

## OFFICE LEASE AGREEMENT

This Office Lease Agreement ("Lease") dated as of September \_\_\_\_, 2019, is entered into between JACK P. TEDSEN and MARIE C. TEDSEN, TRUSTEES OF THE TEDSEN FAMILY TRUST U/A DTD 6/15/94 as Landlord ("Landlord") and the COUNTY OF HUMBOLDT, a political subdivision of the State of California, as Tenant. ("Tenant").

### RECITALS

Tenant desires to lease the real property described herein. Landlord is willing to lease the real property to Tenant on the terms and conditions herein. In order to accommodate Tenant's office space requirements, it is necessary to remodel the office space currently designated as Suites 5.

### LEASE AGREEMENT

#### SECTION 1. LEASED PREMISES

Landlord leases to Tenant and Tenant leases from Landlord the office space commonly known as Suite 5 located at 785 E. Washington Blvd. (the "Building") in Crescent City, California (the "Premises"). The Premises encompass approximately 1,150 square feet of the Building's total square footage of 17,050 square feet and are equivalent to seven percent (7%) of the Building's total rentable office space. The Building and Premises are shown on Exhibit A, which is attached hereto and incorporated herein by this reference.

#### SECTION 2. SHARED AREAS

Landlord gives Tenant and Tenant's employees, customers, and invited guests the non-exclusive right to use the following additional areas in common with other tenants, employees, customers, and invited guests: parking spaces and outside walkways and hallways. Landlord shall reserve four (4) designated parking spaces for Tenant's exclusive use.

#### SECTION 3. TERM

SECTION 3.1: TERM OF LEASE. The term of this Lease is for a period of five (5) years (the "Term") plus any fraction of a calendar month required by Section 3.3 of this Lease. The term of this Lease shall commence at 12:01 A.M. on the "Commencement Date" specified in Section 3.2. of this Lease, and shall end at 12:01 A.M. on the date that is exactly five (5) calendar years after the date specified in Section 3.3 of this Lease.

Tenant has the option to extend the lease, upon the same terms and conditions except for monthly rent, for one (1) – five (5) year term. The option may only be exercised by Tenant giving Landlord written notice of its intent to extend the lease. The notice shall be in writing and shall be given to Landlord one hundred twenty (120) days prior to the end of the Term. Tenant's failure to exercise the option within said time period renders the option null and void.

SECTION 3.2: COMMENCEMENT DATE OF LEASE. The commencement date of this Lease ("Commencement Date") shall be the date upon receiving a Certified Access Specialist (CAsp) inspection report stating that the premises meets all applicable accessibility standards. Upon receipt of said inspection report, Tenant shall execute an addendum to this Lease accepting

the Premises in their present condition and acknowledging that the Premises are in a good and safe condition.

SECTION 3.3: TERM EXTENSION FOR FRACTIONAL MONTH. If the Commencement Date described in Section 3.2 of this Lease occurs on a day other than the first day of a calendar month, then the term of this Lease shall include the unexpired fraction of the calendar month in which the Commencement Date occurs plus five (5) full years from the first day of the calendar month immediately following the calendar month in which the Commencement Date occurs.

#### **SECTION 4. RENT**

SECTION 4.1: MONTHLY RENT. Tenant's rent shall be due in advance on the 1<sup>st</sup> day of each month. Tenant shall pay rent to Landlord in the amount of \$1,150.00 per month for calendar year 2019, starting on the Commencement Date of the Lease.

Thereafter, Tenant shall pay Landlord monthly rent as follows:

January 1, 2020 through December 31, 2020: \$1,196.00 each month;

January 1, 2021 through December 31, 2021: \$1,244.00 each month;

January 1, 2022 through December 31, 2022: \$1,294.00 each month;

January 1, 2023 through December 31, 2023: \$1,346.00 each month;

January 1, 2024 through June 30, 2024: \$1,400.00 each month.

If Tenant exercises its option to extend the Lease term for one (1) additional five (5) year term, then Tenant shall pay Landlord monthly rent as follows:

July 1, 2024 through December 31, 2024: \$1,540.00

January 1, 2025 through December 31, 2025: \$1,620.00

January 1, 2026 through December 31, 2026: \$1,700.00

January 1, 2027 through December 31, 2027: \$1,790.00

January 1, 2028 through December 31, 2028: \$1,880.00

January 1, 2029 through June 30, 2029: \$1,975.00

SECTION 4.2: SECURITY DEPOSIT. Tenant acknowledges Landlord has not obtained and is not holding a security deposit from Tenant.

SECTION 4.3: ADDITIONAL RENT. In addition to the monthly rent specified above in Section 5.1, Tenant shall pay all real property taxes, levied or assessed against the Premises during the Term of this Lease; said obligation shall include payments of any increases in real property taxes and general and special assessments. Since the Premises will be assessed and taxed as part of a larger parcel of real property owned by Landlord, the amount payable by Tenant shall be determined by multiplying the real property taxes by a fraction, the numerator of which is the

rentable square footage of Tenant's Premises and the denominator of which is the total rentable square footage of the Building.

Said additional rent shall be made in full to Landlord no later than twenty (20) days after service on Tenant by Landlord of written notice of the amount due under this section as additional rent and the manner of which that amount was computed by Landlord.

The taxes and assessments levied against the Premises during the first and last years of the Term of this Lease shall be prorated between Landlord and Tenant, for purposes of this section, as of 12:01 a.m. on the date of commencement and termination, respectively, of this Lease.

**SECTION 4.4: ADDITIONAL RENT FOR INSURANCE AND MAINTENANCE.** In addition to the rent specified in Section 5.1 and Section 5.3 of this Lease, Tenant shall pay to Landlord during the Term of this Lease, Tenant's percentage share of Landlord's insurance and common area maintenance cost incurred in accordance with this Lease, determined as follows:

(a) Landlord's insurance statement for fire and liability coverage multiplied by a fraction, the numerator of which is the square footage of Tenant's Premises and the denominator of which is the square footage of the Building.

(b) Landlord's semi-annual common area maintenance costs multiplied by a fraction, the numerator of which is the square footage of Tenant's Premises and the denominator of which is the square footage of the Building.

Said payments shall be made in full to Landlord no later than twenty (20) days after service on Tenant by Landlord of written notice of the amount due under this section as additional rent and the manner in which that amount was computed by Landlord.

#### **SECTION 5. TAXES, UTILITIES, FEES, AND JANITORIAL SERVICES**

(a) Tenant shall pay before they become delinquent, all taxes, assessments, and other charges levied or assessed by any governmental agency on any personal property or trade fixtures belonging to Tenant and installed or located in or about the Premises and taxes on the leasehold interest, if any.

(b) Tenant shall pay all charges and assessments for utilities furnished to the Premises, including but not limited to, charges for gas, electricity, water, sewer, telephone, and garbage disposal.

(c) Tenant shall be responsible for obtaining all licenses and permits and paying all fees, charges and/or assessments required or incurred for or in connection with the operation and/or conduct of Tenant's business.

(d) Tenant shall be responsible for janitorial services within the Premises, including but not limited to, the replacement of light bulbs as needed.

## **SECTION 6. USE AND COMPLIANCE WITH LAWS**

**SECTION 6.1: USE OF PREMISES.** The Premises are to be used by Tenant for the conduct of Tenant's public service of providing Women Infant and Children's services ("WIC") and related activities. No part of the Premises shall be used for any other or different purpose without Landlord's prior written consent.

**SECTION 6.2: PROHIBITED USES AND COMPLIANCE WITH LAWS.** Tenant shall not commit or allow any waste on the Premises or any nuisance. Tenant shall not do or permit any act to be done that will increase the existing rate or cause cancellation of insurance on the Premises. Tenant shall, at Tenant's own cost and expense, comply with all requirements of Landlord's insurance carriers that are necessary for the maintenance at reasonable rates of fire and liability insurance on the Premises.

(a) Tenant shall, at Tenant's cost, comply with all laws, statutes, ordinances, regulations, and other requirements of all governmental entities, municipal, state, and federal, that pertain to the occupancy or use of the Premises now in force or that may later be in force, including but not limited to all provisions of the Americans with Disabilities Act, and Tenant shall faithfully observe all municipal ordinances and state and federal statutes now in force or that shall later be in force.

Landlord shall, at Landlord's cost, comply with all laws, statutes, ordinances, regulations, and other requirements of all governmental entities, municipal, state, and federal, that pertain to the Premises now in force or that may later be in force, including but not limited to all provisions of the Americans with Disabilities Act, and Landlord shall faithfully observe all municipal ordinances and state and federal statutes now in force or that shall later be in force.

(b) Tenant shall not use, handle, store, transport, generate, release, or dispose of any hazardous substance on, under, or about the Premises, except that Tenant may use (i) small quantities of common chemicals such as adhesives, lubricants, and cleaning fluids in order to conduct business at the Premises and (ii) other hazardous substances that are necessary for the operation of Tenant's business and for which Landlord gives written consent prior to the hazardous substances being brought onto the Premises. Tenant agrees that any and all handling, transportation, storage, treatment, disposal, or use of hazardous substances by Tenant in or about the Premises shall strictly comply with all applicable environmental laws. Tenant shall indemnify and hold Landlord harmless from any liabilities, losses, claims, damages, penalties, fines, attorney fees, expert fees, court costs, remediation costs, investigation costs, or other expenses resulting from or arising out of the use, storage, treatment, transportation, release, or disposal of hazardous substances on the Premises caused or permitted by Tenant. If the presence of hazardous substances on the Premises caused or permitted by Tenant results in the contamination or deterioration of the Premises or any water or soil beneath the Premises, Tenant shall promptly take all actions necessary to investigate and remedy that contamination. Landlord and Tenant each agree to promptly notify the other of any communication received from any governmental entity concerning hazardous substances or the violation of environmental laws that relate to the Premises.

## **SECTION 7. NO ALTERATIONS WITHOUT LANDLORD'S CONSENT**

(a) Tenant shall not make any alterations to the Premises without Landlord's prior written consent. Such consent shall not be unreasonably withheld.

(b) Any improvements, additions, alterations, and major repairs performed by Tenant shall be in accordance with applicable laws and at Tenant's own expense. Tenant shall indemnify and defend Landlord for all liens, claims, or damages caused by remodeling, improvements, additions, alterations, and major repairs performed by Tenant. Landlord agrees, when requested by Tenant, to execute and deliver any applications, consents, or other instruments required to permit Tenant to do this work or to obtain permits for the work.

Except as otherwise set forth in subsection (b) above (related to Landlord's option to require that alterations or improvements be removed and to require Tenant to restore the Premises at the end of the Term), all alterations and improvements made to the Premises shall become the property of Landlord and shall remain on and be surrendered with the Premises at the expiration or sooner termination of this Lease.

(c) At least ten (10) days before any construction commences or materials are delivered for any alterations or improvements that Tenant is making to the Premises, Tenant shall give written notice to Landlord as to when the construction is to commence, or the materials are to be delivered. Landlord shall then have the right to post and maintain on the Premises any notices that are required to protect Landlord and Landlord's interest in the Premises from any liens for work and labor performed or materials furnished in making the alterations or improvements; provided, however, that it shall be Tenant's duty to keep the Premises free and clear of all liens, claims, and demands for work performed, materials furnished, or operations conducted on the Premises at the request of Tenant.

Furthermore, Tenant will not at any time permit any mechanics' lien, laborers' lien, or material men's lien to stand against the Premises for any labor or material furnished to Tenant or claimed to have been furnished to Tenant or Tenant's agents, contractors, or subtenants, in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of Tenant.

(d) Tenant, at its own cost, may install in the Premises the equipment needed for a telecommunication system and computer terminals including, but not limited to, the following:

- (i) Telephone cable;
- (ii) Key system units;
- (iii) Intercom system;
- (iv) Telephones;
- (v) Data system;
- (vi) Security system.

Upon termination of this Lease, Tenant shall have the right to remove from the Premises any such equipment installed by Tenant.

Tenant may cause or permit to be installed and/or affixed to the Premises such fixtures, signs and equipment as Tenant deems desirable and all such fixtures, signs and equipment shall remain the property of Tenant and may be removed at any time provided that Tenant, at its expense, shall require any damage caused by reason of such removal. All such fixtures, signs and equipment that are exterior to the Building shall be approved by Landlord in writing prior to installation. Such consent shall not be unreasonably withheld.

## SECTION 8. INSURANCE

(a) Tenant shall maintain, at Tenant's sole expense, general liability insurance throughout the Term of this Lease with coverage of at least Two Million Dollars (\$2,000,000.00) for injury or death to one person and property damage; and Four Million (\$4,000,000.00) per occurrence involving injury or death to more than one person. Tenant shall also maintain plate glass insurance for the Premises. Tenant will furnish Landlord with a certificate showing proof of such insurance in force issued by an insurer approved by Landlord and showing Landlord as an additional named insured. If Tenant fails to obtain such insurance or pay premiums, Landlord may contract for or obtain such insurance and/or pay premiums, and all sums expended by Landlord shall be repayable by Tenant to Landlord on demand with interest at ten percent (10%) per annum.

Tenant shall maintain, at Tenant's sole expense, insurance on Tenant's personal property on or about the Premises from loss caused by fire, theft, and vandalism. Landlord shall not have any obligation to insure Tenant's personal property.

(b) Subject to the provisions of Section 4 hereinabove, Landlord shall keep the Building in which the Premises are located insured for at least ninety percent (90%) of its full replacement cost against loss or destruction by fire and perils, including vandalism and malicious mischief, commonly covered under a fire insurance policy written in the State of California. The insurance policy shall be issued in the name of Landlord and Landlord's lenders and payable to both as their respective interest shall appear. Landlord will furnish Tenant with a certificate of liability insurance showing proof of such insurance.

(c) Landlord and Tenant each release the other and waive their rights of recovery against the other and agree to defend, indemnify, and hold the other harmless for loss or damage arising out of or incident to the perils insured against under this section whether due to negligence of Landlord or Tenant or their agents, employees, contractor, and/or invitees.

## SECTION 9. DEFAULT

Each of the following shall be an Event of Default under this Lease:

(a) If Tenant fails to make any payment required by the provisions of this Lease, when due;

(b) If Tenant or Landlord fails within thirty (30) days after written notice to correct any breach or default of the other covenants, terms, or conditions of this Lease;

(c) If Tenant vacates, abandons, or surrenders the Premises prior to the end of the Term;  
or

(d) If all or substantially all of Tenant's assets are placed in the hands of a receiver or trustee, and that receivership or trusteeship continues for a period of thirty (30) days, or if Tenant makes an assignment for the benefit of creditors or is adjudicated bankrupt, or if Tenant institutes any proceedings under any state or federal bankruptcy act by which Tenant seeks to be adjudicated bankrupt or seeks to be discharged of debts, or if any involuntary proceeding is filed against Tenant under any bankruptcy laws, and Tenant consents or acquiesces by pleading or default.

## SECTION 10. REMEDIES

Upon the occurrence of an Event of Default under this Lease by Tenant, Landlord is entitled at Landlord's option to each of the following:

(a) to re-enter and take exclusive possession of the Premises;

(b) to collect immediately the present value of the unpaid rent reserved for the entire term, or to collect each installment of rent as it becomes due;

(c) to re-let the Premises for any period on Tenant's account and at Tenant's expense, including real estate commissions actually paid, and to apply the proceeds received during the balance of the Term to Tenant's continuing obligations under this Lease;

(d) to recover from Tenant the damages described in California Civil Code section 1951.2 and upon a termination, Landlord shall have the right to recover against Tenant:

(i) The worth at the time of award of the unpaid rent that had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of the rental loss that Tenant proves could have been reasonably avoided;

(iii) The worth at the time of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under the Lease or that in the ordinary course of things would be likely to result.

The "worth at the time of award" of the amounts referred to in the previous subsections shall be computed by allowing interest at ten percent (10%) per annum. The worth at the time of award of the amount referred to in subsection (iii) shall be computed by discounting this amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%);

(e) Landlord/Tenant each has the remedy described in California Civil Code section 1951.4 (Landlord/lessor may continue lease in effect after Tenant/lessee's breach and abandonment and recover rent as it becomes due, if Tenant/lessee has right to sublet or reassign, subject only to reasonable limitations);

(f) to restore the Premises to the same condition as received by Tenant, or to alter the Premises to make them suitable for re-letting, all at Tenant's expense; and

(g) to enforce by suit or otherwise all obligations of Tenant under this Lease and to recover from Tenant all remedies now or later allowed by law.

Any act that Landlord is entitled to do in exercise of Landlord's rights upon an Event of Default may be done at a time and in a manner deemed reasonable by Landlord in Landlord's sole discretion, and Tenant irrevocably authorizes Landlord to act in all things done on Tenant's account.

## SECTION 11. MAINTENANCE AND REPAIRS

(a) Landlord shall maintain the structural portions of the Building in which the Premises are located including only the roof, electrical wiring, exterior walls, water and sewer lines, and foundation. Landlord shall also maintain the parking lot and the Heating, Ventilation and Air Conditioning (HVAC) system in good condition, including any maintenance and repair of the equipment. The HVAC system shall be maintained and operated by Lessor to provide at least the quantity of outdoor air required by the State Building standard code, Title 24, California Administration Code, in effect at the time the building permit was issued. The HVAC system shall be inspected each year by a qualified inspector. Landlord shall notify Tenant when the inspection shall occur. Landlord shall provide Tenant with a copy of the inspection report within two (2) days receipt by Landlord. Landlord shall correct any problems found during the inspection within ten (10) days of the date of inspection. Landlord shall change the HVAC filters and clean the vents quarterly. Landlord shall service fire extinguishers at least annually and as requested by Tenant if more frequent service is needed.

(b) Tenant shall notify Landlord of any dilapidation or any other defective condition on the Building or in the Premises that requires maintenance and repair by Landlord under the Lease. If Landlord fails to repair or arrange for the repair of the condition within a reasonable time (not to exceed thirty (30) days), Tenant may terminate this lease upon seven (7) days written notice or make the repairs or arrange for the repairs to be made and deduct the cost of the repairs, provided that Tenant does not deduct more than the equivalent of one month's rent.

(c) Tenant shall maintain, throughout the Term of this Lease at Tenant's expense, the Premises in a good, safe, clean, and first-class condition. Except as to the obligations of Landlord expressly provided above, Tenant shall at all times during the Term, and at Tenant's sole cost and expense, keep, maintain, and repair the interior Premises in good and sanitary order and condition. Landlord, at Landlord's sole cost and expense, shall keep, maintain, and repair the exterior part of the Premises in addition to the building components identified in subsection (a). Any and all repairs and replacements required by this section, both ordinary and extraordinary and both structural and nonstructural, shall be made promptly by the parties as required and shall be of such quality and workmanship as will not cause depreciation in value of the Premises. Tenant promises to surrender the Premises at termination of this Lease in the same condition as received except for normal wear and tear and except for changes authorized by the Landlord.

(d) The Premises have not been issued a disability access inspection certificate. The following statement and notice are provided pursuant to California Civil Code section 1938 (e):

A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. 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 cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

(e) An Accessibility Report has been prepared by Fenton Construction Services which delineates and describes the work needed to be performed on the Premises to comply with current accessibility standards. A copy of the report, signed by both Landlord and Tenant, is attached hereto as Exhibit B and is incorporated herein by this reference. When the work is substantially complete, Landlord shall notify Tenant. Tenant shall immediately thereafter arrange for a follow-up CASp inspection of the Premises within ten (10) working days of said notification at a time and manner mutually agreed by the parties. Tenant shall provide a completed follow-up CASp inspection report to Landlord within seven (7) working days after the inspection. Tenant shall pay for all costs associated with the follow-up CASp inspection and Landlord and Tenant shall meet and confer regarding the cost of any additional work necessary to comply with accessibility standards.

If, subsequent to Tenant's acceptance of the Premises, Tenant's use of the Premises requires modifications or additions to the Premises in order to comply with the ADA or other accessibility laws, Tenant agrees to make any such necessary modifications and/or additions at Tenant's expense.

Tenant shall make a one-time non-refundable payment of Six Thousand Sixty-Three Dollars and Seventy-Five Cents (\$6,063.75) to Landlord to offset Landlord's cost of preparing this Lease and Landlord's overhead costs of reserving the Premises for Tenants' occupancy and use. Said payment shall be due from Tenant within ten (10) days of the signing of this Lease by the parties.

#### **SECTION 12. SMOKING AND VAPING PROHIBITED**

Tenant shall not smoke or vape, nor allow anyone else to smoke or vape, in Tenant's leased space. Smoking and/or vaping in and about the Premises/Building are strictly prohibited, including but not limited to all restroom facilities, hallways, and entry ways. Violation of this prohibition shall constitute a default and breach of this Lease under Section 10 above.

#### **SECTION 13. NUCLEAR FREE CLAUSE**

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

#### **SECTION 14. ESTOPPEL CERTIFICATE**

At any time within ten (10) days after requested by Landlord, Tenant shall execute, acknowledge, and deliver to Landlord, without charge, a written statement certifying that this Lease is unmodified and in full force, or if there have been modifications, that it is in full force as modified. The statement shall also contain the date of commencement of this Lease, the dates to

which the rent and any other charges have been paid in advance, and any other information Landlord reasonably requests.

#### **SECTION 15. SEVERABILITY**

The invalidity of any portion of this Lease shall not affect the remainder, and any invalid portion shall be deemed rewritten to make it valid so as to carry out as near as possible the expressed intention of the parties.

#### **SECTION 16. ASSIGNMENT OR SUBLETTING**

Except as hereafter provided, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, Tenant shall not assign or sublet the Premises or any part thereof. Any assignment or subletting of any portion of the Premises whether by operation of law or otherwise, without prior written consent of Landlord is void and shall be a breach of this Lease, and at the option of Landlord, shall terminate this Lease. Any assignment or sublease shall not release Tenant of any obligation under the Lease.

#### **SECTION 17. ENTRY**

Landlord reserves the right to enter the Premises at reasonable times with Tenant and upon at least forty-eight (48) hours' notice to Tenant to carry out any building management or business purpose in or about the Building, without any abatement of rent. Access shall be restricted to non-Health Insurance Portability and Accountability Act of 1996 (HIPAA) related records office space to meet regulatory compliance and client confidentiality.

#### **SECTION 18. SIGNS**

Tenant shall not place or permit to be placed in, upon, about, or outside the Premises any sign without the prior written consent of Landlord, which consent shall not be unreasonably withheld by Landlord and provided that all Tenant's signs shall comply with all applicable laws and ordinances.

#### **SECTION 19. HOLDING OVER**

At the end of the Term, or any extension, should Tenant hold over for any reason, it is agreed that in the absence of a written agreement to the contrary, the tenancy shall be from month-to-month only (and terminable on thirty (30) days written notice from either party to the other party) and not an extension for any other or further term. Tenant shall pay as rent, an amount equal to one hundred ten percent (110%) of monthly rent in effect at the expiration of the Term, and the month-to-month tenancy shall be subject to every other term, covenant, and condition in this Lease that is consistent with and not contrary to a month-to-month tenancy.

#### **SECTION 20. DESTRUCTION AND CONDEMNATION**

SECTION 20.1: DESTRUCTION TO PREMISES. If the Premises are damaged to an extent that the Premises cannot be lawfully repaired within thirty (30) days after the date of the damage or if the damage is to more than one-fourth (1/4<sup>th</sup>) of the area of the Premises, this Lease may be terminated by written notice by either party to the other party. If the Premises can be repaired within the thirty (30) day period, or if this Lease is not terminated in accordance with

this provision, Landlord shall proceed with repairs as necessary, subject to a proportionate reduction in rent, based on the extent to which the damage and repairs shall interfere with the business of Tenant on the Premises. Tenant waives the benefits of California Civil Code sections 1932 (2) and 1933 (4).

SECTION 20.2: CONDEMNATION. If all or any portion of the Premises or more than one-half of the parking lot areas are condemned or are transferred in lieu of condemnation, Landlord or Tenant may, upon written notice given within thirty (30) days after the taking or transfer, terminate this Lease. Tenant shall not be entitled to share in any portion of the award, and Tenant expressly waives any right or claim to any part of the award. Tenant shall, however, have the right to claim and recover, from the condemning authority only, but not from Landlord, any amounts necessary to reimburse Tenant for the cost of removing Tenant's property.

## **SECTION 21. INDEMNITY AND HOLD HARMLESS**

SECTION 21.1. Tenant shall indemnify, defend and hold harmless Landlord and its officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages and liability of every kind or nature, including legal costs and attorney fees, which are caused by any negligent or willful acts of misconduct or omissions (either directly or through its officers, agents or employees) in connection with Tenant's duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of Landlord.

SECTION 21.2. Landlord shall indemnify, defend and hold harmless Tenant and its officers, officials, employees, and volunteers, from any and all claims, demands, losses, damages and liability of every kind or nature, including legal costs and attorney fees, which are caused by any negligent or willful acts of misconduct or omissions (either directly or through its officers, agents or employees) in connection with Landlord's duties and obligations under this Lease and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of Landlord.

SECTION 21.3. Acceptance of insurance, if required by this Lease, does not relieve either party from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages or claims for damages suffered by either party's operations regardless if any insurance is applicable or not.

## **SECTION 22. LANDLORD'S RIGHT TO PERFORM FOR TENANT**

If Tenant fails to perform any obligation under this Lease, Landlord shall be entitled to make reasonable expenditures to cause proper performance on Tenant's behalf and at Tenant's expense, and Tenant promises to reimburse Landlord with interest at ten percent (10%) per annum for any expenditures within ten (10) days after written notice from Landlord requesting reimbursement, and failure of Tenant to make the reimbursement shall be deemed to be a default the same as a failure to pay an installment of rent when due. All obligations of Tenant to pay money are payable without abatement, deduction, or offset of any kind.

## **SECTION 23. NOTICES**

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

personally served or sent by certified mail, return receipt requested, to the respective addresses listed below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

If to Landlord:           Tedsen Family Trust  
Jack P. Tedsen and Marie C. Tedsen, Trustees  
1262 S. Pebble Beach Drive  
Crescent City, CA 95531

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

All insurance notices shall also be sent to:

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

#### **SECTION 24. ATTORNEY FEES**

In an action or proceeding by either party to enforce or interpret this Lease or any provision of this Lease, or otherwise arising out of this Lease, the prevailing party shall be entitled to recover reasonable attorney fees and all other costs incurred.

#### **SECTION 25. LEGAL EFFECT**

All obligations of Tenant are expressly made conditions of this Lease, any breach of which shall, at the option of Landlord, terminate this Lease.

#### **SECTION 26. TITLES**

The titles or headings to paragraphs or sections in this Lease shall not have any effect on the interpretation of provisions.

#### **SECTION 27. SUCCESSORS**

The provisions of this Lease shall apply to and bind the heirs, successors, and assigns of the parties.

#### **SECTION 28. WAIVER**

The failure of Landlord or Tenant to enforce a provision of this Lease shall not be deemed a waiver for any purpose.

**SECTION 29. ENTIRE AGREEMENT**

This Lease constitutes the entire agreement of the parties related to the leasing of the Premises, and may be modified only by a writing signed by the parties.

**SECTION 30. LATE CHARGE**

Tenant acknowledges that Tenant's failure to pay any Rent or any other amounts due under this Lease as and when due will cause Landlord to incur costs not contemplated by Landlord when entering into this Lease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of the Rent or any other amount due under the Lease is not paid within five (5) days of when due, then, without any notice to Tenant, Tenant shall pay to Landlord an additional amount equal to five percent (5%) of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by Landlord as a result of the late payment by Tenant.

**SECTION 31. TIME OF THE ESSENCE**

Time is of the essence in the performance of Tenant's obligations under this Lease.

**SECTION 32. SUBORDINATION**

This Lease, at Landlord's option, shall be subordinate to the lien of any deed of trust or mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. If any mortgagee or trustee elects to have this Lease prior to the lien of a mortgage or deed of trust, and gives written notice to Tenant, this Lease shall be deemed prior to that mortgage or deed of trust whether this Lease is dated prior or subsequent to the date of that mortgage or deed of trust or the date of recording.

**SECTION 33. GOVERNING LAW AND JURISDICTION**

This Lease shall be governed by and construed in accordance with California law. In interpreting this Lease, this Lease shall not be interpreted against either party as the party preparing or causing preparation of this Lease. Any dispute arising under this Lease shall be filed and litigated in the County of Del Norte.

**SECTION 34. LEASE MODIFICATIONS**

This Lease may be modified only by subsequent written agreement signed by Landlord and Tenant.

**SECTION 35. LANDLORD NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY**

While engaged in carrying out and complying with the terms and conditions of this Lease, Landlord is not an officer, employee, or agent of Tenant.

**SECTION 36. COUNTERPARTS**

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each which shall be deemed to be an original and all of which, when taken

together, shall be deemed to be one (1) and the same agreement. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement, and any amendments hereto, for all purposes.

**SECTION 37. AUTHORITY TO EXECUTE**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

The parties have executed this Lease on the date first written above.

**LANDLORD**

**TENANT**

TEDSEN FAMILY TRUST  
U/A DTD 6/15/94

COUNTY OF HUMBOLDT

Dated: September 11, 2019

Dated: September \_\_\_\_\_, 2019

By: Jack P. Tedsen  
Jack P. Tedsen  
Trustee

By: \_\_\_\_\_  
Chairman  
Board of Supervisors  
County of Humboldt

By: Marie C. Tedsen  
Marie C. Tedsen  
Trustee

Attest: \_\_\_\_\_  
Clerk of the Board

**LIST OF EXHIBITS:**

- Exhibit A – Diagram of Building and Premises
- Exhibit B – Accessibility Report prepared by Fenton Construction Services