



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C18

For the meeting of: February 6, 2018

Date: January 4, 2018

To: Board of Supervisors

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

*Connie Beck
1/12/18*

Subject: Second Amendment to Lease at 2440 Sixth Street, Eureka with Humboldt Partners

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve the Second Amendment to Lease with Humboldt Partners at 2440 Sixth Street, 2430 Sixth Street and 2426 Sixth Street, Eureka for Department of Health and Human Services to clarify responsibilities of Lessor and County, and to initiate professional services to design construction documents for tenant improvement of the building in order to facilitate offering additional public services; and
2. Authorize the Chair of the Board to sign the Second Amendment to Lease, in duplicate; and
3. Direct the Clerk of the Board to return one (1) executed original Second Amendment to Lease to Public Works – Real Property for transmittal to the Lessor, retaining the second executed original with meeting records.
4. Authorize the Public Works Director to execute the Exhibit D, Receipt of Notice of Completion, upon Lessor’s provision of a copy of the filed document.

Prepared by Haley Schandelmier AAll

CAO Approval *E. Bennett*

REVIEW:

Auditor *M. M.*

M. M. County Counsel

Human Resources

Other

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other

PREVIOUS ACTION/REFERRAL:

Board Order No. C-9, C-10

Meeting of: 4/14/2015, 4/5/2016

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Wilson Seconded by Supervisor Bass

- Ayes Bass, Fennell, Sundberg, Bohn, Wilson
- Nays
- Abstain
- Absent

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

Dated: 2/6/18

By:

Kathy Hayes
Kathy Hayes, Clerk of the Board

SOURCE OF FUNDING:

Social Services Fund

DISCUSSION:

On April 14, 2015, the Board approved a Lease with Humboldt Partners for 2440 Sixth Street. (Attachment 1.) After other building tenants vacated the premises, on April 5, 2016 the Board approved a First Amendment to Lease with Humboldt Partners to include office space located at 2430 Sixth Street and 2426 Sixth Street, Eureka in the leased premises used by DHHS. (Attachment 2.) DHHS now desires to modify the interior of the leased premises in order to facilitate the provision of additional public services from the property. The Lessor has agreed to contract for the professional services necessary to develop construction documents that will be used for the Lessor's public bid request for the tenant improvement construction work. The professional services have been defined in the Second Amendment to Lease. (Attachment 3.)

The parties have also agreed to the development of a third amendment to the lease to modify the monthly rent payments to include the County's reimbursement for the tenant improvement construction work. County's reimbursement of the tenant improvement construction work will include a Six Percent (6%) loan carrying fee. There will be no penalty for early reimbursement of the actual cost of the tenant improvement construction work. The proposed third amendment will extend the term of the lease from the current termination date of July 31, 2022 to the proposed termination date of approximately July 31, 2029. Details of the proposed third amendment will be finalized after the Lessor has advertised for public bidding, selected a responsive bidder and the conducted the tenant improvement construction work. Upon the Lessor filing a Notice of Completion and the County receiving said filing, staff will return to your Board to request authorization for the Chair to sign the proposed third amendment to the lease.

FINANCIAL IMPACT:

The maximum amount payable by the County to the Lessor as reimbursement for professional services rendered and expenses incurred pursuant to the terms and conditions of the Second Amendment to Lease is One Hundred Thousand Dollars and Zero Cents (\$100,000.00). Such reimbursement shall be in addition to the rent specified in Section 5 of the Lease and First Amendment to Lease. There shall be no change to monthly rental costs at this time. The expenditure for professional services has been included in the approved budget for fiscal year 2017-18 in Fund 1160; Budget Unit 511. There is no impact to the County General Fund.

Approving the Second Amendment to Lease supports the Board's Strategic Framework by managing resources to ensure sustainability of services and creating opportunities for improved health and safety as well as protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

Public Works – Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve this second amendment to the lease; however, this is not recommended as it would not support the goal to offer public services from a central location.

ATTACHMENTS:

1. Lease at 2440 Sixth Street, Eureka with Humboldt Partners
2. First Amendment to Lease at 2440 Sixth Street, Eureka with Humboldt Partners
3. Second Amendment to Lease at 2440 Sixth Street, Eureka with Humboldt Partners, in duplicate

COPY
ORIGINAL



LEASE

This Lease is made and entered into this 14 day of April, 2015, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and HUMBOLDT PARTNERS, a California General Partnership, 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 46,947 square feet, including shared use of the common break room, of the real property, building and parking areas located at 2440 Sixth Street, Eureka, California, also known as APN 022-252-022, as shown on Exhibit A, which is 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 seven (7) years commencing August 1, 2015 and ending July 31, 2022.

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.

C. COUNTY has the option to extend this Lease upon the same terms and conditions for two (2) five (5) year terms. Rent during any term extension shall increase or decrease annually pursuant to Section 5, below. Each option may be exercised by COUNTY giving LESSOR written notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR ninety (90) days prior to the end of the initial term or any five (5) year term extension.

5. RENT

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

Sixty Five Thousand Seven Hundred Twenty Five Dollars and Eighty Cents (\$65,725.80)

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.

Commencing on August 1, 2016, and continuing each year thereafter during the initial term and each extended term of this Lease, annual rent shall be adjusted by the percentage increase or decrease in the revised Consumer Price Index for all items (1982-1984 =100) U.S. City Average, West Cities Size B-C, as published by the United States Department of Labor, Bureau of Labor Statistics (called "the Index" in this Lease) for the prior calendar year. In calculating this percentage increase or decrease, the most current Index immediately preceding the date of annual adjustment during the extended term shall be used. In the event the Index is unavailable, is no longer published, or is calculated on a significantly different basis following the date of this Lease, the most comprehensive official Index published which most closely approximates the rate of inflation shall be substituted in place of the Index. May 2015 shall be the base month for this adjustment. On adjustment of the rent in accordance with this paragraph, Lessor shall execute a letter stating the adjustment. Regardless of the CPI percentage change, the increase or decrease for any one year will be no more than five percent (5%). In no event shall rent be less than Sixty Five Thousand Seven Hundred Twenty Five Dollars and Eighty Cents (\$65,725.80) per month.

6. 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.

COUNTY shall have the right to terminate this Lease upon seven (7) days written notice of defect or noncompliance if LESSOR fails to cure any default in the premises or Building Code violation attributable to LESSOR.

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

7. SMOKING

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

8. UTILITIES

LESSOR agrees to furnish and pay for all charges for gas, electricity, water and sewer supplied to and used in the leased premises by COUNTY. LESSOR'S obligation to provide utility services shall be dependent on continued utilization of the premises as office space, with utilities being used as reasonably necessary to utilize the premises as an office. COUNTY shall pay for its own telephone services, internet services, any upgrades required by COUNTY of security system, monthly monitoring costs of security system, and refuse collection.

9. JANITORIAL

LESSOR shall provide bonded janitorial services to Premises. LESSOR shall provide the following services Monday through Friday except on County holidays:

- A. For all interior areas other than the restrooms: vacuum, empty waste baskets dust furniture, sweep and mop floors. Janitorial services shall include only ordinary dusting and cleaning and shall not include cleaning drapery or furniture or other unusual services.
- B. For the restrooms: dust, mop tile floors, clean all sinks and mirrors, restock dispensers, and sanitize restrooms.
- C. Empty all trash into the outside trash bin.
- D. Clean carpets at least twice during each calendar year.
- E. Wash windows inside and out at least twice during each calendar year.

10. MAINTENANCE AND REPAIRS

Prior to COUNTY'S occupation of the premises, LESSOR shall, where necessary, and agreed upon between LESSOR and COUNTY, paint all interior walls, replace all carpets and vinyl throughout premises and provide a professional evaluation of all systems of the HVAC in the premises stating that all systems are performing properly and meet or exceed the standards required by the State Building Standards Code, Title 24, California Administrative Code, in effect at the time the building permit was issued.

A. 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, repairs or replacement, to the premises including, but not limited to:

1. The interior and exterior of the building, including glass and doors, security system, kitchen appliances (two 28 cubic foot refrigerators, six microwaves, a minimum size of 1.6 cf for each, and one water filter for each kitchen sink to be supplied by LESSOR), emergency lights, all exterior lighting and bulbs, landscaping, parking lot, fencing, including exclusive parking area for COUNTY vehicles, HVAC unit including ducts and vents, fire extinguishers and suppression systems;

2. The electrical, plumbing, and sewage systems, including without limitation, those portions of the systems owned or controlled by LESSOR lying outside the Leased premises;

3. LESSOR shall provide all landscape maintenance, parking lot sweeping, repair and striping. The parking lot shall be swept at least once monthly.

4. LESSOR shall maintain the grounds, including all parking areas, outside lighting, grass, trees, shrubbery, and other flora. The grounds, lawn, and shrubbery shall be maintained at least once weekly.

5. LESSOR shall provide pest control service to premises as necessary. The pest control services shall be scheduled after working hours, on weekends, or during COUNTY holidays.

6. LESSOR at its cost shall repair premises if they are damaged by (1) causes over which COUNTY has no control; (2) acts or omissions of LESSOR, or its authorized representative(s).

LESSOR shall perform all interior maintenance in a manner and at such times as will cause the least possible inconvenience, annoyance, or disturbance to COUNTY.

B. COUNTY shall be responsible for maintenance of the following:

1. Interior light bulbs and ballasts.
2. Any repairs caused by negligence of COUNTY personnel.
3. Any repairs to phone system, computers, alarm system or installation thereof.

C. 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.

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

E. LESSOR shall provide and pay for, during the initial term of this Lease or any extension term, repair/replacement of the building's security system, provided by Advanced Security.

F. Upon notification by COUNTY, and the exercising of the first option term, LESSOR shall, at its sole cost and expense, repaint the interior and exterior of the premises using paint subject to the approval of COUNTY. Work shall be performed on weekends or during COUNTY holidays and shall include furniture moving.

G. Upon notification by COUNTY, and the exercising of the first option term, LESSOR shall, at its sole cost and expense, replace the carpet and other floor materials with products which meet COUNTY specifications. Work shall be performed on weekends or during COUNTY holidays and shall include furniture moving.

LESSOR shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this Section (10), 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 paragraph, 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 27, 'NOTICE'.

11. 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 shall have the right to remodel premises at its expense from time to time, provided that plans for such remodeling are approved in advance by LESSOR. LESSOR shall not unreasonably withhold approval of plans submitted to it. Any additions to, or alterations of premises, except movable furniture and fixtures, shall become at once a part of premises and belong to LESSOR. COUNTY shall keep premises and the property in which premises are situated free from any liens arising out of any work performed, material furnished, or obligations incurred by COUNTY.

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; and
- F. Security System

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

12. 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.

13. 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.

14. REAL PROPERTY TAXES

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

15. 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 attorney's 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 Agreement and any amendments hereto, except such loss or damage which was caused by or attributable to the 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 attorney's 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 Agreement or COUNTY'S use and occupancy of the premises, except such loss or damage which was caused by or attributable to the negligence or willful misconduct of the LESSOR.

C. Acceptance of insurance, if required by this Agreement, 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 which are subject to LESSOR'S indemnity obligations, regardless if any insurance is applicable or not.

16. 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.

17. 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).

18. 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 27. 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 affecting 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 Agreement.

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 27. 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 affecting 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 attorney's 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.

19. PARKING

Leased premises includes no less than 44 exclusive fenced, off-street parking spaces, and shared use off-street parking spaces as shown on attached Exhibit A which are included in the rent in Section 5 of this Lease. LESSOR shall be responsible for all maintenance and repair of the parking lot and fencing.

20. 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, and cannot be reasonably repaired within two (2) months, COUNTY reserves the right to forthwith terminate this Lease upon written notice within seven (7) days following the date of loss. In the event the damage can be repaired within two (2) months, rent shall be abated during the repair period.

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 (20).

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 (20).

21. 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.

22. 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 two (2) consecutive months or longer, then COUNTY may: (1) terminate the 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 paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this Lease.

23. 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.

24. LESSOR DEFAULT

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 fifteen (15) days after written notice of the default has been given by COUNTY to LESSOR. If the default cannot reasonably be cured within fifteen (15) days, LESSOR shall not be in default of this Lease if LESSOR commences to cure the default within the fifteen (15) day period and diligently and in good faith continues to cure the default.

25. COUNTY'S REMEDIES ON LESSOR'S DEFAULT

COUNTY, at any time after LESSOR'S right to cure under Section 24 of this Lease has expired, 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 paragraph, 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 (25) are in addition to and do not in any manner limit other remedies set forth in particular Sections of this Lease.

26. 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, subject to LESSOR'S right(s) to cure any such failures pursuant to the provisions of Section 25 of 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, subject to LESSOR'S right(s) to cure any such default pursuant to Section 24 of this Lease.
- D. The material violation of any of the provisions of this Lease, subject to LESSOR'S right(s) to cure any such default pursuant to Section 24 of this Lease.

E. The building becomes damaged due to fire, flood, earthquake, or any other natural disaster, and the building cannot be repaired within two (2) months of the date the damage occurs.

F. Intentionally supplying COUNTY with any material 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.

Said seven (7) days notice stated in this Section (26), is in addition to and following expiration of any right to cure time periods set forth in this Lease.

27. 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: Humboldt Partners
P.O. Box 430
Bayside, CA 95524

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
Attn: Risk Manager
825 Fifth Street, Room 131
Eureka, CA 95501

28. 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.

29. LEASE MODIFICATION

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

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. 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.

37. 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

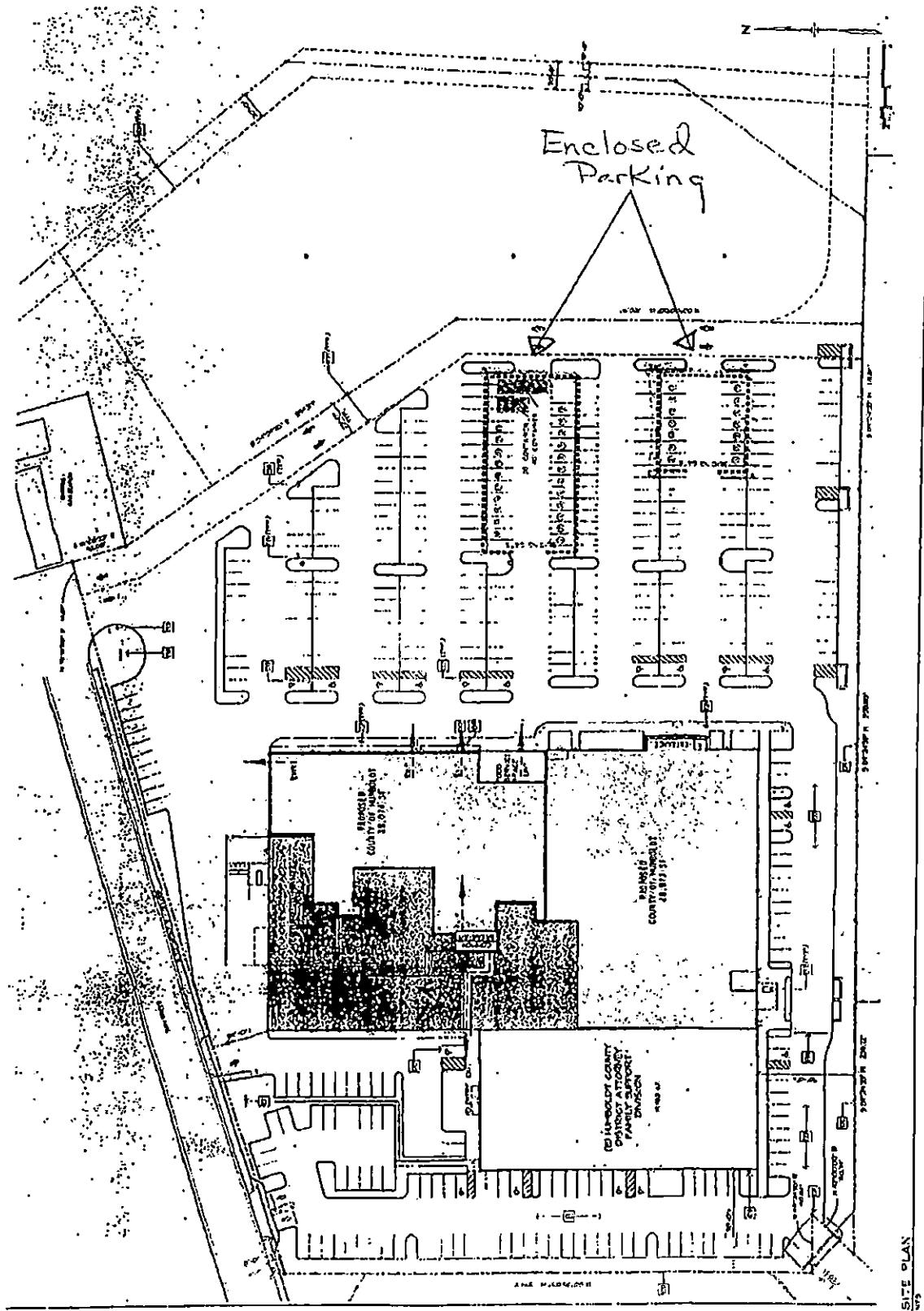
COUNTY OF HUMBOLDT

BY *Joe Humboldt, Deputy*

BY *Estelle Dennell*
CHAIRPERSON,
BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

LESSOR:

BY *[Signature]*
TITLE *General Partner*
BY *[Signature]*
TITLE *General Partner*



FIRST AMENDMENT TO LEASE

This Amendment to the Lease entered into on April 14, 2015, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY and HUMBOLDT PARTNERS, hereinafter called LESSOR, is entered into this 5th day of April, 2016.

WHEREAS, the parties entered into a Lease for the use of the premises at 2440 Sixth Street, Eureka, California, for the purpose of office space for the Department of Health and Human Services; and

WHEREAS, COUNTY and LESSOR desire to increase the square footage of the leased space and to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. Paragraph 1, PREMISES, of the Lease is amended to read as follows:

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

Approximately 62,234 square feet, of the real property, building and parking areas located at 2440 Sixth Street, 2430 Sixth Street and 2426 Sixth Street, Eureka, California, also known as APN 022-252-022, as shown on Exhibit A, which is attached hereto and incorporated herein.

2. Paragraph 5, RENT, of the Lease is amended to read as follows:

Beginning on April 15, 2016, COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

Eighty Eight Thousand Six Hundred Fifty Six Dollars and Thirty Cents (\$88,656.30)

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.

Commencing on August 1, 2016, and continuing each year thereafter during the initial term and each extended term of this Lease, annual rent shall be adjusted by the percentage increase or decrease in the revised Consumer Price Index for all items (1982-1984 = 100) U.S. City Average, West Cities Size B-C, as published by the United States Department of Labor, Bureau of Labor Statistics (called "the Index" in this Lease) for the prior calendar year. In calculating this percentage increase or decrease, the most current Index immediately preceding the date of annual adjustment during the term or extended term shall be used. In the event the Index is unavailable, is no longer published, or is calculated on a significantly different basis following the date of this Lease, the most comprehensive official Index published which most closely approximates the rate of inflation shall be substituted in place of the Index. May 2015 shall be the base month for this adjustment. On

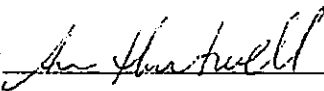
adjustment of the rent in accordance with this paragraph, Lessor shall execute a letter stating the adjustment. Regardless of the CPI percentage change, the increase or decrease for any one year will be no more than five percent (5%). In no event shall rent be less than Eighty Eight Thousand Six Hundred Fifty Six Dollars and Thirty Cents (\$88,656.30) per month.

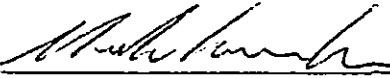
3. In all other respects the Lease between the parties entered into on April 14, 2015 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Lease dated April 14, 2015, on the date indicated above.

(SEAL)
ATTEST:
CLERK OF THE BOARD

COUNTY OF HUMBOLDT

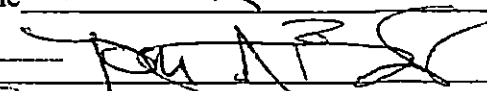
By 

By 
Chair, Board of Supervisors
County of Humboldt
State of California

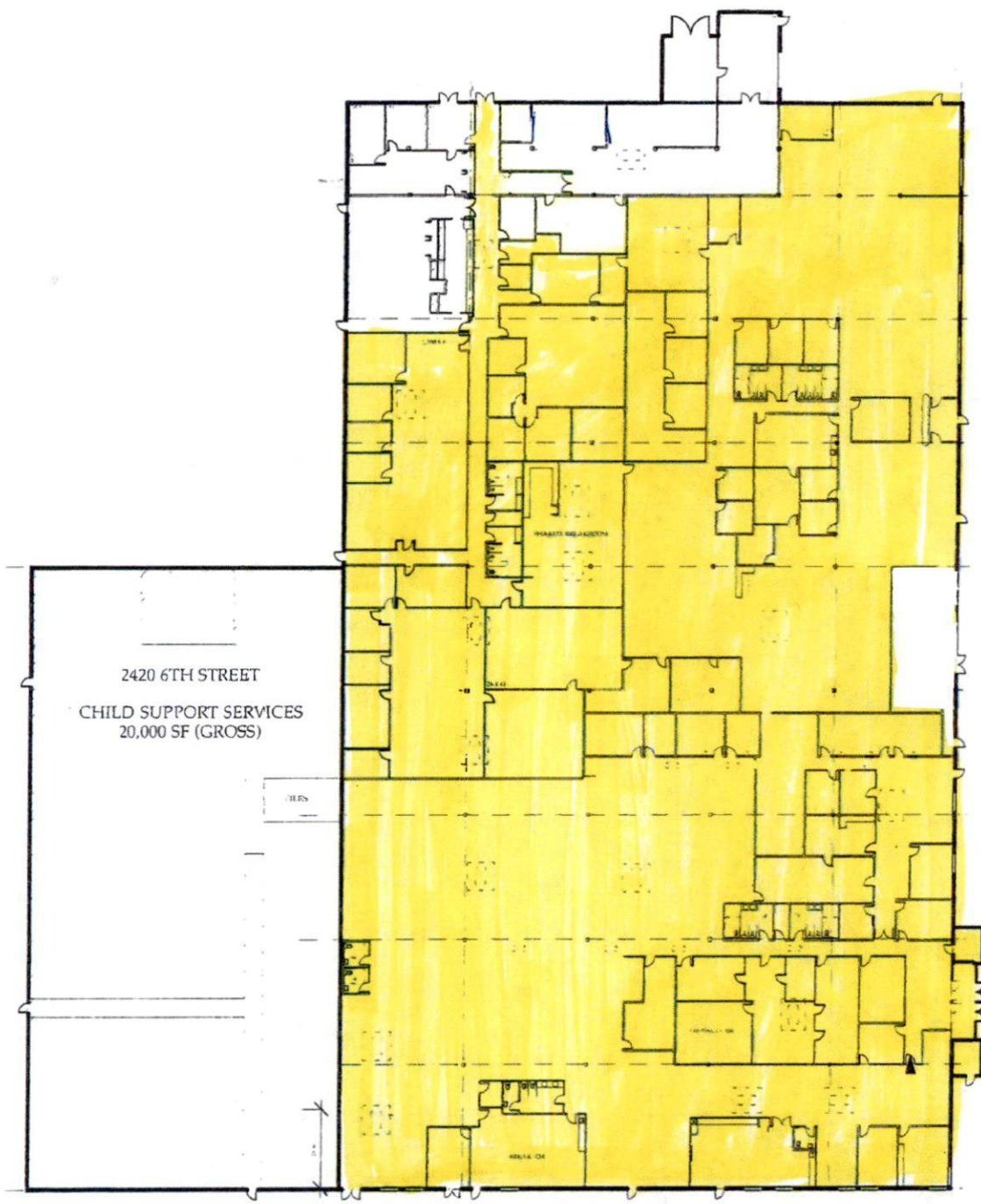
LESSOR:
HUMBOLDT PARTNERS

By 

Title Partner

By 

Title Partner



2420 6TH STREET
CHILD SUPPORT SERVICES
20,000 SF (GROSS)

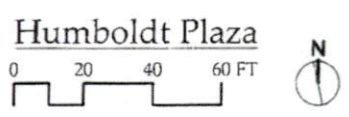


EXHIBIT A

SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to the Lease entered into on April 14, 2015, and first amended on April 5, 2016, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY, and HUMBOLDT PARTNERS, a California General Partnership, hereinafter called LESSOR, is entered into this 6th day of February 2018.

WHEREAS, on April 14, 2015, the parties entered into a Lease for the use of real property located at 2440 Sixth Street, Eureka, California, for the purpose of office space for the Department of Health and Human Services (DHHS); and

WHEREAS, on April 5, 2016, the parties entered into a Lease Amendment to increase the square footage of the leased space, to add real property located at 2430 and 2426 Sixth Street, Eureka, California, and to increase the rent accordingly; and

WHEREAS, COUNTY and LESSOR desire to clarify their responsibilities regarding the security system and the fire alarm and suppression system; and

WHEREAS, California Civil Code section 1938 requires commercial property owners to state on every lease executed on or after January 1, 2017, whether or not the subject premises have undergone inspection by a Certified Access Specialist (CAsp), and the parties wish to comply with this requirement; and

WHEREAS, COUNTY desires to modify the interior of said real property to make better use of the office space to facilitate offering additional public services from the property; and

WHEREAS, LESSOR is willing to retain the services of an independent consultant to perform professional and technical services necessary for COUNTY'S proposed tenant improvement plans; and

WHEREAS, said consultant shall be selected on the basis of demonstrated competence and qualifications; and

WHEREAS, the services shall be provided at a fair and reasonable price; and

WHEREAS, COUNTY is willing to reimburse LESSOR for said consultant's services; and

WHEREAS, COUNTY and LESSOR desire to amend the Lease as specified;

NOW, THEREFORE, it is mutually agreed as follows:

1. Section 10, MAINTENANCE AND REPAIRS, subsection A.1, of the Lease is amended to read as follows:

The interior and exterior of the building, including glass and doors, kitchen appliances (two 28 cubic foot refrigerators, six microwaves, a minimum size of 1.6 cf for each, and one water filter

SECOND AMENDMENT TO LEASE AGREEMENT

for each kitchen sink to be supplied by LESSOR), emergency lights, all exterior lighting and bulbs, landscaping, parking lot, fencing, including exclusive parking area for COUNTY vehicles, HVAC unit including ducts and vents, fire extinguishers, fire alarm and suppression systems;

2. Section 10, MAINTENANCE AND REPAIRS, subsection B.3, of the Lease is amended to read as follows:

Any repairs to phone system, computers, computer battery back-up uninterrupted power supply (UPS) system, security alarm system or installation thereof.

3. Section 10, MAINTENANCE AND REPAIRS, subsection E, of the Lease is amended to read as follows:

LESSOR shall provide and pay for, during the initial term of this Lease or any extension term, repair/replacement of the building's fire alarm and fire suppression system.

4. Section 38, CONSULTANT SERVICES, is added as a new section to the Lease to read as follows:

LESSOR shall contract for independent consultant services as described in Exhibit A (Scope of Consultant Services), which is attached hereto and incorporated herein by reference. The contract between LESSOR and the consultant shall include certain terms and conditions as set forth in Exhibit B (Consultant Contract Terms and Conditions), which is attached hereto and incorporated herein by reference.

5. Section 39, REIMBURSEMENT FOR CONSULTANT SERVICES, is added as a new section to the Lease to read as follows:

The maximum amount payable by COUNTY to LESSOR as reimbursement for consultant services rendered and expenses incurred pursuant to the terms and conditions of this Lease Amendment is One Hundred Thousand Dollars and Zero Cents (\$100,000.00). Such reimbursement shall be in addition to the rent specified in Section 5 of the Lease and First Amendment to Lease.

LESSOR shall submit to COUNTY monthly progress reports, an invoice which itemizes all work completed by the consultant as of the invoice date, copies of invoice(s) from the consultant to LESSOR, and proof of payment by LESSOR to the consultant. All invoices submitted by LESSOR shall be in a format approved by, and shall include backup documentation as specified by, the Humboldt County Auditor-Controller. LESSOR shall submit a final undisputed invoice to COUNTY for reimbursement not more than thirty (30) days following the date of final payment by LESSOR to its consultant. Reimbursement to LESSOR by COUNTY shall also be subject to certain terms and conditions as set forth in Exhibit C (Reimbursement Agreement Terms and Conditions), which is attached hereto and incorporated herein by reference.

6. Section 40, SUBSTANTIAL COMPLETION, is added as a new section to the Lease to

SECOND AMENDMENT TO LEASE AGREEMENT

read as follows:

LESSOR shall provide COUNTY with a Certificate of Occupancy, as described in Task #6 of Exhibit A. Within Sixty (60) days of COUNTY'S receipt of the Certificate of Occupancy, COUNTY shall enter into a Third Amendment to this Lease Agreement, revising Section 4, Term of Lease, and Section 5, Rent.

COUNTY shall provide LESSOR, within Thirty (30) days after COUNTY'S receipt of Certificate of Occupancy, a written "punch list" which will consist of the items from the construction of COUNTY'S tenant improvement plan that have not been finished or furnished by LESSOR. Upon receipt of the punch list, LESSOR shall, with due diligence, proceed to complete all defective or incomplete items on the punch list. LESSOR shall execute all of the items on the punch list to COUNTY'S satisfaction within Fourteen (14) days of LESSOR'S receipt of the punch list. If LESSOR fails to complete all of the items within such time frame, COUNTY may complete such items and LESSOR shall reimburse COUNTY upon demand for the reasonable costs incurred by COUNTY for such work. If such costs are not paid within Ten (10) days after demand, such costs shall be credited to and deducted from COUNTY'S next monthly installments of Rent.

LESSOR shall file for a Notice of Completion no later than Forty-five (45) days after the Certificate of Occupancy has been issued to LESSOR. LESSOR shall provide COUNTY a copy of said filing. COUNTY'S written acknowledgment of receipt in the form of Exhibit D (Receipt of Notice of Completion), which is attached hereto and incorporated herein by reference, shall be evidence that the tenant improvements have been substantially completed.

7. Section 41, PREMISES INSPECTION BY CERTIFIED ACCESS SPECIALIST, is added as a new section to the Lease to read as follows:

COUNTY and LESSOR acknowledge that the subject premises have undergone an inspection by a Certified Access Specialist (CASp) and that a CASp report will be provided to COUNTY. A CASp may further inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state and federal law. LESSOR will not prohibit COUNTY from obtaining a CASp inspection of the subject premises. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the costs of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

8. In all other respects the Lease between the parties entered into on April 14, 2015 and first amended on April 5, 2016 shall remain in full force and effect.

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SECOND AMENDMENT TO LEASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Lease dated April 14, 2015 on the date indicated above.

COUNTY OF HUMBOLDT:

LESSOR: HUMBOLDT PARTNERS

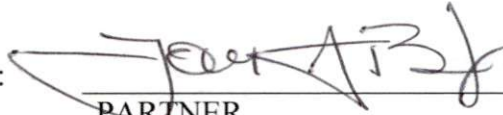
BY: 
CHAIRMAN, Ryan Sundberg
BOARD OF SUPERVISORS

BY: 
PARTNER

NAME: Charles Bussman

ATTEST:

(SEAL)

BY: 
PARTNER

NAME: TOM ABRAHAMSON

BY: 
CLERK OF THE BOARD
Ryan Sharp, Deputy Clerk of the Board

EXHIBIT A - SCOPE OF CONSULTANT SERVICES

LESSOR agrees to contract for professional consulting services necessary to produce a publicly bid construction project to accomplish COUNTY'S tenant improvements. The Scope of Services as described below, including any other services identified in this Lease as part of Services, which generally include architectural services, structural design, mechanical design, electrical design, plumbing design, civil design, and landscape design, all of which are intended to result in delivery of the following Tasks (1- 9):

1. PROGRAMMING AND CONCEPTUAL DESIGN REVIEW

Provide a written review and analysis of applicable building codes as they apply to the existing building and concept of the project. Provide a written verification that information and backgrounds provided are sufficient to continue design work; provide list of any additional necessary information required. Document existing building, including measured drawings, photographs, and other necessary documentation to provide a basis for permitted tenant improvements. Create background drawings of existing building for use by consultant and its design team members, and consultants under contract with COUNTY. Schedule, arrange and attend meetings as necessary for coordination with design team. Submit the following deliverables in paper and electronic formats for COUNTY review and approval:

- a. Written review and analysis of applicable building codes.
- b. Written verification that information and backgrounds provided are sufficient including a list any additional necessary information required.
- c. A basis of design report for tenant improvements including: Documentation of existing building, including measured drawings of plans and details, photographs, and other necessary documentation.
- d. Background drawings of existing building.
- e. Schedule of remaining consulting services to be completed through Task #4, not to exceed 180 days following delivery of Task #1 deliverables package.
- f. Minutes from design coordination meetings.

2. SCHEMATIC DESIGN

Develop schematic plans and outline technical specifications for the project. Create and provide background drawings for use by other design team members and consultants under contract with COUNTY. Schedule, arrange and attend meetings as necessary for coordination with design team. Provide updated written code analysis, including accessibility compliance with Federal Americans With Disabilities Act, and accessibility provisions of the California Building Code, for preliminary over-the-counter review of schematic plans. Submit the following schematic design deliverables in paper and electronic formats for COUNTY review and approval:

- a. Schematic drawings.
- b. Outline technical specifications.
- c. Background drawings for use by other design team members.
- d. Minutes from design coordination meetings.
- e. Updated written code analysis including comments from meeting with permitting agency.

EXHIBIT A - SCOPE OF CONSULTANT SERVICES

3. DESIGN DEVELOPMENT

Develop a package of design development drawings and draft technical specifications for the project, including but not limited to Mechanical, Plumbing and Electrical engineering, Structural engineering, T-24 Energy Calculations, and Security and Data infrastructure design. Schedule, arrange and attend meetings as necessary for coordination with design team. Submit the following deliverables, including design development plans and draft specifications, in paper and electronic formats for COUNTY review and approval:

- a. Design development drawings.
- b. Draft technical specifications.
- c. Minutes from design coordination meetings.
- d. Updated written code analysis including comments from intermediate plan review by permitting agency.
- e. Construction schedule with date of completion for the project.

4. CONSTRUCTION DOCUMENTS

Develop and provide complete package of construction documents for final plan review and approval by COUNTY. Schedule, arrange and attend meetings as necessary for coordination with design team. Provide COUNTY a copy of a complete package of approved plans and technical specifications to be used by LESSOR inviting formal bids, as specified by California Public Contract Code Sections 22032 and 22037. Revisions, addendums, answers to bidding questions and substitution requests to be provided as necessary. Submit the following deliverables, including fully coordinated drawings and specifications, including addendums, in paper and electronic formats for COUNTY review and approval:

- a. 50% package of construction documents (plans and specifications) for coordination with design team.
- b. 95% package of construction documents (plans and specifications) for final plan review.
- c. 100% complete package of approved plans and technical specifications for bid package, prior to bid.
- d. Cost Estimate for completion of the project.
- e. Copies of permit applications from City of Eureka and any other necessary governing agency, including a copy of Certified Access Specialist program (CASp) inspection application.
- f. Revisions, addendums, answers to bidding questions and review of substitution requests.
- g. Post-bid package of coordinated drawings and specifications including addendums for construction.

EXHIBIT A - SCOPE OF CONSULTANT SERVICES

5. CONSTRUCTION ADMINISTRATION

Provide administration of project throughout the course of project bidding, through periodic observation of work during construction, provide review of submittals, and assist in responses to requests for information, cost proposals, change orders, punch-lists, and other construction administration services as necessary. Attend weekly site meetings as necessary. Submit the following deliverables to COUNTY:

- a. A copy of published bid request.
- b. Responses to requests for information as necessary.
- c. Written summary of submittals, including a complete copy of all construction bid response packages.
- d. A copy of letters awarding and declining the work to all construction bid responders.
- e. Attend weekly site meetings as necessary.
- f. Documentation of periodic observation of work as necessary.

6. PROJECT CLOSEOUT

Assist with closeout procedures and commissioning as necessary. Coordinate with contractor and consultants to provide COUNTY a copy of as-built record drawings in digital and hard-copy format. Submit the following deliverables package to COUNTY:

- a. Provide a written copy of closeout procedures.
- b. Commissioning documentation as necessary.
- c. As-built record drawings.
- d. Copy of issued permits, including corrections report resulting from Certified Access Specialist's (CASp) inspection of the portion of leased premises affected by tenant improvements made resulting from this Second Amendment to Lease.
- e. Certificate of Occupancy.
- f. Copy of filed Notice of Completion.

7. GENERAL TASKS AND DELIVERABLES

Within Twenty (20) days from the date of this Second Amendment to Lease, the LESSOR'S consultant shall create and provide schedule for progress of work in conjunction with its design team. Provide monthly status report including a narrative of work performed, an update of the progress of work schedule, including actual performance versus current progress schedule, and a sixty day look-ahead of anticipated required information, decisions or documents required from COUNTY. General Tasks and Deliverables are to include:

- a. Schedule for progress of work (within Twenty (20) days of date of this Second Amendment).
- b. Monthly status report.
- c. Narrative of work performed.
- d. Update of the progress of work.
- e. Sixty day look-ahead.

EXHIBIT A - SCOPE OF CONSULTANT SERVICES

Construction Schedule: All work will be completed no later than Thirty (30) days after the construction schedule completion date, as developed in Task #3. LESSOR'S consultant shall have full charge of coordination and scheduling with design team members, and other consultants under contract with COUNTY for this project.

8. EXCLUSIONS

The items below, if any, are not considered within the Scope of Basic Services, however can be provided by consultant as an Additional Service to LESSOR:

Land Surveying, Geotechnical engineering, Solar/PV engineering, Commercial Kitchen design, CEQA compliance documents.

9. ADDITIONAL SERVICES

Additional Services require specific written request from consultant with associated proposed cost, followed by written authorization from COUNTY prior to commencement of any work not defined as part of Basic Services (Tasks 1-7). Authorized Additional Services shall be compensated in accordance with the terms and conditions of Section 39 and Exhibit C.

No additional services shall be subject to reimbursement by COUNTY without an additional written amendment to this Lease. Any amendment authorizing reimbursement for additional services shall include a detailed description of such services and a maximum reimbursement amount for the additional services.

EXHIBIT B – CONSULTANT CONTRACT TERMS AND CONDITIONS

LESSOR shall include the following provisions in its contract with the CONSULTANT providing the services described in Exhibit A.

1. **COMPLIANCE WITH APPLICABLE LAWS:**

CONSULTANT agrees to comply with all local, state and federal laws and regulations applicable to the services covered by this Agreement. CONSULTANT further agrees to comply with all applicable local, state and federal licensure and certification requirements.

2. **LESSOR'S LICENSE TO USE DOCUMENTS**

The parties recognize that under Civil Code Section 980, CONSULTANT is the exclusive owner of the design and other documents created by CONSULTANT pursuant to this Agreement, and CONSULTANT may control the distribution and use of said documents. CONSULTANT agrees that LESSOR, upon termination or cancellation of this Agreement for any reason whatsoever, shall acquire a license to copy, reproduce, and use for its own purposes, said documents. More specifically, CONSULTANT agrees that LESSOR may use said documents for completion of its tenant improvement project even though CONSULTANT'S services may have been terminated. CONSULTANT shall be entitled to no additional compensation for use by LESSOR of these documents.

3. **CONFIDENTIAL INFORMATION:**

In performance of its obligations under this Agreement, CONSULTANT may receive information that is confidential under local, state or federal law. CONSULTANT hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws and regulations.

EXHIBIT C – REIMBURSEMENT AGREEMENT TERMS AND CONDITIONS

1. NONDISCRIMINATION COMPLIANCE:

A. Professional Services and Employment. In connection with the execution of this Agreement, LESSOR and CONSULTANT shall not discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, or any other classification protected by local, state or federal laws and regulations. Nothing herein shall be construed to require employment of unqualified persons.

B. Compliance with Anti-Discrimination Laws. LESSOR and CONSULTANT further assure that they will abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, California Welfare and Institutions Code Section 10000, CDSS MPP Division 21, United States Executive Order 11246, as amended, and any other applicable local, state and federal laws and regulations. Practices in hiring, compensation, benefits and firing are among the employment practices subject to this requirement.

C. Inclusion. This section shall be included in any and all professional services agreements concerning the provision of services described in Exhibit A.

2. REPORTS:

LESSOR agrees to provide COUNTY with any and all reports which may be required by local, state or federal agencies in connection with the CONSULTANT'S services. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

3. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. LESSOR agrees to timely prepare accurate and complete financial, performance and payroll records relating to the professional services agreement between LESSOR and the CONSULTANT for services described in Exhibit A ("professional services agreement"), and to maintain and preserve said records for at least three (3) years from the date of final payment under this Lease, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work performed.

B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of LESSOR, and its subcontractors, relating to the professional services agreement, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3)

EXHIBIT C – REIMBURSEMENT AGREEMENT TERMS AND CONDITIONS

years after final payment. LESSOR hereby agrees to make such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state or federal agencies. LESSOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state or federal agencies. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of the professional services agreement and this Lease.

C. Audit Costs. In the event of an audit exception or exceptions, the party responsible for not meeting the requirements of the project shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because LESSOR'S documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

4. MONITORING:

LESSOR agrees that COUNTY has the right to monitor all activities related to the professional services agreement, including the right to review and monitor LESSOR'S records, programs or procedures, at any time, as well as the overall operation of LESSOR'S programs in order to ensure compliance with the terms and conditions of the professional services agreement and this Lease. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by LESSOR or the consultant pursuant to the terms of the professional services agreement or this Lease.

5. CONFIDENTIAL INFORMATION:

In performance of its obligations under this Lease, LESSOR may receive information that is confidential under local, state or federal law. LESSOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws and regulations.

6. COUNTY'S LICENSE TO USE DOCUMENTS

The parties recognize that under Civil Code Section 980, LESSOR'S CONSULTANT is the exclusive owner of the design and other documents created by CONSULTANT pursuant to its contract with LESSOR, and the CONSULTANT may control the distribution and use of said documents.

LESSOR agrees that, upon termination or cancellation of its agreement with its CONSULTANT, for any reason whatsoever, LESSOR shall acquire a license to copy, reproduce, and use for its own purposes, said documents. More specifically, LESSOR agrees that COUNTY may use said documents for completion of its tenant improvement project even though LESSOR'S CONSULTANT'S services may have been terminated. Neither LESSOR nor LESSOR'S CONSULTANT shall be entitled to any additional compensation for use by the COUNTY of these documents.

EXHIBIT C – REIMBURSEMENT AGREEMENT TERMS AND CONDITIONS

7. INDEMNIFICATION:

LESSOR shall hold harmless, defend and indemnify COUNTY, its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney fees and other costs of litigation, arising out of, or in connection with, LESSOR'S negligent performance of, or failure to comply with, any of the duties and/or obligations contained in the professional services agreement between LESSOR and the CONSULTANT for services described herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

LESSOR shall hold harmless, defend and indemnify COUNTY, its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney fees and other costs of litigation, arising out of, or in connection with, the CONSULTANT'S negligence, recklessness or willful misconduct in the performance of the services required in the professional services agreement between LESSOR and the CONSULTANT for services described herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

8. RELATIONSHIP OF PARTIES:

It is understood that this Lease is by and between two independent contractors and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that LESSOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. LESSOR shall be solely responsible for the acts or omissions of its agents, officers, directors, employees, licensees, invitees, assignees and subcontractors.

9. ENTIRE AGREEMENT:

This Lease contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Lease shall be deemed to exist or to bind either of the parties hereto. In addition, this Lease shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations, whether oral or written, concerning the same subject matter.

EXHIBIT D – RECEIPT OF NOTICE OF COMPLETION

COUNTY has received, on this _____ day of _____, 20____, LESSOR'S provided copy of the filed Notice of Completion for the construction of COUNTY'S tenant improvements. Both parties acknowledge that the work done by LESSOR pursuant to the provisions of Exhibit A to the Second Amendment to Lease Agreement is substantially completed.

COUNTY OF HUMBOLDT:

LESSOR: HUMBOLDT PARTNERS

BY: _____

BY: _____
PARTNER

NAME: _____

NAME: _____