

1. Tenant improvements of 627 H Street, Eureka

1.1 Building Plans and Specifications; Construction Schedule. COUNTY has provided LESSOR with Exhibit B - Conceptual Space Layout and Program dated November 13, 2020, prepared by Humboldt County Conflict Counsel (“Program”) for the tenant improvements (Construction) of 627 H Street (Premises). Based on said Program, LESSOR’S architect, who shall be the architect of record for the construction, shall prepare design and construction documents for improvements to the premises; LESSOR shall cause the premises to be diligently constructed and completed in accordance with said Exhibit B – Conceptual Space Layout and Program. LESSOR shall submit to COUNTY Design and Construction Deliverables as specifically identified in Exhibit C - Scope of Consultant Services, for review by COUNTY throughout the design and construction process. Within two (2) days following written request by COUNTY, LESSOR shall furnish to COUNTY evidence that sufficient funds will be available to complete the construction. Such construction shall be in full compliance with all laws, rules and regulations of all governmental authorities having jurisdiction and supervision over such construction and all restrictive covenants affecting the premises, and all such construction shall be done in a good and workmanlike manner using new materials free from any defects or deficiencies and free of any and all claims or liens arising out of any labor or materials used or purchased by LESSOR in connection therewith that might otherwise affect any interest of COUNTY in the premises. LESSOR shall obtain any and all certificates of occupancy and other governmental authorizations or permits which may be required as a condition to the construction and occupancy and use of the premises.

1.2 Changes to Design and Construction Deliverables. LESSOR shall have the right to make changes in and additions to the Design and Construction Deliverables as described in Exhibit C – Scope of Consultant Services; provided, however, that COUNTY’S prior written approval must be obtained in the case of any change or addition which shall:

- (a) affect the location or size of the premises;
- (b) materially affect the ceiling heights or the location or size of any of the walls of, or any of the columns within the premises, or materially reduce the usable or Rentable area of the premises, except as may be necessary to comply with any applicable laws or requirements of public authorities;
- (c) materially affect the premises or the services provided by any Building facilities for COUNTY’S benefit;
- (d) impair the design, quality, functionality or performance of the premises or materially affect COUNTY’S use of the premises or any other rights of COUNTY under this Lease.

COUNTY’S approval or disapproval with respect to any change in, or addition to, the Design and Construction Deliverables may be given by the COUNTY’S architect to

LESSOR’S architect. Unless COUNTY or COUNTY’S architect shall notify LESSOR or LESSOR’S architect of COUNTY’S disapproval of a proposed change in, or addition to, the Design and Construction Deliverables within ten (10) days after submission to COUNTY’S architect or revised drawings or specifications showing such change or addition, COUNTY shall be deemed to have approved such change or addition.

2. Construction Protocol Requirements.

2.1 LESSOR shall obtain at least three (3) competitive bids for the work of improvement described in the Design and Construction Deliverables in compliance with the Uniform Public Construction Cost Accounting Act, Public Contract Code (PCC § 22000 et seq). LESSOR shall provide said bids to COUNTY for review. LESSOR shall require all bidders to provide unit price guarantees, for a period not less than one hundred eight (180) days, for all materials, fixtures, finishes and labor which shall serve as the basis for change orders. LESSOR shall agree to construct the tenant improvements for COUNTY for the lowest qualified bid amount.

(A) Uniform Cost Accounting Bid Procedures (PCC § 22000 et seq.). LESSOR shall comply with the bid procedures of the Uniform Public Construction Cost Accounting Act set forth in the Public Contract Code §§ 22032, 22033, 22034, 22036, 22037, 22038(b), 22040, 22042.5, and 22044.

(1) Bid Protest

(a) LESSOR shall notify COUNTY within 24 hours of receipt of a bid protest on any work to be performed by a third party contractor. The notice shall be in writing and shall specify the name of the contractor protesting, the nature of the protest and the time in which the protest shall be resolved. LESSOR is responsible for the bid protest procedures, review of the bid protest, and resolution of bid protest.

(b) The filing of a bid protest with LESSOR shall not be cause for an extension or delay of commencement date specified in sections 5.1 of the lease.

(2) Substitution of Subcontractor

(a) It shall be the responsibility of LESSOR to comply with any request for substitution of subcontractor in accordance with the procedures set forth in the Public Contract Code §4107 et seq. LESSOR shall notify COUNTY within 24 hours of receipt of a request for a substitution of subcontractor. The notice shall

be in writing and shall specify the name of the subcontractor to be substituted, the reason for the substitution, the nature of the substitution and if allowed, the time in which the substitution shall be effective.

- (b) The filing of a request for substitution of subcontractor with LESSOR shall not be cause for an extension or delay of commencement date specified in section 5.1 of the lease.

(B) Hold Harmless. LESSOR shall indemnify and hold harmless and, at its own risk, cost, and expense, defend COUNTY, its Board of Supervisors, officers, agents, employees, and volunteers from and against any and all liability expense, including defense costs, legal fees, and claims for damages arising from LESSOR'S negligence or intentional failure to comply with the provisions herein including but not limited to any bid protest or substitution of subcontractor.

(C) Prevailing Wage. LESSOR shall comply with the applicable provisions of California Labor Code sections 1720.2 and 1770 et seq., regarding general prevailing wages, when constructing the premises.

2.2 Construction Completion.

(A) LESSOR shall construct the premises and perform the work and make the installations in the premises in accordance with the approved Design and Construction Deliverables. LESSOR shall, when construction progress so permits, notify COUNTY in advance of the approximate date on which the Premises will be substantially completed in accordance with the Design and Construction Deliverables and will notify COUNTY when the Premises are in fact so completed and ready for occupancy by COUNTY.

(B) The Premises shall be deemed to be substantially complete when LESSOR has procured a Certificate of Occupancy for the Premises, although minor details or adjustments which do not materially interfere with COUNTY'S use of the Premises have not been completed. LESSOR shall diligently pursue completion of any minor details or adjustments which have not been performed at the time LESSOR gives such notice to COUNTY.

(C) COUNTY shall have the right to present to LESSOR within thirty (30) days after the Premises are delivered to COUNTY, or as soon thereafter as practicable, a) a written "punch list" which will consist of the items that have not been finished or furnished by LESSOR in accordance with the provisions of the Design and Construction Deliverables, and b) an Americans with Disabilities Act (ADA) Access Compliance Assessment Report prepared by a Certified Access Specialist (CAsp) denoting ADA/accessibility barriers to be removed. Upon presentation of the punch list and report to LESSOR by COUNTY, LESSOR shall, with due diligence, proceed to

complete all defective or incomplete items on the punch list and remove all barriers denoted on the report. LESSOR shall execute all of the items on the punch list and remove all barriers denote on the report to COUNTY'S satisfaction within fourteen (14) days of LESSOR'S receipt of the punch list and report. If LESSOR fails to complete all of the items and remove all barriers within such time frame, COUNTY may complete such items and remove such barriers and LESSOR shall reimburse COUNTY upon demand for the reasonable costs incurred by COUNTY for such work. If such costs are not paid within ten (10) days after demand, such costs shall be credited to and deducted from COUNTY'S next monthly installments of Rent, payable hereunder. Evidence of when the Premises have been substantially completed shall be a certificate to that effect by both LESSOR'S architect and COUNTY'S architect (if one is appointed by COUNTY).

(D) Upon completion of the work, LESSOR shall file a Notice of Completion and provide COUNTY with a lien indemnification to insure the removal of all mechanic's liens and verification that all vendors have been fully paid and all lien rights expunged.

2.3 Change Orders.

(A) Change orders that are due to unanticipated existing conditions, design errors/omissions, construction defects, material delays, and all causes that are not directly attributable to COUNTY shall be administered and paid for in full by LESSOR. Such change orders may not reduce the quality of the project as stipulated in section 1.2 of this Exhibit.

(B) If COUNTY requests any change, addition, alteration or deletion in the tenant improvement work following approval of the Design and Construction Deliverables, then LESSOR shall promptly give COUNTY a written estimate of the cost, if any, of the professional and other services required to prepare a change order and the time delay expected, if any, because of such request. If COUNTY, in writing, approves such cost and/or delay estimate within five (5) business days, then OWNER shall have the change order prepared, including construction costs, and COUNTY shall approve the finalized change order in writing. For any COUNTY-requested change order, COUNTY and LESSOR agree to define payment terms on a case-by-case basis. The delay, if any, associated with the change order request shall extend LESSOR'S time for completion of the COUNTY improvements. Following completion of the construction work, which will be subject to review and approval by COUNTY, LESSOR shall provide invoicing to COUNTY consistent with previously approved change order. Payment from COUNTY to LESSOR shall then be made upon the defined payment terms as agreed to by COUNTY and LESSOR.

2.4 Construction Defect. Should a latent or patent construction defect exists, LESSOR shall promptly repair, at its expense, any and all construction defect. Construction defect shall include, but not limited to, (1) any failure of the tenant improvement or (2) any building component or material: (a) be erected or installed in an unacceptable trade standards for good and workmanlike manner; or (b) not in conformance of construction documents, plans, or specifications; or (c) in violation of any

Exhibit E – Construction Protocols

federal, state, or local laws and regulations, including but not limited to, the California Building Codes and Americans with Disabilities Act (as of the construction date) or (d) be performed in the manner not intended by the manufacturer or reasonably expected. LESSOR shall have thirty (30) days after receipt of written notice from COUNTY to perform its obligations under this Section, except that LESSOR shall perform its obligations immediately if the nature of the problem presents a hazard or emergency or substantially interferes with COUNTY's use of the Premises. If LESSOR does not perform its obligations within the time limitations in this Section, COUNTY can perform the obligations and have the right to be reimbursed for the sum COUNTY actually expends in the performance of LESSOR's obligations. If LESSOR does not reimburse COUNTY within fifteen (15) days after demand from COUNTY, COUNTY shall have the right to withhold from future Rent due the sum COUNTY has expended until COUNTY is reimbursed in full.