said modifications are not completed by October 30, 2016, LESSOR shall pay liquidated damages pursuant to Section 5 of this Lease and COUNTY shall also have the right to terminate this Lease.

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

5. LIQUIDATED DAMAGES

Inasmuch as the actual damages, which would result from a breach by LESSOR of its duties under Section 7 of this Lease regarding modifications, are uncertain and would be impractical or extremely difficult to fix, LESSOR promises to pay to COUNTY, in the event of any such breach of duty by it, the sum of One Hundred Dollars (\$100.00) per day as liquidated and agreed damages.

The liquidated damages shall be due from LESSOR to COUNTY within five (5) days of notice by COUNTY 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 due to COUNTY until COUNTY is paid by LESSOR. If LESSOR fails to pay COUNTY as required by this Section 5, COUNTY shall have the right to withhold from future rent due the amount of liquidated damages due COUNTY until COUNTY is paid in full for the sum and interest on it.

6. RENT

COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

October 15, 2016 through September 30, 2018, Five Thousand Six Hundred Seventy One Dollars (\$5,671.00)

October 1, 2018 through September 30, 2019, Five Thousand Seven Hundred Eighty Four Dollars (\$5,784.00)

October 1, 2019 through September 30, 2020, Five Thousand Nine Hundred Dollars (\$5,900.00)

October 1, 2020 through September 30, 2021, Six Thousand Eighteen Dollars (\$6,018.00)

October 1, 2021 through September 30, 2022, Six Thousand One Hundred Thirty Eight Dollars (6,138.00)

Rent shall be paid in advance on the first day of each month, except in the event that COUNTY'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.

7. BUILDING MODIFICATIONS

A. LESSOR agrees to construct modifications to the leased premises as shown on Exhibit B, which is attached hereto and incorporated herein. All of the modifications shall be done in accordance with all local, state and federal laws and regulations including, but not limited to, the California Building Codes and Americans with Disabilities Act in effect at the time modifications are approved by the City of Eureka. Upon completion of the modifications, County agrees to reimburse LESSOR cost of the modifications, not to exceed Forty Five Thousand Dollars (\$45,000.)

B. Upon completion of the modifications, and prior to COUNTY taking possession of said premises, LESSOR shall provide COUNTY with a copy of the Notice of Completion and City of Eureka final inspection.

8. PREVAILING WAGE

LESSOR acknowledges and agrees that all work on building modifications performed by LESSOR at the request of COUNTY shall be governed by and performed in accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.). These provisions are not applicable to modifications costing not more than One Thousand Dollars (\$1,000.00).

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the Humboldt County Board of Supervisors has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid structural modifications from the director of the State Department of Industrial Relations. LESSOR herein agrees that LESSOR shall post, or cause to be posted, a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates. Copies of said prevailing wage rates may be obtained from COUNTY'S Clerk of the Board or the Department of Public Works.

9. BUILDING STANDARDS AND COMPLIANCE WITH LAWS

LESSOR covenants and warrants that the premises have been constructed and any remodeling done in accordance with all local, state and federal laws and regulations, including but not limited to, the Americans with Disabilities Act. LESSOR further agrees

to comply with any 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.

LESSOR shall supply and install fire extinguishers in compliance with current building and fire codes.

COUNTY shall have the right to terminate this Lease upon seven (7) days written notice if any of the above mentioned applicable laws, standards, or criteria are not complied with.

10. SMOKING

Pursuant to Humboldt County Code §971-1 et seq., COUNTY owned or leased premises are smoke free. LESSOR shall comply with said provision.

11. UTILITIES

COUNTY agrees to furnish and pay for all charges for gas, refuse collection and electricity, supplied to and used in the leased premises by COUNTY. LESSOR agrees to pay for all charges for water and sewer supplied to and used in the leased premises. COUNTY shall pay for its own telephone and communication services.

12. JANITORIAL

LESSOR shall be responsible for janitorial services to the leased premises no less than five (5) times per week and as shown on Exhibit C.

13. MAINTENANCE AND REPAIRS

During the term of this Lease or any extension thereof, LESSOR shall maintain the premises in good repair and tenantable condition so as to minimize breakdowns and loss of COUNTY'S use of the premises caused by deferred or inadequate maintenance. LESSOR shall be responsible for all maintenance and repairs to the premises including, but not limited to, the interior and exterior of the building, landscaping, parking lot, HVAC Unit and window glass, except for the following:

- A. Light bulbs.
- B. Minor plumbing, such as repairing of faucets, toilets, and the unstopping of toilets and sinks.
- C. Any repairs caused by negligence of COUNTY personnel.

D. Any repairs to phone system, computers, or security system or installation thereof.

The HVAC system shall be maintained and operated by LESSOR to provide at least the quantity of outdoor air required by the State Building Standards Code, Title 24, California Administrative Code, in effect at the time the building permit was issued.

The HVAC system shall be inspected each year by a qualified inspector. LESSOR shall notify COUNTY when the inspection shall occur. LESSOR shall provide COUNTY with a copy of the inspection report within two (2) days of receipt by LESSOR. LESSOR shall correct any problems found during the inspection within ten (10) days of the date of the inspection.

LESSOR shall change the HVAC filters quarterly.

LESSOR shall clean the HVAC vents quarterly.

LESSOR shall service fire extinguishers at least annually and as requested by COUNTY if more frequent service is needed.

LESSOR shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this Section, except that LESSOR shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by COUNTY. If LESSOR does not perform its obligations within the time limitations in this Section, COUNTY, after notice to LESSOR, can 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 LESSOR'S obligations. If LESSOR does not reimburse COUNTY within ten (10) days after demand from COUNTY, COUNTY shall have the right to withhold from future rent due 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".

14. IMPROVEMENTS AND ALTERATIONS

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

COUNTY, at its own cost, may install in the premises the equipment needed for telecommunication system and computer terminals including, but not limited to, the following:

- A. Telephone cable
- B. Key system units
- C. Intercom system
- D. Telephones
- E. Answering machines
- F. Security system

Upon termination of the Lease, COUNTY shall have the right to remove from the premises any such equipment installed by COUNTY.

15. INSTALLATION AND REMOVAL OF TRADE FIXTURES

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

16. COUNTY'S RIGHT TO ERECT SIGNS

COUNTY shall have the exclusive right to erect and maintain upon the premises all signs that it deems appropriate. LESSOR agrees that no signs or advertising matter of any nature other than COUNTY'S shall be permitted upon any of the premises. LESSOR shall cooperate with COUNTY in obtaining any variances from restrictions placed on the use of signs by local authorities. LESSOR and COUNTY shall mutually agree as to the location, size, and style of any signs.

17. REAL PROPERTY TAXES

LESSOR shall pay all real property taxes and general and special assessments levied and assessed against the premises.

18. HOLD HARMLESS/INDEMNIFICATION

A. LESSOR 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 LESSOR'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 LESSOR 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 LESSOR.

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

19. LESSOR'S INSURANCE

This Lease shall not be executed by COUNTY and LESSOR 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 LESSOR'S indemnification provided for herein, LESSOR 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 LESSOR, 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

LESSOR is responsible for providing "All-Risk" Property Insurance for this location.

C. Workers' Compensation Insurance Compensation 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.

20. COUNTY'S INSURANCE

Without limiting COUNTY'S indemnification provided herein, COUNTY 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 COUNTY, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

A. Comprehensive/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 per occurrence 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

COUNTY is responsible for providing an "All-Risk" Property Insurance for the contents of the property at this location.

C. Workers Compensation Insurance Compensation Coverage

COUNTY certifies that COUNTY is aware of the provisions of Section 3700 of the California Labor Code and COUNTY will comply with such provisions in connection with any work performed on the premises. Any persons providing services with or on behalf of COUNTY shall be covered by workers' compensation (or qualified self-insurance).

21. SPECIAL INSURANCE REQUIREMENTS

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

A. LESSOR

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 LESSOR. 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 LESSOR 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 LESSOR'S insurance and will not be called upon to contribute with it.

2. LESSOR 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 LESSOR 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 LESSOR 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 LESSOR under this Lease.

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

B. COUNTY

1. The Comprehensive General Liability Policy shall provide that the LESSOR, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of COUNTY. The coverage shall contain no special limitations on the scope of protection afforded to the LESSOR, 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. Contains a cross liability, severability of interest or separation of insureds clause.
- d. The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to LESSOR and in accordance with the Notice provisions set forth under Section 30. It is further understood that COUNTY shall not terminate such coverage until it provides LESSOR with proof satisfactory to LESSOR that equal or better insurance has been secured and is in place.
- e. COUNTY shall furnish LESSOR with certificates and original endorsements effecting the required coverage of this Lease by LESSOR.

C. COUNTY AND LESSOR

1. The COUNTY and LESSOR 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 LESSOR, COUNTY, their officers, officials, employees, and volunteers.

22. PARKING

Leased premises includes twelve (12) off-street parking spaces which are included in the rent defined in Section 6 of this Lease, and shown on Exhibit A, Sheet 2. LESSOR shall be responsible for all maintenance and repair of the parking lot. COUNTY shall have non-exclusive use of parking spot # 1, as shown on said Exhibit A, Sheet 2.

23. 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, COUNTY 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 COUNTY, 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 COUNTY'S right to terminate this Lease as provided in this Section (23).

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, LESSOR shall have the option to rebuild or to terminate this Lease. Such option shall be exercised by LESSOR by notice in writing to COUNTY within seven (7) days following the date of loss. LESSOR'S option to rebuild shall not constitute a waiver of COUNTY'S right to terminate this Lease, as provided in this Section (23).

24. USE UNLAWFUL OR PREMISES CONDEMNED

If it becomes unlawful for COUNTY to conduct its intended operations on the premises, or if a portion of the premises or approaches thereto is condemned by public authority so that it becomes impossible to use the premises, or if any highway or street change is made diverting or re-routing traffic away from the premises so that the premises become impossible to use, COUNTY shall have the right at any time thereafter to

terminate this Lease by giving LESSOR seven (7) days notice in writing of such termination.

25. PREMISES UNUSABLE

If as a result of causes, such as flood, strikes, riots, insurrection, or other similar or different causes beyond the control of LESSOR, the premises shall become unusable from a practical standpoint for a period of ten (10) consecutive days or longer, then COUNTY may: (1) terminate this Lease upon seven (7) days written notice to LESSOR, (2) by notice in writing to LESSOR prorate the rent for the period of time the premises are unusable from a practical standpoint or (3) by notice in writing to LESSOR at any time prior to the date when this Lease would otherwise terminate, further extend this Lease without the requirement of the payment of rent for the period of time which the premises were unusable from a practical standpoint. The remedies set forth in this Section are in addition to and do not in any manner limit other remedies set forth in particular Sections of this Lease.

26. NUCLEAR FREE CLAUSE

LESSOR certifies by its signature below that LESSOR is not a nuclear weapons contractor, in that LESSOR 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. LESSOR 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 LESSOR becomes a nuclear weapons contractor.

27. LESSOR DEFAULT

Except where another time limit is specifically provided, LESSOR 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 LESSOR. If the default cannot reasonably be cured within ten (10) days, LESSOR shall not be in default of this Lease if LESSOR 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 LESSOR'S DEFAULT

COUNTY, at any time after LESSOR is in default, can terminate this Lease or can cure the default at LESSOR'S cost. If COUNTY at any time, by reason of LESSOR'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 LESSOR to COUNTY within five (5) 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 LESSOR. If LESSOR fails to reimburse COUNTY as required by this Section (28), COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full for the sum and interest on it. 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

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 LESSOR of any general assignment for the benefit of creditors.
- B. The failure of LESSOR to pay promptly when due all charges, fees, or other payments in accordance with this Lease.
- C. The failure of LESSOR to remedy any default, breach, or violation of county, municipal, federal and/or state laws or regulations by LESSOR 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.

LESSOR: S & W Properties
PO Box 549
Eureka, CA 95552

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

All insurance notices shall also be sent to:

County of Humboldt
Human Resources - Risk Management Services
825 Fifth Street, Room 100
Eureka, CA 95501

31. ASSIGNMENT

This Lease shall not be assigned by either party without the written consent of the other party. Such consent shall not be unreasonably withheld.

32. LEASE MODIFICATION

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

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

While engaged in carrying out and complying with the terms and conditions of this Lease, LESSOR 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 provisions of this Lease shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Lease.

36. BREACH, REMEDY FOR

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

37. SURRENDER OF PREMISES

At the termination of this Lease, COUNTY shall surrender the building to LESSOR in good condition and repair, except for normal wear and tear. COUNTY shall be under no obligation to repair or restore the whole or any portion of the building which may be damaged by reason of fire, earthquake, the elements or other casualty.

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. INTERPRETATIONS

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.

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1211 and 1215 5th Street, and 433 M Street
Slack and Winzler Properties, LLC

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

COUNTY OF HUMBOLDT


SLACK AND WINZLER PROPERTIES, LLC

BY: 
CHAIRMAN
BOARD OF SUPERVISORS

BY: 
(Secretary, Assistant Secretary, CFO, Assistant Treasurer)

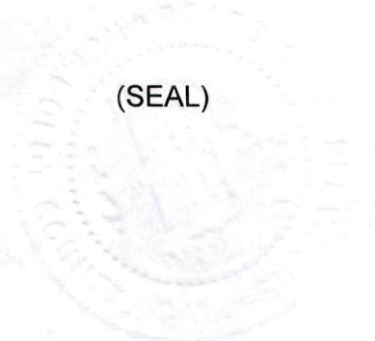
NAME: Frederick A SLACK

ATTEST:

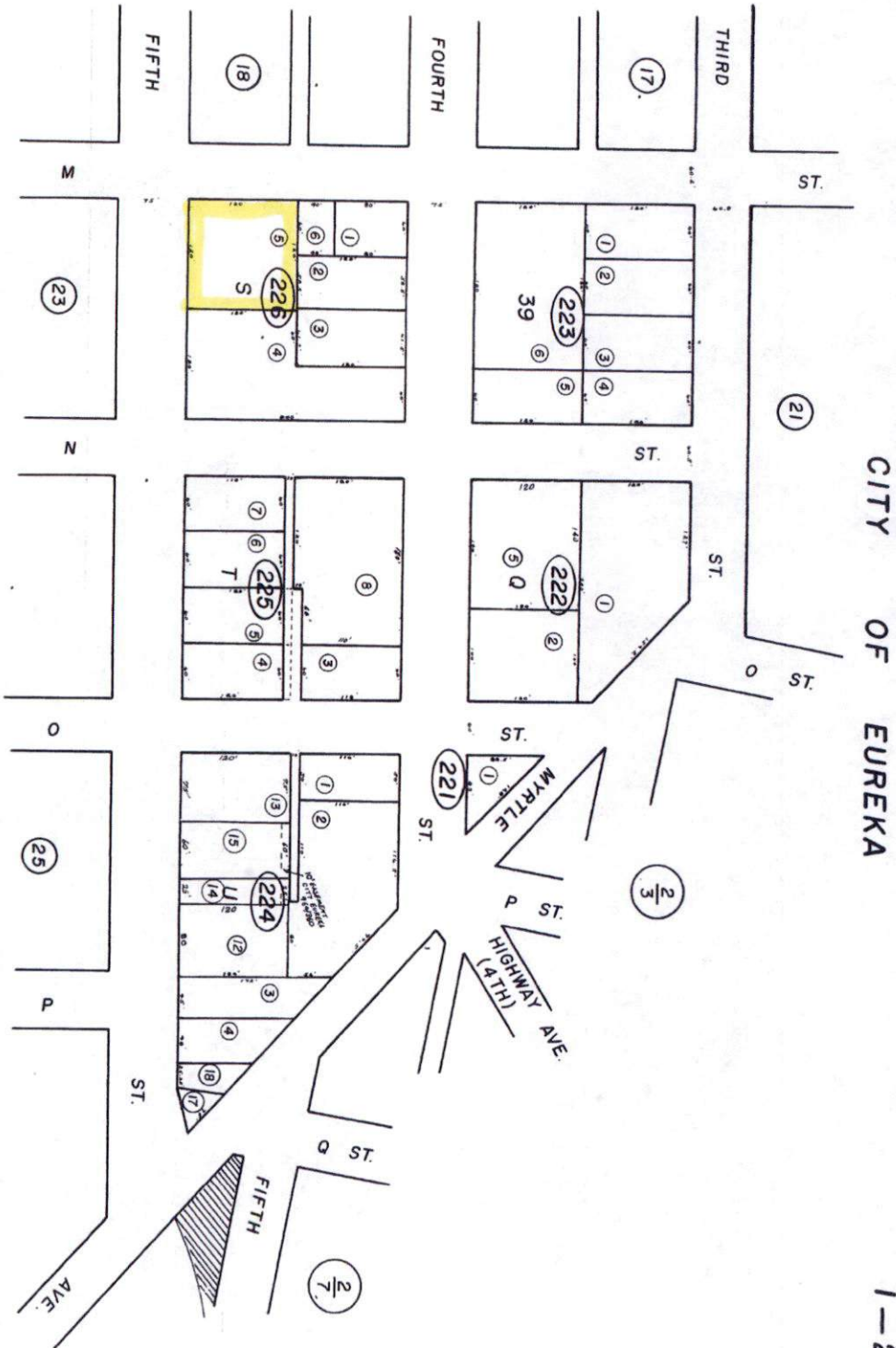
BY: 
(Chair, President, Vice President)

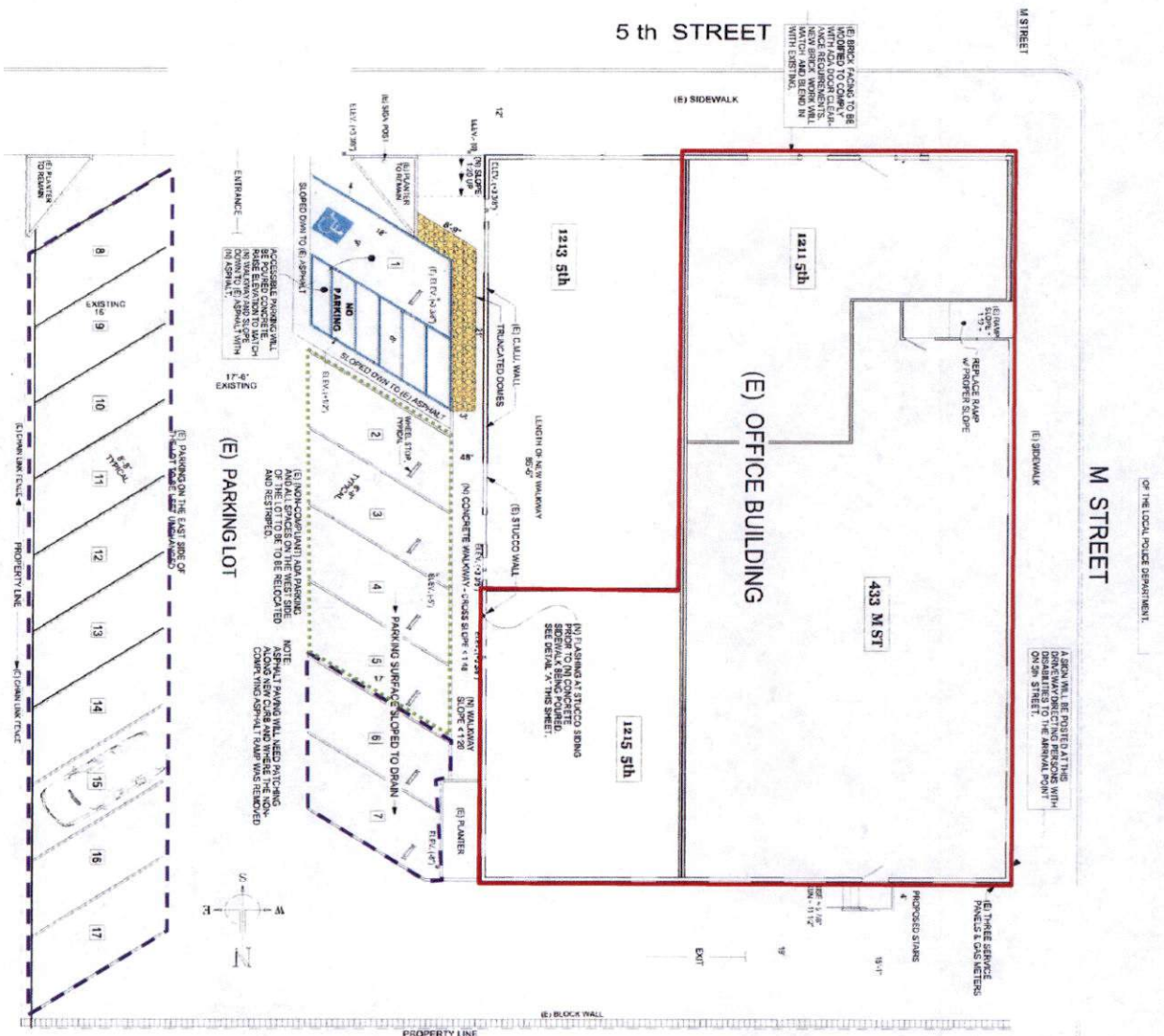
NAME: John Winzler Jr

(SEAL)



BY: 
CLERK OF THE BOARD





- = LEASED PREMISES
- - - = COUNTY'S DESIGNATED PARKING SPOTS
- = NON-EXCLUSIVE PARKING SPOT
- · - · - = 1213 5TH STREET DESIGNATED PARKING SPOTS (NOT COUNTY)

LESSOR MODIFICATIONS

LESSOR will provide and have installed by a licensed contractor the following:

1. One Compliant Wall Controlled Range Hood
2. One Gourmet Stainless Steel Single Bowl Top Mount Sink
3. One 36 inch Built-In 5 burner Gas Cooktop
4. One Stainless Steel Interior Dishwasher with Front Controls
5. One 1.1 cubic Ft. Microwave Oven
6. One Built-In Single Wall Oven
7. One Commercial Grade faucet with Flexible Stainless Steel Hose and Spring Valve
8. One 25 cubic foot refrigerator
9. Up to 8 (size, bulb type and wattage dependent) pendant lighting fixtures

LESSOR will have a licensed contractor install a doorway between 433 M Street and 1211 5th Street to provide direct access between the two spaces.

LESSOR will provide and have installed by a licensed flooring company the following:

1. Vinyl installed throughout the leased premises with the exception of the kitchen, (such as, but not limited to Tarkett Johnsonite Accent Wood Colors).
2. Sealed cement floor covered with a resurfacing product installed in the kitchen (such as, but not limited to Garon Resurfacing product).

COUNTY will choose the finishes and/or colors of the above LESSOR installed modifications.

JANITORIAL SERVICES

Daily Service Five (5) Days Per Week

1. Replace light bulbs as needed.
2. Empty all waste containers.
3. Damp clean lobby counters.
4. Clean and sanitize rest room fixtures, mirrors, exposed pipes, etc.
5. Clean splash marks from walls of rest room.
6. Dust mop hard surface areas, rest rooms, break areas, food service and/or lunch rooms.
7. Wet mop floors in rest rooms, break areas, food service and/or lunch rooms, including under counters/ shelves, sinks and refrigerators/freezers.
8. Refill soap, towel and paper containers.
9. Clean mirrors in rest rooms.
10. Clean and sanitize drinking fountains.
11. Clean entrance glass.
12. Damp clean table tops in break areas and food service and/or lunch rooms.
13. Clean sinks and counters in food service and/or lunch rooms.
14. Sweep entryways.
15. Spot clean carpets of small spills, footprints, etc.
16. Keep janitor closets clean and orderly.
17. Plunge toilets as needed.

Twice Weekly Service

1. Dust all desks, chairs, tables, filing cabinets and other office furniture.
2. Vacuum all carpeting completely.

Monthly Service

1. Vacuum dust and dirt accumulation from air-conditioning vents.
2. Remove cobwebs from building interior.
3. Dust blinds/ window coverings.
4. Dust areas higher than seven (7) feet.
5. Dust tops of desk cabinets, files, chair rungs, baseboards, and picture frames.
6. Vacuum upholstered furniture.
7. Clean hand marks/ graffiti from building interior.
8. Clean lobby directories and fire extinguisher glass.
9. Buff hard surface floors, as appropriate for floor type.

Quarterly Service (4 x per year)

1. Wash outside windows.
2. Change HVAC filters.
3. Scrub and wax floors, as appropriate for floor type.
4. Scrub rest room floors.

(continued)

Triannual Service (3 x per year)

1. Wash inside windows and partitions.
2. Damp clean window/ door blinds.
3. Clean all carpeted areas.

Annual Service

1. Strip seal and wax floors, applying two coats of wax finish, as appropriate for floor type.