

SUBLEASE

This SUBLEASE is made and entered into this 2 day of October, 2018, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and United Parcel Service, Inc., an Ohio corporation (doing business as UPS), hereinafter referred to as SUBLESSEE.

WHEREAS, COUNTY leases property located at 790 West Clark Street, Eureka, California, from Fred H. Lundblade, sole proprietor, hereinafter referred to as LESSOR; and

WHEREAS, LESSOR has consented to and approved the SUBLEASE between COUNTY and SUBLESSEE; and

WHEREAS, SUBLESSEE desires to sublease two parking bays for parking, loading and unloading transport vehicles, and COUNTY desires to sublease the two parking bays described herein ("premises") to SUBLESSEE;

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

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

Use of approximately two thousand nine hundred thirty square feet (2,930 sq. ft.), also described as parking bays number 2 and 3 beneath and in front of the building awning at 790 West Clark Street, also known as Assessor's Parcel No. 003-121-050, as shown on Exhibit A, which is attached hereto and incorporated herein.

The SUBLEASE premises shall not include the use of parking bay number 1 beneath and in front of the building awning, and SUBLESSEE shall not place any items outside of its designated use area.

2. USE OF PREMISES

The designated SUBLEASE premises shall be used by SUBLESSEE for parking, loading and unloading transport vehicles.

3. QUIET ENJOYMENT

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

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4. TERM OF SUBLEASE

The term of this SUBLEASE, following the approval by Humboldt County Board of Supervisors, shall commence on November 12, 2018 and shall not exceed January 12, 2019.

5. RENT

SUBLESSEE shall pay to COUNTY as rent for the subleased premises a monthly rent as follows:

For the portion of the month of November, specifically the 12th through the 30th, 2018, a prorated rental fee of One Thousand Thirty One Dollars and Thirty Six Cents (\$1,031.36).

For the month of December, 2018, a rental fee of One Thousand Nine Hundred Thirty Three Dollars and Eighty Cents (\$1,933.80).

For the portion of the month of January, specifically the 1st through the 12th, 2019, a prorated rental fee of Nine Hundred Sixty Six Dollars and Ninety Cents (\$966.90)

Rent shall be paid in advance on the first day of each month the SUBLESSEE has authorized use of the subleased premises.

6. SMOKING

Pursuant to Humboldt County Code §971-1 et seq., smoking shall be prohibited in all COUNTY owned, leased, rented, controlled or subleased premises. SUBLESSEE shall comply with said provision.

7. UTILITIES

SUBLESSEE agrees to furnish and pay for all charges for gas, refuse collection, electricity, water, sewer and local telephone service supplied to and used in the subleased premises by SUBLESSEE.

8. JANITORIAL

No janitorial services are provided by COUNTY for subleased premises. SUBLESSEE shall remove all trash from the premises and properly dispose of it at SUBLESSEE'S own expense.

9. MAINTENANCE AND REPAIRS

During the term of this SUBLEASE or any extension thereof, SUBLESSEE shall be responsible for:

- A. Any repairs caused by negligence of SUBLESSEE'S personnel or clients.
- B. Any repairs to SUBLESSEE'S personal property.

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10. IMPROVEMENTS AND ALTERATIONS

SUBLESSEE may not make improvements or alterations to the premises to accommodate SUBLESSEE'S use of the premises.

11. INSTALLATION AND REMOVAL OF TRADE FIXTURES

SUBLESSEE may cause or permit to be installed and/or affixed to the premises such fixtures, signs and equipment as SUBLESSEE deems desirable and all such fixtures and equipment shall remain the property of SUBLESSEE and shall be removed no later than the termination of this SUBLEASE, provided that SUBLESSEE, at its expense, shall repair any damage caused by such installation, affixing and/or removal. All such fixtures and equipment that are to be installed and/or affixed to the premises shall be approved in writing by COUNTY prior to its installation and/or affixing to the premises.

12. SUBLESSEE'S RIGHT TO ERECT SIGNS

Upon COUNTY'S approval, SUBLESSEE shall have the right to erect and maintain signs upon the premises and signs shall remain the property of SUBLESSEE and shall be removed no later than the termination of this SUBLEASE, provided that SUBLESSEE, at its expense, shall repair any damage caused by such installation and/or removal. All such signs shall be approved in writing by COUNTY prior to installation.

13. HOLD HARMLESS/INDEMNIFICATION

A. SUBLESSEE 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 reasonable 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 SUBLESSEE'S duties and obligations under this SUBLEASE and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

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

14. SUBLESSEE'S INSURANCE

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

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Without limiting SUBLESSEE'S indemnification provided for herein, SUBLESSEE shall and shall require any of its subcontractors to take out and maintain, throughout the period of this SUBLEASE 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 SUBLESSEE, 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

SUBLESSEE is responsible for providing "All-Risk" Property Insurance for its contents on the premises at this location.

C. Workers' Compensation Insurance Coverage

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

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

15. 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 SUBLEASE 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:

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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 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).

16. SPECIAL INSURANCE REQUIREMENTS

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

A. SUBLESSEE

1. The Comprehensive General Liability Policy shall provide that 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 SUBLESSEE. The coverage shall contain no special limitations on the scope of protection afforded to 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.
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 25. It is further understood that

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

2. SUBLESSEE shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this SUBLEASE by COUNTY. The endorsements shall be on forms as approved by 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 SUBLESSEE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this SUBLEASE, take out the necessary insurance, and SUBLESSEE 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 SUBLESSEE under this SUBLEASE.

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

a. Contains a cross liability, severability of interest or separation of insureds clause.

b. The policies 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 25. It is further understood that SUBLESSEE 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.

c. SUBLESSEE shall furnish COUNTY with certificates and original endorsements effecting the required coverage of this SUBLEASE by COUNTY.

B. SUBLESSEE AND COUNTY

1. SUBLESSEE and COUNTY 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.

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

17. PARKING

Subleased premises may not be used for SUBLESSEE staff's personal vehicle off-street parking spaces.

18. 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 SUBLEASE 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 SUBLESSEE, 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 SUBLEASE as provided in this paragraph (18).

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 SUBLEASE, COUNTY shall have the option to rebuild or to terminate this SUBLEASE. Such option shall be exercised by COUNTY by notice in writing to SUBLESSEE within seven (7) days following the date of loss. COUNTY'S option to rebuild shall not constitute a waiver of COUNTY'S right to terminate this SUBLEASE, as provided in this paragraph (18).

19. USE UNLAWFUL OR PREMISES CONDEMNED

If it becomes unlawful for SUBLESSEE 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, SUBLESSEE shall have the right at any time thereafter to terminate this SUBLEASE by giving COUNTY seven (7) days notice in writing of such termination.

20. PREMISES UNUSABLE

If as a result of causes, such as flood, strikes, riots, insurrection, or other similar or different causes beyond the control of COUNTY, the premises shall become unusable from a practical standpoint for a period of ten (10) consecutive days or longer, then SUBLESSEE may: (1) terminate the SUBLEASE upon seven (7) days written notice to COUNTY, (2) by notice in writing to COUNTY prorate the rent for the period of time the premises are unusable from a practical standpoint or (3) by notice in writing to COUNTY at any time prior to the date when this SUBLEASE would otherwise terminate, further extend this SUBLEASE without the requirement

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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 SUBLEASE.

21. NUCLEAR FREE CLAUSE

SUBLESSEE certifies by its signature below that SUBLESSEE is not a nuclear weapons contractor, in that SUBLESSEE 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. SUBLESSEE agrees to notify COUNTY immediately if it becomes a nuclear weapons contractor, as defined above. COUNTY may immediately terminate this SUBLEASE if it determines that the foregoing certification is false or if SUBLESSEE becomes a nuclear weapons contractor.

22. SUBLESSEE DEFAULT

SUBLESSEE shall be in default of this SUBLEASE if it fails or refuses to perform any material provision of this SUBLEASE that it is obligated to perform (including, but not limited to, SUBLESSEE'S failure to pay promptly when due all charges, fees, or other payments in accordance with this SUBLEASE) if the failure to perform is not cured within ten (10) days after written notice of the default has been given by COUNTY to SUBLESSEE. If the default cannot reasonably be cured within ten (10) days, SUBLESSEE shall not be in default of this SUBLEASE if SUBLESSEE commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

23. COUNTY'S REMEDIES ON SUBLESSEE'S DEFAULT

COUNTY, at any time after SUBLESSEE is in default, can terminate this SUBLEASE or can cure the default at SUBLESSEE'S cost. If COUNTY at any time, by reason of SUBLESSEE'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 SUBLESSEE 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 SUBLESSEE until COUNTY is reimbursed by SUBLESSEE. 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 SUBLEASE.

24. TERMINATION

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

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

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

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

D. 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.

25. 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.

SUBLESSEE:

United Parcel Service, Inc.
2826 Willis Street
Santa Ana, CA 92705
ATTN: Dan Scidmore

COUNTY:

County of Humboldt, Department of Public
Works
Real Property Section
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

26. ASSIGNMENT

This SUBLEASE shall not be assigned by either party.

27. SUBLEASE MODIFICATION

This SUBLEASE may be modified only by subsequent written agreement signed by SUBLESSEE and COUNTY.

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28. SUBLESSEE NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY

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

29. 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 SUBLEASE 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.

30. WAIVER OF BREACH

The waiver by either party of any breach of any provisions of this SUBLEASE shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this SUBLEASE.

31. BREACH, REMEDY FOR

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

32. SURRENDER OF PREMISES

At the termination of this SUBLEASE, SUBLESSEE shall surrender the premises to COUNTY in substantially the same condition as at the commencement of this SUBLEASE. SUBLESSEE 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.

33. BINDING EFFECT

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

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34. JURISDICTION AND APPLICABLE LAWS

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

35. INTERPRETATION

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

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

COUNTY OF HUMBOLDT

**UNITED PARCEL SERVICE, INC., an
Ohio corporation**

BY:



CHAIR
BOARD OF
SUPERVISORS

BY:



Stephen M. Slifer, Vice President

ATTEST:

(SEAL)

BY:


CLERK OF THE BOARD

Ryan Sharp, Deputy

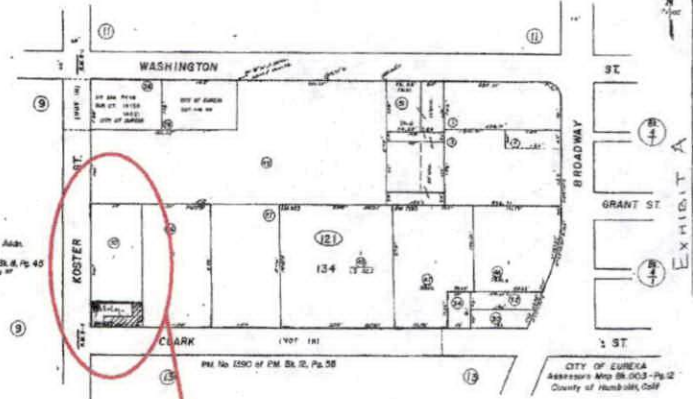
SUBLEASE
EXHIBIT A, SHEET 1 OF 2

FOR SEC 21, T 5 N, R 1 W, N 3 & 4 M
CITY OF EUREKA

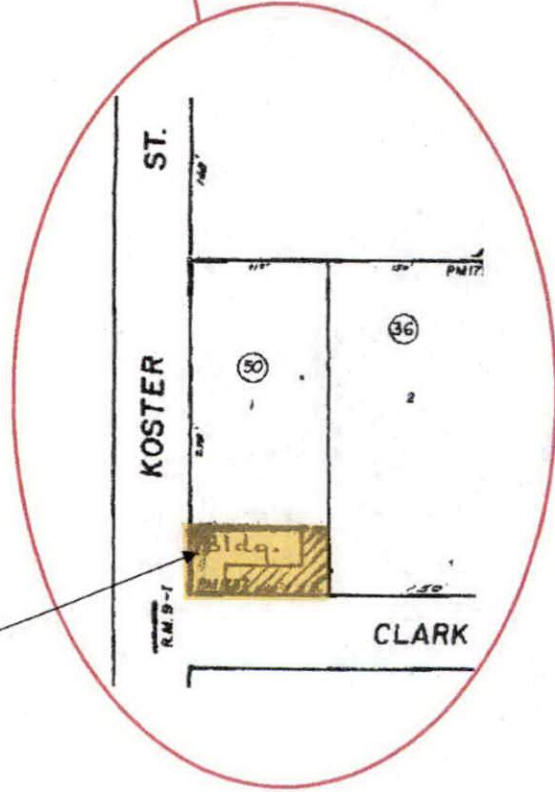
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ASSESSOR'S PARCEL
NUMBER 003-121-050


Third Ed. of Clarke Atlas
A.M. 88-9 Pg. 1
P.M. No. 8223 of P.M. 88-9, Pg. 45
The City of Eureka, Cal.



COUNTY LEASED PREMISES



SUBLEASE
EXHIBIT A, SHEET 2 OF 2

 SUBLEASED PREMISES,
(PARKING BAYS 2 AND 3)

