



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
D-27

For the meeting of: 07/1¹⁹~~12~~/2016

Date: 07/01/2016
To: Board of Supervisors
From: Thomas K. Mattson, Public Works Director

SUBJECT: LEASE AGREEMENT WITH RAMONE'S BAKERY AND CAFE AT THE CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT (4/5 VOTE REQUIRED)

RECOMMENDATION(S): That the Board of Supervisors by a 4/5's vote:

1. Approves and authorizes the Chairperson to execute the attached lease agreement, with Ramones Bakery and Café, Inc.
2. Directs the Clerk of the Board to retain the original executed lease agreement and return one certified copy of the same to the Land Use Division for further processing.

SOURCE OF FUNDING: Revenue to the Aviation Enterprise Fund.

DISCUSSION: Ramone's Bakery and Café, Inc. (Ramone's) would like to open a coffee shop at the California Redwood Coast – Humboldt County Airport (ACV). Land Use Division staff has prepared a mutually agreeable lease between the County and Ramone's. (See attachment 1.)

This proposed lease agreement with Ramone's would allow for a new business to become established at ACV in the location where a retail gift shop has historically been located.

Prepared by Erin D. Damm, Real Property Agent *ED*

CAO Approval Karen Clower

REVIEW: Auditor MSM County Counsel JS Human Resources KAV Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

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

PREVIOUS ACTION/REFERRAL:

Board Order No. C-14

Meeting of: 03-08-2016

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

Dated: July 19, 2016
By: Kathy Hayes
Kathy Hayes, Clerk of the Board

The gift shop lease was terminated by the previous lessee on January 10, 2015. Attempts to lease the space as a retail sales location have been unsuccessful. Recognizing market limitations for retail sales, Department of Public Works staff requested funds to upgrade the terminal for the possibility of a food and beverage service lessee to make use of the location.

This proposed lease agreement would terminate one year from the commencement date plus a thirty day opt-out period for negotiations of any subsequent lease agreements. The Department supports approval of this lease agreement with Ramones.

FINANCIAL IMPACT: If approved, this lease agreement will generate monthly rent at the rate of five percent (5%) of gross revenue over the threshold value. Initially, the threshold value is set at \$180.00 per day. A provision in the lease permits the lessee and the Department of Public Works Director, or his designee, to determine a different threshold value in an effort to support the growth of this potential new business at the airport. Any change to the terms of the lease would be memorialized in an amendment signed by both parties. This item conforms to the Board of Supervisors' Core Role of encouraging new local enterprise and ensuring proper operation of markets.

OTHER AGENCY INVOLVEMENT: Federal Aviation Administration

ALTERNATIVES TO STAFF RECOMMENDATIONS: Your board may choose to not approve and authorize a new lease agreement with Ramone's Bakery & Café, Inc. This alternative would delay the opportunity for Aviation Division debt repayment to Fund 4492.

ATTACHMENTS:

1. Lease agreement between the County of Humboldt and Ramone's Bakery & Café, Inc.

**LEASE AGREEMENT WITH RAMONE'S BAKERY AND CAFE AT THE
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT**

ATTACHMENT 1

LEASE AGREEMENT BETWEEN THE COUNTY OF HUMBOLDT AND RAMONE'S
BAKERY & CAFÉ, INC.

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT

LEASE

This Agreement, made and entered into on July 19, 2016, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY, and RAMONE'S BAKERY & CAFÉ, INC., a California S Corporation, hereinafter called LESSEE.

WHEREAS, COUNTY owns and operates an airport known as the California Redwood Coast – Humboldt County Airport located in McKinleyville, CA, hereinafter referred to as AIRPORT; and

WHEREAS, pursuant to Government Code Section 25536, the Board of Supervisors, by a four-fifths vote, may enter into leases of County Airport property without competitive bidding; and

WHEREAS, LESSEE desires to operate a coffee shop in the Terminal Building at said AIRPORT; and

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

COUNTY hereby grants to LESSEE permission to use the leased premises, as shown on Exhibit A, which is attached hereto and incorporated herein. The total leased premises area is approximately 467 square feet, comprised of terminal rooms 101(a) at approximately 254 square feet, terminal room 101(b), at approximately 67 square feet, terminal concourse café seating area at approximately 100 square feet and terminal concourse counter alcove at approximately 46 square feet.

COUNTY shall supply stanchions which shall be placed around the café seating area. If LESSEE wants different/ stylized stanchions other than that supplied by COUNTY, LESSEE shall at its own cost replace the stanchions in the same location after surrendering the COUNTY supplied stanchions to AIRPORT staff. LESSEE shall, if it so desires to, provide chairs and/or tables for its customer's use in the leased premises, including in the café seating area, as it sees fit. Chair and table legs shall be modified with protective pads or caps to prevent scratching the Terrazzo marble flooring of the AIRPORT terminal.

2. TERM

The term of this Agreement shall commence upon the date of execution of this Agreement by the Board of Supervisors and shall terminate one (1) year from the date of execution of this Agreement unless LESSEE provides written notice of its intention to pursue renegotiated terms of this Agreement for a subsequent lease agreement no less than thirty (30) calendar days in advanced of the termination date of this Agreement.

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If LESSEE provides written notice as described above, COUNTY and LESSEE shall enter a thirty (30) day Opt-Out period commencing upon the termination of this Agreement to consider renegotiated terms for a subsequent lease agreement. LESSEE shall continue to pay rent as defined in Section 4 of this Agreement during the Opt-Out period.

Any holding over with COUNTY'S consent beyond the term of this Agreement shall be a month-to-month basis until terminated by either party upon thirty (30) calendar days written notice prior to the end of any one (1) calendar month period.

3. HOLD OVER

Should LESSEE hold over and remain in possession of the lease premises after the expiration of the term of this Agreement and any extension thereof, such possession shall not be deemed or construed to be a renewal or extension of this Lease Agreement, but shall operate only to create a month to month tenancy which may be terminated by COUNTY at the end of any month upon thirty (30) calendar days prior written notice to LESSEE. During such month to month tenancy, rent shall be payable each month at the rental rate of that in effect during the last month of the term of this Agreement, and all provisions of this Agreement shall be applicable to such month to month tenancy.

4. CONSIDERATION

A. In consideration of the rights and privileges herein granted, LESSEE agrees to pay COUNTY monthly rent on or before the tenth (10th) day of every month. Monthly rent shall be based upon daily gross revenue from the prior calendar month and paid as follows:

LESSEE'S Daily Gross Revenue Amount	Daily Rent Payment
Daily gross revenue totaling up to or equal to the threshold value.	Zero Dollars and Zero Cents
Daily gross revenue totaling the threshold value plus \$0.01 and greater.	Five percent (5% rent) of gross revenue in Dollars and Cents

Threshold value shall be One Hundred Eighty Dollars and Zero Cents (\$180.00). LESSEE and The Department of Public Works Director, or his designee, may mutually determine a different threshold value following the date of execution of this Agreement. This adjusted threshold value shall remain in force for the remainder of the term of this Agreement. Any adjusted threshold value shall be made pursuant to Section 39 of this Agreement.

LESSEE'S monthly rent shall be the sum total of the Daily Rent Payment Amounts from the preceding calendar month. LESSEE shall provide a statement of its daily gross revenue resulting from its transactions which occurred at the AIRPORT the preceding calendar month, regardless of the sum total of the Daily Rent Payment amounts for that month. Said statement

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shall be similar to the calculation sheet shown on Exhibit D, which is attached hereto and incorporated herein.

B. Payments shall be made to: County of Humboldt
Department of Public Works
1106 Second Street
Eureka, CA 95501

5. LATE FEE

Rent, as defined in Section 4, shall be due and payable on or before the tenth (10th) day of every month. In the event the rent is not paid by the tenth (10th) of the month, LESSEE shall pay COUNTY a late fee of twenty percent (20%) of total monthly rent due for that month.

6. AUDITS

COUNTY shall have the right of confidential review and/or audit of LESSEE'S accounts and records pertaining to its transactions which occurred at the AIRPORT. All relevant accounts and records of LESSEE shall be made available at a location in Humboldt County within thirty (30) days of a request by COUNTY. If a discrepancy of five percent (5%) or more is found in gross revenue reported to COUNTY, the cost of the audit and the discrepancy shall be borne by LESSEE and shall be paid within thirty (30) days of notice by COUNTY.

7. USE OF PREMISES

COUNTY hereby grants LESSEE permission, subject to all the terms and conditions of this Agreement, exclusive use of the terminal rooms 101(a) and (b), and the 100 square foot café seating area outside of these rooms, as shown on Exhibit A for LESSEE'S operation of a coffee shop. LESSEE shall not conduct any other activities on AIRPORT except as allowed by separate written agreement. Food and beverage sales and services incidental to LESSEE'S operation of a coffee shop shall be provided between the hours of 5:00AM and 4:00PM (local time) daily.

AIRPORT building keys shall be issued from the Public Works Aviation Division office. LESSEE shall be responsible for collecting AIRPORT building keys and/or AIRPORT identification badges upon termination of LESSEE'S employee(s).

Alcoholic beverage sales may be made from the leased premises in compliance with the Department of Alcoholic Beverage Control and California law. LESSEE shall post and verbally advise its customers at the time of the sale that alcohol may only be consumed only within terminal room 101(a) or the stanchioned café seating area of the leased premises.

8. SIGNS OUTSIDE LEASED PREMISES (IN AIRPORT COMMON AREA)

Signs and locations of signs approved as part of this Agreement are identified in Exhibit C, attached hereto. Additional sign locations requested by LESSEE after this Agreement is executed shall be with the express written consent of the Department of Public Works Director, or his designee, and made addendum to said Exhibit C in COUNTY files.

No attachments or signage may be affixed to the interior or exterior of the airport buildings without prior written consent of the Department of Public Works Director, or his designee. Signage may not be affixed to or positioned on stairwell landings or access points. Signage may not be affixed to or positioned in elevator cars, shaft or on elevator doors.

Changes to signage will be made after LESSEE submits suitable artwork to the Department of Public Works Director, or his designee, and it is approved in writing. Any changes to signage will be paid for by LESSEE.

All signs installed by LESSEE, upon approval of the Airport Manager, shall remain the property of LESSEE and LESSEE shall have the right to remove the same upon expiration or termination of Agreement. LESSEE shall repair premises to its original condition upon removal of signs. LESSEE shall be responsible to keep their advertising display signs clean and in good order.

9. INSTALLATION AND REMOVAL OF TRADE FIXTURES

LESSEE shall not use or install any auxiliary freezing unit, dishwasher, washing machine, dryer, air conditioner or other appliance, appurtenance, or fixture in the Lease Areas without prior approval of the COUNTY in writing. Existing approved trade fixtures are shown in Exhibit E, which is attached hereto and made a part hereof; installation of additional trade fixtures that may be requested by LESSEE after this Agreement is executed shall be installed after the express written consent of the Department of Public Works Director, or his designee, is made. Additional trade fixtures shall be listed in addendum to said Exhibit E in COUNTY files after COUNTY approval is granted in writing.

LESSEE may cause or permit to be installed and/or affixed to the premise, at its own expense, such fixtures or equipment as LESSEE deems desirable and which have been approved in writing by the COUNTY. All such fixtures or equipment shall remain the property of LESSEE and may be removed at any time provided that LESSEE, at its expense, shall repair any damage caused by reason of such removal.

All such fixtures, or equipment that are to be installed and/ or affixed exterior to the building shall be done so only after approval has been given by COUNTY in writing.

10. EMERGENCY CONTACTS

LESSEE shall provide to the Department of Public Works Director, or his designee, and keep current, a list of supervisory employees and their telephone numbers for emergency use.

11. AIRPORT MAINTENANCE, REPAIR AND IMPROVEMENTS

COUNTY reserves the right, but shall not be obligated to LESSEE, to maintain, repair, or improve runways, taxiways, parking area, or any other part of said AIRPORT. COUNTY also reserves the right to enter COUNTY property and to grant easements over and under the property covered by this Agreement, together with the right to direct and control all activities of LESSEE related to the maintenance, repair, and improvements covered by this Section.

LESSEE waives any and all claims against COUNTY for any loss of profit or increased costs due to COUNTY'S maintenance, repair, or improvements on or about AIRPORT.

12. PARKING

LESSEE and/or LESSEE'S employee(s) shall not park their vehicles in restricted areas. LESSEE'S employee(s) may obtain a parking permit from the Public Works Aviation Division office to park in the employee lot managed by Republic Parking. A twenty dollar (\$20.00) deposit for the parking permit is payable by LESSEE'S employee(s) to the COUNTY at the time the parking permit is issued. The deposit shall be returned to LESSEE'S employee(s) upon surrender of the parking permit.

13. FIRE HAZARD

LESSEE shall keep the areas rented or used clear of grease, oil and trash that may be deemed a fire hazard.

COUNTY reserves the right to restrict LESSEE from conducting any activity or storing inflammable materials or substances which would increase COUNTY'S insurance rate or cause COUNTY'S insurance to be cancelled.

14. NO SMOKING ORDINANCE

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

15. UTILITIES

COUNTY shall furnish and pay electricity and heat provided to the leased premises. LESSEE waives any and all claims against COUNTY for losses sustained by reason of any

defect, deficiency, or impairment of any utility system. AIRPORT Manager reserves the right to require energy efficient equipment to be installed by LESSEE for its use of the leased premises at the AIRPORT.

LESSEE shall at its own cost and expense obtain the right to install or cause to be installed any necessary utility facility, utility facilities expansion and/or use at the Airport and within LESSEE'S leased premises, other than electricity. LESSEE shall bear sole cost for any charged rates for its utilities, other than electricity. LESSEE shall provide, operate and maintain any installed cellular phone lines or devices that are used with any of its equipment and/ or machines. Installation of any cellular phone devices that require mechanical attachment to the AIRPORT or leased premises shall be done in compliance with this Agreement.

16. MAINTENANCE, REPAIRS AND IMPROVEMENTS

During the term of this Agreement or any extensions thereof and subject to the limitations of Section 11, COUNTY shall maintain the AIRPORT premises in a good repair and tenantable condition so as to minimize breakdowns and loss of LESSEE'S use of the leased premises caused by deferred or inadequate maintenance. COUNTY shall be responsible for all maintenance and repairs to the AIRPORT premises, including, but not limited to, the interior and exterior of the building, landscaping, parking lot, HV unit, and window glass.

LESSEE shall be responsible for the following:

A. Any improvements to the AIRPORT necessary for LESSEE'S use of the leased premises. Improvements necessary for LESSEE'S use of the leased premises at the AIRPORT shall be conducted by a California licensed contractor. Improvement plans shall be submitted to the Department of Public Works Director, or his designee, for signed approval of the improvement plans prior to LESSEE hiring a contractor.

B. Any repairs, maintenance, or damage to the AIRPORT premises due to theft/attempted theft of LESSEE'S property. Repairs necessary for damage of the leased premises or AIRPORT premises due to theft/ attempted theft shall be conducted by a California licensed contractor. Repair plans shall be submitted to the Department of Public Works Director, or his designee, for signed approval of the repair plans prior to LESSEE hiring a contractor.

C. Any repairs or damage to the leased premises or AIRPORT premises caused intentionally or by negligence of LESSEE, its personnel, subcontractors, or customers, including when relocating, removing or installing LESSEE owned equipment. Repairs necessary for LESSEE'S intentional or negligent damage of the leased premises or AIRPORT premises shall be conducted by a California licensed contractor. Repair plans shall be submitted to the Department of Public Works Director, or his designee, for signed approval of the repair plans prior to LESSEE hiring a contractor.

17. JANITORIAL SERVICE

LESSEE shall provide janitorial service to LESSEE'S leased premises. LESSEE shall ensure that any food or beverage which spills shall be cleaned up immediately. LESSEE shall maintain its own cleaning detergents, solvents and/or tools within its leased premises.

COUNTY shall be responsible for janitorial services to the overall AIRPORT. COUNTY may provide janitorial services in the form of floor sweeping and/or polishing to the café seating area of the leased premises as funding and personnel permit.

18. EXTENT OF GRANT OF LEASE

This Agreement and the lease herein granted are valid only to the extent of COUNTY'S jurisdiction as a landowner. Acquisition of any other necessary permits or entitlements for use is the responsibility of LESSEE. Nothing contained in this Agreement shall be construed as a relinquishment of any rights now held by COUNTY.

19. HOLD HARMLESS/INDEMNIFICATION

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

B. COUNTY shall indemnify, defend and hold harmless LESSEE 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 and any amendments hereto, except such loss or damage which was caused by the sole negligence or willful misconduct of the LESSEE.

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

20. INSURANCE

A. LESSEE'S INSURANCE

THIS AGREEMENT SHALL NOT BE EXECUTED BY COUNTY and the LESSEE 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 LESSEE'S indemnification obligations provided for herein, LESSEE shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement 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 LESSEE, its agents, officers, directors, employees, invitees 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 \$2,000,000 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. 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 and provide for thirty (30) days prior written notice in the event of cancellation.

c. Automobile Liability Insurance:

With coverage at least as broad as Insurance Services Office Form CA 0001 06092, Code 1 (any auto), for vehicles used in the performance of this Agreement with minimum coverage of not less than \$1,000,000 per accident combined single limit (CSL). Such policy shall contain or be endorsed with the provision that coverage shall not be cancelled or materially reduced in coverage without thirty (30) days prior written notice, ten (10) days for non-payment of premium, to COUNTY by certified mail.

B. SPECIAL INSURANCE REQUIREMENTS

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

1. The Comprehensive General Liability Policy shall provide that the COUNTY, its officers, officials, employees, and volunteers are endorsed as additional insured for liability arising out of the operations performed by or on behalf of LESSEE. 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 25. It is further understood that LESSEE 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 LESSEE'S insurance and will not be called upon to contribute with it.

2. LESSEE shall furnish COUNTY with certificates and original endorsements affecting the required coverage prior to execution of this Agreement 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 of by COUNTY. If LESSEE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and LESSEE agrees to pay the cost of said insurance.

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

4. 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.

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

C. All insurance notices shall be in writing and mailed to:

County of Humboldt
Human Resources, Risk Management Services
825 5th Street, Room 100
Eureka, CA 95501

County of Humboldt
Department of Public Works
1106 Second Street
Eureka, CA 95501

21. LIABILITY FOR LOSS OR DAMAGE TO COUNTY PROPERTY

LESSEE shall be liable for any loss or damage to the leased premises resulting from the acts or omissions of LESSEE, its officers, agents, employees, and volunteers.

22. ASSIGNMENT

This Agreement may not be assigned by either party.

23. POSSESSORY INTEREST

This Agreement may create a possessory interest, as described in Section 107 et seq. of the Revenue and Taxation Code of the State of California, in tax-exempt property. If such an interest is created, it may be subject to property taxation and the party in whom the possessory interest is vested may be subject to the payment of taxes on such interest.

24. RELATIONSHIP OF PARTIES

The parties intend by this Agreement to establish the relationship of lessor and lessee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of lessor and lessee. LESSEE, its officers, Board, agents, and employees shall act in an independent capacity and shall not represent themselves to be or be construed to be officers, agents, or employees of COUNTY.

25. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or to 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 or refusal obtained pursuant to the foregoing.

COUNTY:

County of Humboldt
Department of Public Works
1106 Second Street
Eureka, CA 95501

LESSEE:

Ramone's Bakery & Café, Inc.
209 E Street
Eureka, CA 95501

Either party may at any time change its address for notice by giving written notice of such change to the other party in the manner provided in this Section.

26. NUCLEAR FREE CLAUSE

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

27. DRUG FREE WORKPLACE

LESSEE is aware that COUNTY adheres to and certifies that it will provide a drug free workplace; LESSEE shall notify COUNTY immediately of any unlawful manufacturing, distribution, dispensing, transporting, storing, possession, or use of a controlled substance on Airport(s) property.

28. NON-EXCLUSIVE RIGHTS

This Agreement does not vest in LESSEE an exclusive right within the meaning of 49 United States Code Sections 40103(e) and 47107(a)(4).

29. ACTS OF GOD, WAR/TERRORISM/ AND OTHER CASUALTIES

COUNTY shall not be responsible for monetary losses or damage to personal property, equipment, or materials of LESSEE caused by Acts of God, fire, epidemics, labor strikes, or

public enemy including but not limited to acts of war and/or terrorism. LESSEE hereby waives any claims for damages against COUNTY resulting from said acts.

30. TERMINATION BY LESSEE

LESSEE may request early termination of this Agreement in writing to the AIRPORT Manager, or his designee. COUNTY may grant early termination with the guarantee from LESSEE that it will pay to the COUNTY all monthly rent owed for the remainder of the term that the LESSEE occupies the leased premises. Said rent shall be due within three (3) business days of the approval and execution of an Early Termination Agreement signed by the LESSEE and the COUNTY. Any delay, or default in the payment of SETTLEMENT shall be considered a default of the provisions of this Agreement.

31. TERMINATION BY COUNTY

Except as provided elsewhere herein, COUNTY reserves the right to terminate this Agreement on seven (7) days' notice for any cause or reason provided by the Agreement itself, or by law, or upon the happening of one or more of the following:

- A. Filing a petition of voluntary or involuntary bankruptcy with respect to LESSEE.
- B. The making by LESSEE of any general assignment for the benefit of creditors.
- C. The abandonment or discontinuance of any operation or activity which LESSEE has agreed to provide under the terms of this Agreement. If this condition exists for a period of ten (10) days without prior written consent of COUNTY, it will constitute abandonment of the leased premises and of this Agreement.
- D. The failure of LESSEE to pay promptly when due all rents, charges, fees, or other payments in accordance with this Agreement.
- E. The failure of LESSEE to remedy any default, breach, or violation of AIRPORT rules and regulations by it or its employees.
- F. Violation of any of the provisions of this Agreement or LESSEE'S failure to maintain a current license that may be required for its operation.
- G. 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.

32. LESSEE'S DEFAULT

LESSEE shall be in default of this Agreement if it fails or refuses to perform any material provision of this Agreement that it is obligated to perform if the failure to perform is not cured within ten (10) days after written notice of the default has been given by COUNTY to LESSEE. If the default cannot reasonably be cured within ten (10) days, LESSEE shall not be in default of this Agreement if LESSEE commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

33. COUNTY'S REMEDIES ON LESSEE'S DEFAULT

COUNTY, at any time after LESSEE is in default, can terminate this Agreement or can cure the default at LESSEE'S cost. If COUNTY at any time by reason of LESSEE'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 LESSEE to COUNTY within ten (10) 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 LESSEE. The remedies set forth in this Section are in addition to and do not in any manner limit other remedies set forth in particular Sections of this Agreement.

34. ATTORNEY'S 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 Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to court costs, reasonable attorney's fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorney's fees (including reasonable value of services rendered by County Counsel) on appeal, if any. As used herein, the party prevailing means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

35. BINDING EFFECT; CHOICE OF LAW; VENUE

This Agreement shall be binding upon and inure to the benefit of the parties and their personal representatives. This Agreement shall be governed by the laws of the State of California and shall be deemed to have been entered into in the City of Eureka, County of Humboldt, State of California. Any dispute arising hereunder or relating to this Agreement 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.

36. NON-DISCRIMINATION AND COMPLIANCE WITH LAWS

A. NON-DISCRIMINATION AND AFFIRMATIVE ACTION PROVISIONS – FAA RULES

LESSEE assures that it will undertake an affirmative action program as required by federal and state regulations, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment activities. LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. LESSEE assures that it will require that its covered sub-organizations provide assurance to COUNTY that they similarly will require assurances from their sub-organizations, as required by federal and state regulations, to the same effect.

B. COMPLIANCE WITH FAA, STATE, AND COUNTY REGULATIONS

LESSEE agrees to abide by all FAA rules and regulations pertaining to the operation of Airport(s), said rules being more particularly set forth in FAA Lease And Use Agreement Provisions attached hereto as Exhibit B and incorporated herein by reference. Failure to comply with said rules and regulations shall be grounds for the termination of this Agreement.

LESSEE and its officers, agents, and employees shall carry on their activities and operations at Airport(s) in compliance with federal laws and Federal Aviation Administration regulations, state statutes, and the rules and regulations governing the use of Airport(s) and all other applicable COUNTY ordinances and regulations.

C. DESIGNATION

LESSEE shall designate in writing to COUNTY the name and title of the officer or member responsible for compliance with Sections 36(A) and 36(B).

D. TERMINATION

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

37. NO CONTINUING WAIVER

The waiver by COUNTY of any breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same, or of any other provision.

38. TIME OF ESSENCE

Time is and shall be of the essence in this Agreement and in each and every provision contained in this Agreement.

39. AMENDMENTS

This Agreement contains all the agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification, and this sentence may not be modified or waived by any oral agreement.

40. CONSENTS

Wherever in this Agreement consent of one party is required to an act of the other party, such consent shall not be unreasonably withheld or delayed.

41. CONSTRUCTION OF AGREEMENT; SEVERABILITY

To the extent allowed by law, the provisions in this Agreement shall be construed and given effect in a manner that avoids any violation of statute, regulations, or law. COUNTY and LESSEE agree that in the event any provision of this Agreement is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision of this Agreement.

42. SURRENDER OF PREMISES

At the termination of this Agreement, LESSEE shall surrender the building and leased premises to COUNTY in good condition and repair pursuant to provisions set forth under Section 16, except for normal wear and tear.

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LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT


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

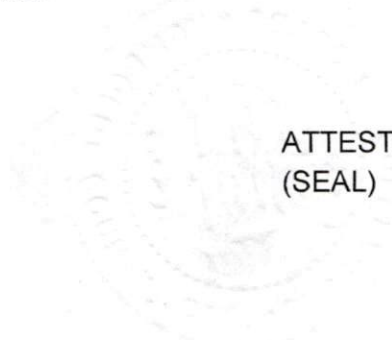
LESSEE:

COUNTY OF HUMBOLDT:

BY 
BERIT MEYER
PRESIDENT AND TREASURER

BY 
CHAIRPERSON
BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

BY 
BRIAN FERGUSON
VICE PRESIDENT AND
SECRETARY



ATTEST:
(SEAL)

BY 
CLERK OF THE BOARD

INSURANCE CERTIFICATES
REVIEWED AND APPROVED:

BY 
SENIOR RISK ANALYST



**SEE SHEET 2 FOR
AERIAL VIEW OF
TERMINAL BUILDING**



County of Humboldt
Department of Public Works
Aviation Division
1106 Second Street
Eureka, CA 95501

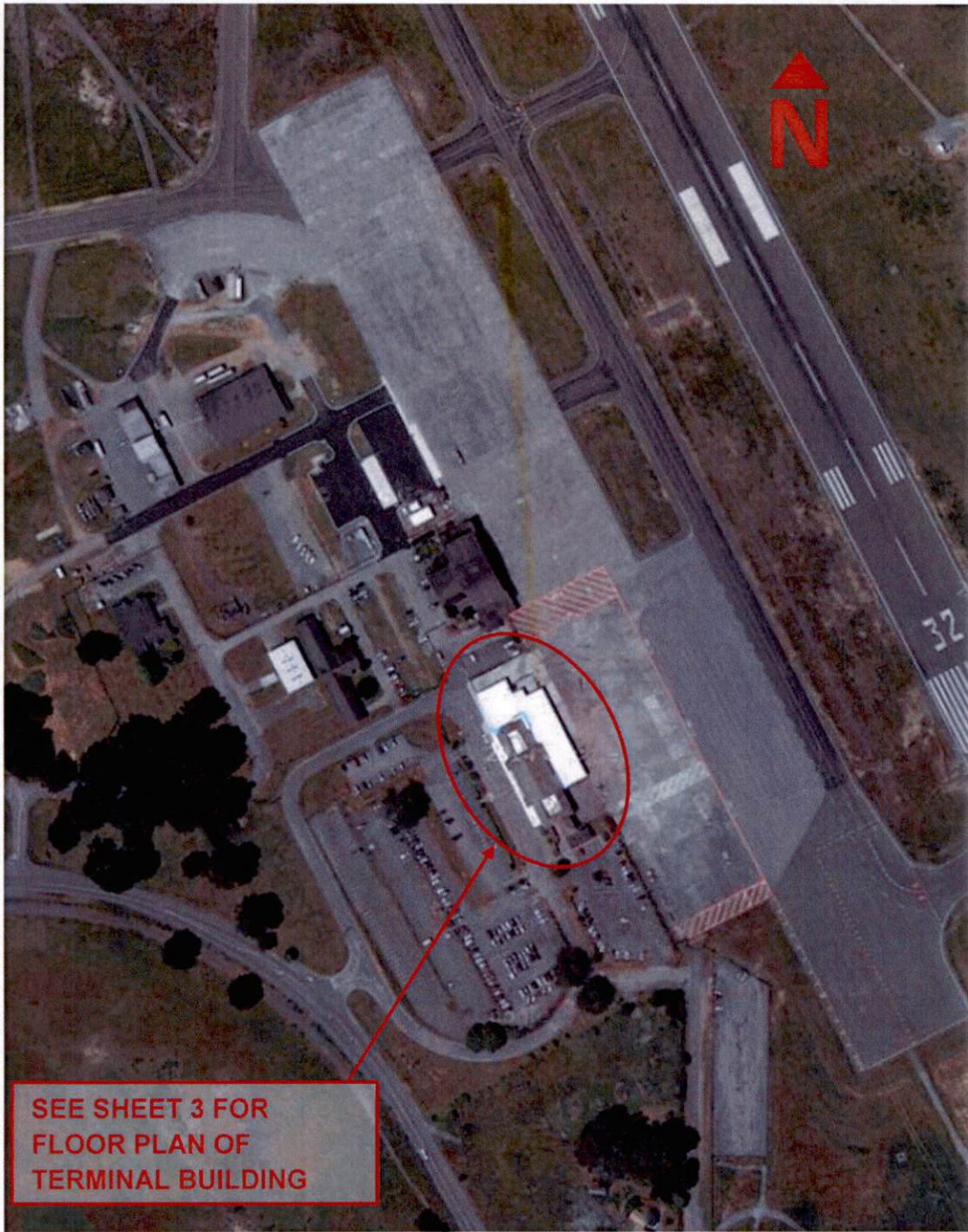
Exhibit A

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC.

California Redwood Coast –
Humboldt County Airport

Sheet
1
of
3

3/2/2016



**SEE SHEET 3 FOR
FLOOR PLAN OF
TERMINAL BUILDING**

	County of Humboldt Department of Public Works Aviation Division 1106 Second Street Eureka, CA 95501	Exhibit A	Sheet 2 of 3
		LEASE AGREEMENT WITH RAMONE'S BAKERY & CAFÉ, INC.	
		California Redwood Coast – Humboldt County Airport	3/2/2016

TERMINAL CONCOURSE
CAFÉ SEATING AREA=
APPROXIMATELY
100 SQUARE FEET

AND

TERMINAL CONCOURSE
COUNTER ALCOVE AREA =
APPROXIMATELY
46 SQUARE FEET

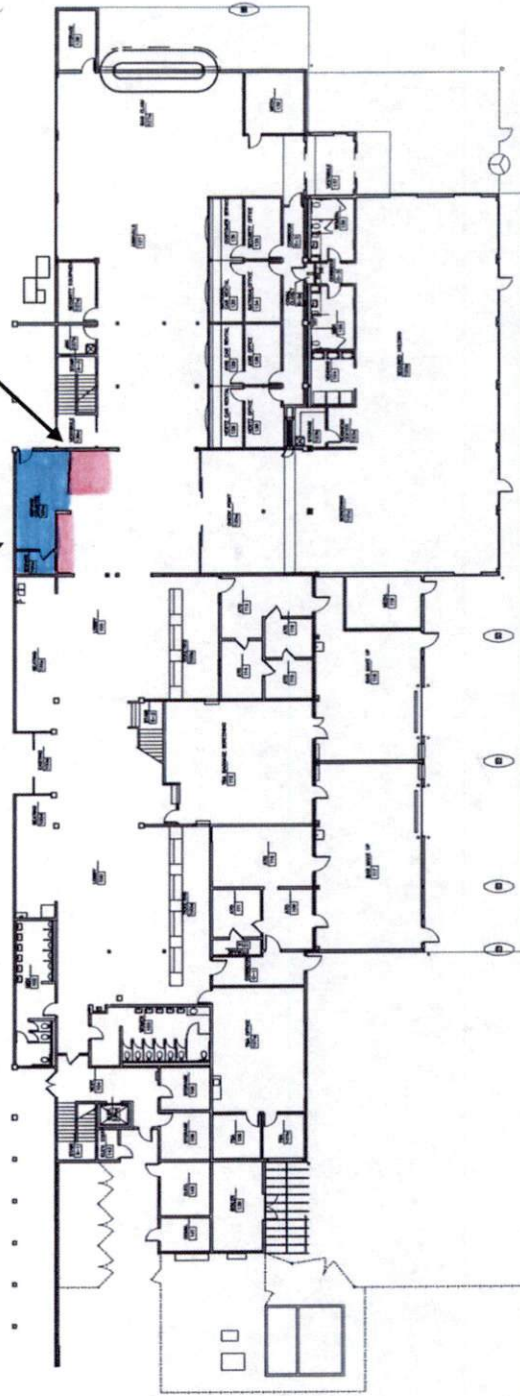
(SHOWN IN PINK)

TERMINAL ROOM 101(A) RETAIL
SPACE = APPROXIMATELY 254
SQUARE FEET

AND

TERMINAL ROOM 101(B)
STORAGE ROOM =
APPROXIMATELY
67 SQUARE FEET

(SHOWN IN BLUE)



County of Humboldt
Department of Public Works
Aviation Division
1106 Second Street
Eureka, CA 95501

Exhibit A

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC.

California Redwood Coast –
Humboldt County Airport

Sheet
3
of
3

5/25/2016

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
EXHIBIT B

FAA LEASE AND USE AGREEMENT PROVISIONS

Definitions (For information purposes only)

Aeronautical Activities: Any activity that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted at airports, include but are not limited to air taxi and charter operations, scheduled and nonscheduled air carrier services, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and services, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute, glider, balloon or ultra-light activities and any other activities which, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities.

Non-aeronautical activities: These include but are not limited to ground transportation (taxis, car rentals, limousines), restaurants, barber shops, auto parking lots, non-aviation businesses, recreational facilities and any other commodities, services, or accommodations made available to the general public that are of a non-aeronautical nature.

Assurance: A provision contained in a federal grant agreement with which the recipient of federal airport development assistance has voluntarily agreed to comply in consideration of the assistance provided.

Exclusive Right: A power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred by express agreement, by the imposition of unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties, but excluding others from enjoying or exercising a similar right or rights, would be an exclusive right.

Federal Obligation: Used in the context of a federal grant program, federal airport development assistance, land transfers, or other federal aid. It refers to an airport sponsor's legal duty and responsibility to comply with the terms of conveyance instruments and grant agreements.

Minimum Standards: The qualifications or criteria which may be established by an airport owner as the minimum requirements that must be met by businesses engaged in on-airport aeronautical activities for the right to conduct those activities.

Revenue Diversion: The use of airport revenue for purposes other than the capital or operating cost of the airport, the local airport system, or other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property.

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
EXHIBIT B

Self-Sustaining: The requirement to maintain a schedule of charges for use of the airport which will make the airport as self-sustaining as possible under the circumstances existing at the airport.

- a) For aeronautical users, reasonable rates and charges that reflect the sponsor's cost of providing aeronautical services and facilities are satisfactory.
- b) For non-aeronautical users, rates and charges must be based on the fair market value of the services and facilities provided.

PROVISIONS:

1. The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add as a covenant running with the land) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add as a covenant running with the land) that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The (contractor, tenant, concessionaire, lessee) assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the (tenant, concessionaire, lessee) or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates the party or any transferee for

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
EXHIBIT B

the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

2. The airport owner/sponsor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or views of the (lessee, licensee, permittee, etc.) and without interference or hindrance.

3. The airport owner/sponsor reserves the right, but shall not be obligated to the (lessee, licensee, permittee), to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of the (lessee, licensee, permittee, etc.) in this regard.

4. This (lease, license, permit, etc.) shall be subordinate to the provisions and requirements of any existing or future agreement between the airport owner/sponsor and the United States, relative to the development, operation, or maintenance of the airport. Failure of the (lessee, licensee, permittee) or any occupant to comply with the requirements of any existing or future agreement between the lessor and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of (lessee's, licensee, permittee's) rights hereunder.

5. There is reserved to the airport owner/sponsor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the (leased, licensed, permitted) premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the airport premises.

6. The (lessee, licensee, permittee) agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the (leased, licensed, permitted) premises or in the event of any planned modification or alteration of any present or future building or structure situated on the (leased, licensed, permitted) premises. . This requires the submission of FAA Form 7460-1, Notice of Construction or Alteration to the FAA.

7. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit object of natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77. In the event the aforesaid covenants are breached, the owner reserves

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
EXHIBIT B

the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the (lessee, licensee, permittee).

8. The (lessee, licensee, permittee) by accepting this (lease, license, permit) agrees for itself, its successors and assigns that it will not make use of the (leased, licensed, permitted) premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby (leased, licensed, permitted) and cause the abatement of such interference at the expense of the (lessee, licensee, permittee).

9. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 United States Code 40103 (e) and 47107(a)(4).

10. This (lease, licensee, permit) and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or nonexclusive use of the airport by the United States during the time of war or national emergency.

11. The (lessee, licensee, permittee) will furnish services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

12. The (lessee, licensee, permittee) will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass airfield safe driving instruction program when offered or required by the airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

LEASE AGREEMENT WITH
RAMONE'S BAKERY & CAFÉ, INC. AT
CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
EXHIBIT C

SIMULATED EXAMPLE OF LESSEE'S SIGN IN APPROVED LOCATION



LEASE AGREEMENT WITH
 RAMONE'S BAKERY & CAFÉ, INC. AT
 CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
 EXHIBIT D

DATE	GROSS REVENUE	DAILY RENT PAYMENT
1	\$165.40	\$0.00
2	\$185.55	\$0.00
3	\$110.25	\$0.00
4	\$205.65	\$10.28
5	\$325.65	\$16.28
6	\$175.00	\$0.00
7	\$180.01	\$9.00
8	\$181.00	\$9.05
9	\$174.50	\$0.00
10	\$195.00	\$9.75
11	\$200.55	\$10.03
12	\$187.05	\$9.35
13	\$207.20	\$10.36
14	\$131.90	\$0.00
15	\$227.30	\$11.37
16	\$347.30	\$17.37
17	\$196.65	\$9.83
18	\$201.66	\$10.08
19	\$527.55	\$26.38
20	\$196.15	\$9.81
21	\$216.65	\$10.83
22	\$222.20	\$11.11
23	\$208.70	\$10.44
24	\$228.85	\$11.44
25	\$153.55	\$0.00
26	\$248.95	\$12.45
27	\$349.45	\$17.47
28	\$198.80	\$9.94
29	\$203.81	\$10.19
30	\$529.70	\$26.49
31	\$198.30	\$9.92
SUM TOTAL OF DAILY RENT PAYMENT:		\$299.21

Monthly rent payment for the month of : _____

Prepared by: _____ (signature)

Print Name: _____

Phone Number: _____

LEASE AGREEMENT WITH
 RAMONE'S BAKERY & CAFÉ, INC. AT
 CALIFORNIA REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
 EXHIBIT E

LESSEE OWNED AND INSTALLED TRADE FIXTURES

Item	Description	Base	Manufacturer	Model #
1	2-door Reach-In Refrigerator	Casters	Traulsen	G200 10
2	Under-counter Ice Maker	6" Legs	Manitowoc	QM-30A
3	Coffee Airpot Brewer	N/A	Bunn	CWTF20-APS
4	Coffee Grinder(s) (2)	N/A	La Spatale	Astro 12
5	2-group Espresso Machine	2" Legs	La Spaziale	S2 Spazio
6	Coffee Airpot Brewer	N/A	Bunn	CWTF20-APS
7	2-door under-counter Reach-In Refrigerator	6" Legs	Beverage Air	UCR34Y
8	4-slot Toaster	N/A	Waring	WCT708
9	Microwave	N/A	Panasonic	NE-1054F
10	Blender	N/A	Vitamix Drink Machine	VMO100
11	4' Refrigerated Display Case	Casters	Federal	CGR5048
12	Storage Shelving	72" Posts	Regency	N/A
13	Glass Sneezeguards w/ dbl. shelving (2)	Countertop	custom	N/A
14	POS (printer)	Countertop	STAR Micronics	TSP143 LAN