

FIRST AMENDMENT TO COMMERCIAL LEASE

This First Amendment to Commercial Lease (this "First Amendment") is entered into on November 6, 2018, by and between KHM Humboldt Properties, LLC, a California limited liability company, hereinafter called "Landlord", and the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as "Tenant", is entered into this ____ day of _____, 2022.

WHEREAS, on November 6, 2018, the parties entered into a Commercial Lease for Tenant use of premises at 1615 Heartwood Drive, McKinleyville, California, Assessor's Parcel Number 508-251-052, County of Humboldt; and

WHEREAS, Section 1.4.2 – Verification of Rentable Area requires the Landlord's architect to calculate and certify in writing to Landlord and Tenant the Rentable Area of the Building;

WHEREAS, Section 1.4.3 – Adjustment of Rent requires the rent amount be recalculated based on verification of new rentable area;

WHEREAS, Section 4.1 – Definition of "Rent" and Initial Term Rent - - Limited Setoff requires revisions;

WHEREAS, Section 4.4 – Operating Expense, Section 5.1 – Maintenance and Repair by Landlord, Section 5.2 – Maintenance and Repair by Tenant, and Section 6.4 – Janitorial Services requires revisions;

WHEREAS, Tenant and Lessor desires to amend the Lease as specified;

NOW, THEREFORE, it is mutually agreed as follows:

1. Section 1.4.4 – Recalculated Rent is added as a new section to the Commercial Lease to read as follows:

A final determination of the Rentable Area was made based on the standards as hereinbefore described in Section 1.4.1 – Standard of Calculation. The result indicates a change of Rentable Area from 13,400 square feet to 13,436 square feet, as shown in Exhibit A – Gross Building Area. The Rentable Area of 13,436 square feet will therefore be used for computing of rent as hereinafter described in Section 4.1 – Definition of "Rent" and Initial Term Rent - - Limited Setoff.

2. Section 2.2 – Commencement Date is hereby amended to read as follows:

The parties have executed a written acknowledgement of the Commencement Date which is attached hereto as Exhibit F.

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3. Section 4.1 – Definition of “Rent” and Initial Term Rent - - Limited Setoff is hereby amended to read as follows:

Tenant shall pay Landlord rent (“Rent”) in equal monthly installments of Thirty Thousand Seven Hundred Sixty Eight Dollars and Forty Four Cents (\$30,768.44), rounded to the equivalent of Two Dollars and Twenty Nine Cents (\$2.29) per square foot of the Rentable Area as computed under Commercial Lease Section 1.4.1 – Standard of Calculation (i.e., “Rent), above, in advance on or before the first day of every calendar month during the Lease Term, without any setoff or deduction except as provided in Section 5.1 and Section 20.2. Per Exhibit A (Architect Gross Building Area), the Gross Building Area of the county’s Premises shall be 13,436 square feet. At the commencement of the Initial Term of this Lease, Exhibit F (Acknowledgement of Commencement Date), rent per square foot (i.e. \$2.29 per square foot) shall be comprised of the sum of One Dollar and Fifty-Nine Cents (\$1.59) per square foot plus the cost of amortized interior improvements of Seventy Cents (\$0.70 per square foot).

4. Section 4.4 – Operating Expenses of the Commercial Lease is hereby amended and revised to read as follows:

In addition to Rent and other obligations assigned to Tenant in this Lease, Tenant shall pay to Landlord in monthly installments, for operating expenses to be added to monthly rental payments, which shall constitute the actual costs of janitorial service and disposable products (as recited in Section 6.4, below), maintenance (as recited in Section 5.1, below), pest abatement and control (as recited in Section 6.6, below), parking lot pavement repairs/sealing/stripping, landscaping, security services (to the extent not directly provided by Tenant in accord with Section 6.3, below), plus a five percent (5%) administration fee on all of said costs, all of which shall be totaled in an itemized statement and added to the monthly rental payments (collectively “Operating Expenses”). The actual costs of property taxes as stated in Section 6.5 and insurance as stated in Section 9.1 shall be paid by Tenant within 30 days upon receipt of the invoice or billing statement from Landlord and said sums for taxes and insurance shall not be subject to and are exempt from the administration fee applicable to other identified Operating Expenses.

5. Section 5.1 – Maintenance and Repair by Landlord, is hereby amended and revised to read as follows:

Except as otherwise provided in this Lease and Section 5.2, below, and subject to Landlord’s right(s) to reimbursement from Tenant for Operating Expenses in accord with Section 4.4, above, during the Lease Term (and Option Terms if exercised), Landlord

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agrees to maintain the Building and the Premises, including landscaping, in first class condition appropriate for a building of this type and in this location. This obligation shall be for the maintenance, inspection and repair of all ordinary maintenance items of the exterior portions of the Building consisting of painting and/or washing the exterior walls and windows, maintaining the exterior portions of the Building, polishing or waxing any exterior components, repairing and/or replacing (as reasonably necessary) interior flooring and performing interior re-painting (as reasonably necessary) in the Premises, cleaning and maintaining sidewalks adjacent to the Building, rubbish removal and all interior items/systems maintenance, inspection, repair and replacement, including, without limitation, HVAC systems, Fire sprinkler systems, Elevator (if used in the future), the replacement of lighting ballasts (lighting to constitute T-LED, 5000 Kelvins) and restroom supplies. In addition also included as a reimbursable Operating Expense pursuant to Section 4.4 above, Landlord shall provide, for the use by Tenant and its customers, agents, employees, assignees, subtenants, licensees and invitees during Tenant's normal business hours (i.e., 7:00 a.m. - 6:00 p.m.) as the same may be established from time to time, Building maintenance personnel when required who shall, at the option of Landlord, be reasonably available to the Tenant and capable of promptly performing the services or work required. Landlord shall have thirty (30) days after notice from Tenant to perform its obligations under this Section, except that Landlord shall perform its obligations immediately if the nature of the problem presents a hazard or emergency or substantially interferes with Tenant's use of the Premises. If Landlord does not perform its obligations within the time limitations stated in this Section 5.1 (subject to any time period extension(s) pursuant to Section 5.1.3, below), Tenant can perform the obligations pursuant to Section 5.1.5, below.

5.1.2. If any re-flooring and/or repainting in the Interior of the Premises is reasonably necessary as recited in Section 5.1, above, Landlord shall procure competitive bids for said work as well as the removal/movement and replacement of Tenant's stand-alone furniture, lifting of cubicles to minimize disconnection and reconnection of power and communications, as required to accommodate the repainting and flooring replacement, which work shall be performed by Landlord and subsequently invoiced to Tenant as an Operating Expense in accord with Section 4.4 of this Lease, above.

5.1.3. If any specific maintenance work exceeds Eight Thousand Dollars (\$8,000.00), Landlord shall procure competitive bids for said work and submit to the Tenant for prior approval before committing to payment. The time period(s) for Landlord to complete any maintenance obligations subject to this Section 5.1.3 shall be increased by the amount of time it takes Landlord to solicit bids and Tenant to review said bids.

5.1.4. In performing any specific maintenance work exceeding One Thousand Dollars (\$1,000.00) in labor costs and subject to Landlord's rights to reimbursement from

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Tenant pursuant to Section 4.4, Landlord shall comply with applicable provisions of California Labor Code Sections 1720.2 and 1770 et seq., regarding general prevailing wages per PCC 22002 (c) & (d) as that section may change in the future and, where applicable, pay said wages.

5.1.5. Landlord agrees to maintain the Building and Premises consisting of structural sewage line repair, electrical supply main, water supply main, foundation, superstructure, structural roof, roofing membrane, structure of exterior walls, other structure members/parts of the building, and parking lot complete repaving, curb and drainage maintenance and repair. The drainage maintenance obligation does not include or apply to hazardous materials discharged in the drains by the Tenant and/or Tenant's customers, agents, employees, assignees, subtenants, licensees and invitees. If Landlord does not perform its obligations within the time period(s) stated in Section 5.1 (as extended by Section 5.1.3, if applicable), Tenant can self-perform the obligations and shall have the right to be reimbursed for the amounts Tenant actually expends in the performance of Landlord's obligations. If Landlord does not reimburse Tenant within fifteen (15) days after demand from Tenant, Tenant shall have the right to withhold from future Rent the sum(s) Tenant has expended until Tenant is reimbursed in full.

6. Section 5.2 – Maintenance and Repair by Tenant is hereby amended and revised to read as follows:

Tenant shall be responsible for the maintenance and repair, including plumbing repairs from Tenant or Tenant's user's and invitees' use, unclogging/snaking drains to the main sewer connection, repair and/or replacement desired by Tenant, of its interior signs, furnishings and other personal property, and repair of a washing machine, dryer, stove, oven, dishwasher and refrigerators and other personal property used in connection with the Premises. Tenant shall also be responsible for repairs to the Building, exterior features and lighting, interior and exterior glass, and interior fixtures caused by or arising out of the negligent acts or omissions of Tenant or its customers, agents, employees, assignees, subtenants, licensees and invitees. Tenant may seek, and Landlord shall provide, maintenance personnel or licensed contractor(s) to make said repairs as recited in Section 5.1, above, and subject to Tenant payment/reimbursement obligations to Landlord as recited in Section 4.4, above.

7. Section 6.4 – Janitorial Services. "Exhibit H – Janitorial Services Required" is revised and attached hereto and made a part hereof this First Amendment to Commercial Lease.

8. Subject to the modifications stated in this First Amendment, the Lease between Landlord and Tenant entered into on November 6, 2018 shall continue in full force and effect in its entirety.

[Signatures on following page.]

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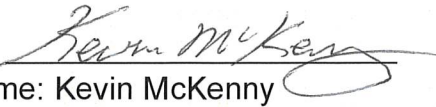
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Lease dated _____, on the date indicated above.

LANDLORD:

TENANT:

KHM Humboldt Properties, LLC,
a California limited liability company

County of Humboldt

By: 
Name: Kevin McKenny

By: _____
Name: _____

Title: Member/Manager

Title: Chairperson
Board of Supervisors

Attest:

Clerk of the Board

By: _____
Title: Deputy Clerk of the Board
of Supervisors

LIST OF EXHIBITS:

- Exhibit A – Premises Description
- Exhibit F – Lease Term Commencement Date Acknowledgement
- Exhibit H – Cleaning and Janitorial Services Description