



COUNTY OF HUMBOLDT

AGENDA ITEM NO.  
**C-3**

For the meeting of: August 16, 2016

Date: July 6, 2016  
To: Board of Supervisors  
From: Amy S. Nilsen, County Administrative Officer *[Signature]*  
Subject: Sublease for 520 E Street, Eureka, with Redwood Region Economic Development Commission (RREDC) for County Administrative Office-Economic Development Division

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approves the Sublease with RREDC for rental space at 520 E Street, Eureka, CA; and
2. Authorizes the Chairperson to execute two (2) originals of the Sublease; and
3. Directs the Clerk of the Board to return one (1) original of the fully executed Sublease to Public Works-Real Property Division for transmittal to Sublessor.

SOURCE OF FUNDING:

The Sublease will be paid by the Economic Development Set-Aside Fund and administration funds from a variety of grant sources, including the State Employment Development Department and the California Workforce Development Board.

Prepared by Debbie Damiano, Administrative Analyst CAO Approval *[Signature]*

REVIEW: Auditor MSM County Counsel \_\_\_\_\_ Personnel \_\_\_\_\_ Risk Manager KW Other \_\_\_\_\_

TYPE OF ITEM:  
 Consent  
 Departmental  
 Public Hearing  
 Other \_\_\_\_\_

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**  
Upon motion of Supervisor Fennell Seconded by Supervisor Sundberg  
Ayes Sundberg, Fennell, Lorelace, Bohn, Bass  
Nays \_\_\_\_\_  
Abstain \_\_\_\_\_  
Absent \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. C-6; C-8; C-5

Meeting of: January 11, 2000; March 1, 2011; January 21, 2014

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

Dated: Aug. 16, 2016  
By: *[Signature]*  
Kathy Hayes, Clerk of the Board

DISCUSSION:

Since February 1, 2000, the Economic Development Division has subleased office space located at 520 E Street in Eureka, CA, also known as Assessor's Parcel No. 001-105-007, from the sublessor. The current sublease expired January 31, 2016. The space has been leased on a month-to-month basis since that time pending sublessor's notification to the county of the monthly rental amounts for the next five year sublease period.

The Economic Development Division houses 5-6 employees at this site in the administration of three programs: Economic Development grant programs, Workforce Development programs, and the Headwaters Fund grants and loans. The sublease is for approximately 981 square feet, and includes the use of office space, large and small conference rooms, a kitchen, and restrooms. The term of this sublease shall be for a five year period commencing on August 1, 2016 and ending on June 30, 2021. Monthly rental amounts for this time period are as follows:

August 1, 2016 through July 31, 2017:	\$1,648.00
August 1, 2017 through July 31, 2018:	\$1,689.20
August 1, 2018 through July 31, 2019:	\$1,731.43
August 1, 2019 through July 31, 2020:	\$1,774.72
August 1, 2020 through June 30, 2021:	\$1,819.08

This sublease is coming to your Board for approval retroactive to August 1, 2016 as the sublessor was unable to provide lease totals in time for this item to be agendized in July.

FINANCIAL IMPACT:

The total expense for the five year lease period is \$103,949.20. Lease payments will be covered entirely by general administration allocations from grant funds and the Economic Development Division Set-Aside Fund. There will be no effect on the General Fund.

This action supports the county's core role of "Supporting business, workforce development and creation of private sector jobs" in your Board's Strategic Framework.

OTHER AGENCY INVOLVEMENT:

Redwood Region Economic Development Commission  
Public Works-Real Property Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the sublease and request Economic Development Division staff to move to a new location. There are no other sites being considered at this time.

ATTACHMENTS:

1. Sublease



ATTACHMENT 1 - SUBLEASE

# ORIGINAL

## SUBLEASE

This SUBLEASE is made and entered into this 16<sup>th</sup> day of August, 2016, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and REDWOOD REGION ECONOMIC COMMISSION, a JPA, hereinafter referred to as SUBLESSOR;

WHEREAS, SUBLESSOR leases property located at 520 E Street, Eureka California, from Ronald E. Pileggi, a sole proprietor; and

WHEREAS, the commercial lease between SUBLESSOR and Ronald E. Pileggi has a term commencing July 1, 2016, and terminating on June 30, 2021; and

WHEREAS, Ronald E. Pileggi has consented to and approved the SUBLEASE between SUBLESSOR and COUNTY; and

WHEREAS, COUNTY desires to sublease premises for COUNTY offices and SUBLESSOR desires to sublease the premises described herein to COUNTY;

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

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

Exclusive use of approximately 981 square feet located at 520 E Street, also known as Assessor's Parcel No. 001-105-007, as shown on Exhibit A, which is attached hereto and incorporated herein. The subleased premises shall also include the use of the restrooms.

2. USE OF PREMISES

The premises shall be used by COUNTY for county offices as determined by COUNTY. At the commencement of this SUBLEASE, COUNTY intends to use the premises as office space for Economic Development.

3. QUIET ENJOYMENT

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

4. TERM OF SUBLEASE

A. The initial term of this SUBLEASE shall commence on August 1, 2016 and end June 30, 2021.

B. Any holding over with SUBLESSOR'S consent beyond the term of this SUBLEASE shall be a month to month tenancy, with all the terms and conditions of this SUBLEASE.

5. RENT

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

August 1, 2016 through July 31, 2017: One Thousand Six Hundred Forty Eight Dollars (\$1,648.00)

August 1, 2017 through July 31, 2018: One Thousand Six Hundred Eighty Nine Dollars and Twenty Cents (\$1,689.20)

August 1, 2018 through July 31, 2019: One Thousand Seven Hundred Thirty One Dollars and Forty Three Cents(\$1,731.43)

August 1, 2019 through July 31, 2020: One Thousand Seven Hundred Seventy Four Dollars and Seventy Two Cents (\$1,774.72)

August 1, 2020 through June 30, 2021: One Thousand Eight Hundred Nineteen Dollars and Eight Cents (\$1,819.08)

Rent shall be paid in advance on the first day of each month, except in the event that COUNTY'S occupancy shall commence on a day other than the first day of the month, the rent for the first partial month shall be prorated at one-thirtieth (1/30) of the rental rate for each calendar day the premises are ready for occupancy during such month.



6. **BUILDING STANDARDS AND COMPLIANCE WITH LAWS**

SUBLESSOR covenants and warrants that the premises have been constructed and any remodeling done in accordance with all local, state and federal laws and regulations, including but not limited to, the Americans with Disabilities Act. SUBLESSOR further agrees to comply with any federal, state or local licensing standards, any applicable accrediting standards, and any other applicable standards or criteria established locally or by the state or federal governments.

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

SUBLESSOR shall supply and install fire extinguishers in compliance with current building and fire codes.

7. **SMOKING**

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

8. **UTILITIES**

SUBLESSOR agrees to furnish and pay for all charges for gas, refuse collection, electricity, water and sewer supplied to and used in the subleased premises by COUNTY. COUNTY shall pay for its own telephone services and communication services.

9. **JANITORIAL**

SUBLESSOR shall be responsible for janitorial services to the subleased premises a minimum of one (1) time per week. Janitorial services shall include trash removal, mopping/vacuuming of floors, cleaning and sanitizing restrooms and restocking of paper products.

10. **MAINTENANCE AND REPAIRS**

During the term of this SUBLEASE or any extension thereof, SUBLESSOR shall maintain the premises in good repair and tenantable condition so as to minimize breakdowns and loss of COUNTY'S use of the premises caused by deferred or inadequate maintenance. SUBLESSOR shall be responsible for all



**maintenance and repairs to the premises including, but not limited to, the interior and exterior of the building, landscaping, parking lot, HVAC Unit, fire extinguishers, and window glass, except for the following:**

**A. Any repairs caused by negligence of COUNTY personnel.**

**B. Any repairs to County's phone system, computers, or security system or installation thereof.**

**The HVAC system shall be maintained and operated by SUBLESSOR to provide at least the quantity of outdoor air required by the State Building Standards Code, Title 24, California Administrative Code, in effect at the time the building permit was issued.**

**The HVAC system shall be inspected each year by a qualified inspector. SUBLESSOR shall notify COUNTY when the inspection shall occur. SUBLESSOR shall provide COUNTY with a copy of the inspection report within two (2) days of receipt by SUBLESSOR. SUBLESSOR shall correct any problems found during the inspection within ten (10) days of the date of the inspection.**

**SUBLESSOR shall change the HVAC filters quarterly.**

**SUBLESSOR shall clean the HVAC vents quarterly.**

**SUBLESSOR shall service fire extinguishers at least annually and as requested by COUNTY if more frequent service is needed.**

**SUBLESSOR shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this paragraph, except that SUBLESSOR shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by COUNTY. If SUBLESSOR does not perform its obligations within the time limitations in this paragraph, COUNTY, after notice to SUBLESSOR, can perform the obligations and has the right to be reimbursed for the sum COUNTY actually and reasonably expends (including charges for COUNTY employees and equipment) in the performance of SUBLESSOR'S obligations. If SUBLESSOR does not reimburse COUNTY within ten (10) 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. Any notice or demand concerning a material hazard or emergency may be made orally, by telephone or otherwise, provided that written confirmation is given within two (2) days after the oral notice or demand is made. Such confirmation shall be made as provided in paragraph 27, "NOTICE".**



**11. IMPROVEMENTS AND ALTERATIONS**

COUNTY may make non-structural alterations or improvements to the premises to accommodate COUNTY'S use of the premises. However, COUNTY shall not make any alterations or improvements to the subleased premises without the prior written consent of SUBLESSOR. Such consent shall not be unreasonably withheld.

COUNTY, at its own cost, may install in the premises the equipment needed for telecommunication system and computer terminals including, but not limited to, the following:

- A. Telephone cable;
- B. Key system units;
- C. Intercom system;
- D. Telephones;
- E. Answering machines; and
- F. Security system.

Upon termination of the SUBLEASE, COUNTY shall have the right to remove from the premises any such equipment installed by COUNTY.

**12. INSTALLATION AND REMOVAL OF TRADE FIXTURES**

COUNTY may cause or permit to be installed and/or affixed to the premises such fixtures, signs and equipment as COUNTY deems desirable and all such fixtures, signs and equipment shall remain the property of COUNTY and may be removed at any time provided that COUNTY, at its expense, shall repair any damage caused by reason of such removal. All such fixtures, signs and equipment that are exterior to the building shall be approved by SUBLESSOR.

**13. COUNTY'S RIGHT TO ERECT SIGNS**

COUNTY shall have the exclusive right to erect and maintain upon the premises all signs that it deems appropriate. SUBLESSOR agrees that no signs or advertising matter of any nature other than COUNTY'S shall be permitted upon any of the premises. SUBLESSOR shall cooperate with COUNTY in obtaining any variances from restrictions placed on the use of signs by local authorities. SUBLESSOR and COUNTY shall mutually agree as to the location, size, and style of any signs.



**14. REAL PROPERTY TAXES**

SUBLESSOR shall pay all real property taxes and general and special assessments levied and assessed against the premises.

**15. HOLD HARMLESS/INDEMNIFICATION**

A. SUBLESSOR 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 SUBLESSOR'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 SUBLESSOR 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 SUBLESSOR.

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

**16. SUBLESSOR'S INSURANCE**

This SUBLEASE shall not be executed by COUNTY and SUBLESSOR 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 SUBLESSOR'S indemnification provided for herein, SUBLESSOR 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 SUBLESSOR, its agents, officers, directors, employees, licensees invitees, assignees or subcontractors.

A. Comprehensive or Commercial General Liability Insurance

Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.

B. Property Insurance

SUBLESSOR is responsible for providing "All-Risk" Property Insurance for this location.

C. 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.

17. COUNTY'S INSURANCE

Without limiting COUNTY'S indemnification provided herein, COUNTY shall and shall require any of its subcontractors to take out and maintain, throughout the period of this 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 COUNTY, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

A. Comprehensive/Liability Insurance

Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 per occurrence for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately



to this project or the general aggregate shall be twice the required occurrence limit.

**B. Property Insurance**

COUNTY is responsible for providing an "All-Risk" Property Insurance for the contents of the property at this location.

**C. Workers Compensation Insurance Compensation Coverage**

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

**18. SPECIAL INSURANCE REQUIREMENTS**

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

**A. SUBLESSOR**

1. The Comprehensive General Liability Policy shall provide that the COUNTY, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of SUBLESSOR. 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 27. It is further understood that SUBLESSOR 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 SUBLESSOR'S insurance and will not be called upon to contribute with it.

2. SUBLESSOR 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 by COUNTY. If SUBLESSOR 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 SUBLESSOR agrees to pay the cost of said insurance. COUNTY is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to SUBLESSOR under this Agreement.

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

## **B. COUNTY**

1. The Comprehensive General Liability Policy shall provide that the SUBLESSOR, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf of COUNTY. The coverage shall contain no special limitations on the scope of protection afforded to the SUBLESSOR, 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. Contains a cross liability, severability of interest or



separation of insureds clause.

d. The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to SUBLESSOR and in accordance with the Notice provisions set forth under Section 27. It is further understood that COUNTY shall not terminate such coverage until it provides SUBLESSOR with proof satisfactory to SUBLESSOR that equal or better insurance has been secured and is in place.

e. COUNTY shall furnish SUBLESSOR with certificates and original endorsements affecting the required coverage of this Agreement by SUBLESSOR.

### **C. COUNTY AND SUBLESSOR**

1. The COUNTY and SUBLESSOR agree that insurance carried or required to be carried by either of them against loss or damage to property by fire, flood, earthquake, acts of terrorism, acts of war or other casualty shall contain a clause whereby the insurer waives its right to subrogation against the other party, its elected officials, directors, employees, volunteers, and agents and each party shall indemnify the other against any loss or expense, including reasonable attorney's fees resulting from the failure to obtain such waiver.

2. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

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

### **19. PARKING**

Subleased premises provides no off-street parking spaces.

### **20. DESTRUCTION OF PREMISES**

In the event the premises are destroyed in whole or in part by fire or other casualty to the extent that they are substantially unusable, COUNTY reserves the



right to forthwith terminate this SUBLEASE upon written notice within seven (7) days following the date of loss.

If such casualty occurs and a portion of said premises is still usable by COUNTY, the rent shall be prorated on a square footage basis of usable space until the premises are restored to their original condition. Payment of prorated rent shall not constitute a waiver of COUNTY'S right to terminate this SUBLEASE as provided in this paragraph (20).

In the event that the premises are destroyed in whole or in part by fire or other casualty, and the cost of restoring the same exceeds the then remaining rental for the unused portion of the term of this SUBLEASE, SUBLESSOR shall have the option to rebuild or to terminate this SUBLEASE. Such option shall be exercised by SUBLESSOR by notice in writing to COUNTY within seven (7) days following the date of loss. SUBLESSOR'S option to rebuild shall not constitute a waiver of COUNTY'S right to terminate this SUBLEASE, as provided in this paragraph (20).

**21. USE UNLAWFUL OR PREMISES CONDEMNED**

If it becomes unlawful for COUNTY to conduct its intended operations on the premises, or if a portion of the premises or approaches thereto is condemned by public authority so that it becomes impossible to use the premises, or if any highway or street change is made diverting or re-routing traffic away from the premises so that the premises become impossible to use, COUNTY shall have the right at any time thereafter to terminate this SUBLEASE by giving SUBLESSOR seven (7) days notice in writing of such termination.

**22. PREMISES UNUSABLE**

If as a result of causes, such as flood, strikes, riots, insurrection, or other similar or different causes beyond the control of SUBLESSOR, the premises shall become unusable from a practical standpoint for a period of ten (10) consecutive days or longer, then COUNTY may: (1) terminate the SUBLEASE upon seven (7) days written notice to SUBLESSOR, (2) by notice in writing to SUBLESSOR prorate the rent for the period of time the premises are unusable from a practical standpoint or (3) by notice in writing to SUBLESSOR at any time prior to the date when this SUBLEASE would otherwise terminate, further extend this SUBLEASE without the requirement of the payment of rent for the period of time which the premises were unusable from a practical standpoint. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this SUBLEASE.



**23. NUCLEAR FREE CLAUSE**

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

**24. SUBLESSOR DEFAULT**

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

**25. COUNTY'S REMEDIES ON SUBLESSOR'S DEFAULT**

COUNTY, at any time after SUBLESSOR is in default, can terminate this SUBLEASE or can cure the default at SUBLESSOR'S cost. If COUNTY at any time, by reason of SUBLESSOR'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 SUBLESSOR to COUNTY within five (5) days of notice of such sum, and if paid at a later date shall bear interest at the maximum rate COUNTY is permitted by law to charge from the date the sum is paid by COUNTY until COUNTY is reimbursed by SUBLESSOR. If SUBLESSOR fails to reimburse COUNTY as required by this paragraph, COUNTY shall have the right to withhold from future rent due the sum COUNTY has expended until COUNTY is reimbursed in full for the sum and interest on it. The remedies set forth in this paragraph are in addition to and do not in any manner limit other remedies set forth in particular paragraphs of this SUBLEASE.

**26. TERMINATION**

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



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

B. The failure of SUBLESSOR to pay promptly when due all charges, fees, or other payments in accordance with this SUBLEASE.

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

D. The violation of any of the provisions of this SUBLEASE.

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

F. 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.

27. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

**SUBLESSOR:** Redwood Region Economic Development Commission  
520 E Street  
Eureka, CA 95501

**COUNTY:** 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  
Attn: Risk Manager



825 Fifth Street, Room 131  
Eureka, CA 95501

28. **ASSIGNMENT**

This SUBLEASE shall not be assigned by either party without the written consent of the other party. Such consent shall not be unreasonably withheld.

29. **SUBLEASE MODIFICATION**

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

30. **SUBLESSOR NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY**

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

31. **ATTORNEYS' FEES**

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this SUBLEASE to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorneys' fees (including reasonable value of services rendered by County Counsel) on appeal, if any. As used herein, "the party prevailing" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

32. **WAIVER OF BREACH**

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

**33. BREACH, REMEDY FOR**

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

**34. SURRENDER OF PREMISES**

At the termination of this SUBLEASE, COUNTY shall surrender the building to SUBLESSOR in good condition and repair, except for normal wear and tear. COUNTY shall be under no obligation to repair or restore the whole or any portion of the building which may be damaged by reason of fire, earthquake, the elements or other casualty.

**35. BINDING EFFECT**

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

**36. JURISDICTION AND APPLICABLE LAWS**

This SUBLEASE shall be construed under the laws of the State of California. Any dispute arising hereunder or relating to this SUBLEASE shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure §§394 and 395.

**37. INTERPRETATION**

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

IN WITNESS WHEREOF, this SUBLEASE has been executed by the parties

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hereto upon the date first written above.

(SEAL)

ATTEST:  
CLERK OF THE BOARD

BY *Ann Stewart*

COUNTY OF HUMBOLDT

BY *Mark Koke*  
CHAIRPERSON,  
BOARD OF SUPERVISORS  
COUNTY OF HUMBOLDT  
STATE OF CALIFORNIA

SUBLESSOR:

BY *A. J. Stee*

TITLE *Executive Director*

BY *Nancy Koke*

TITLE *Board Chair*

520 E Street Eureka  
scale 1/16" = 1'

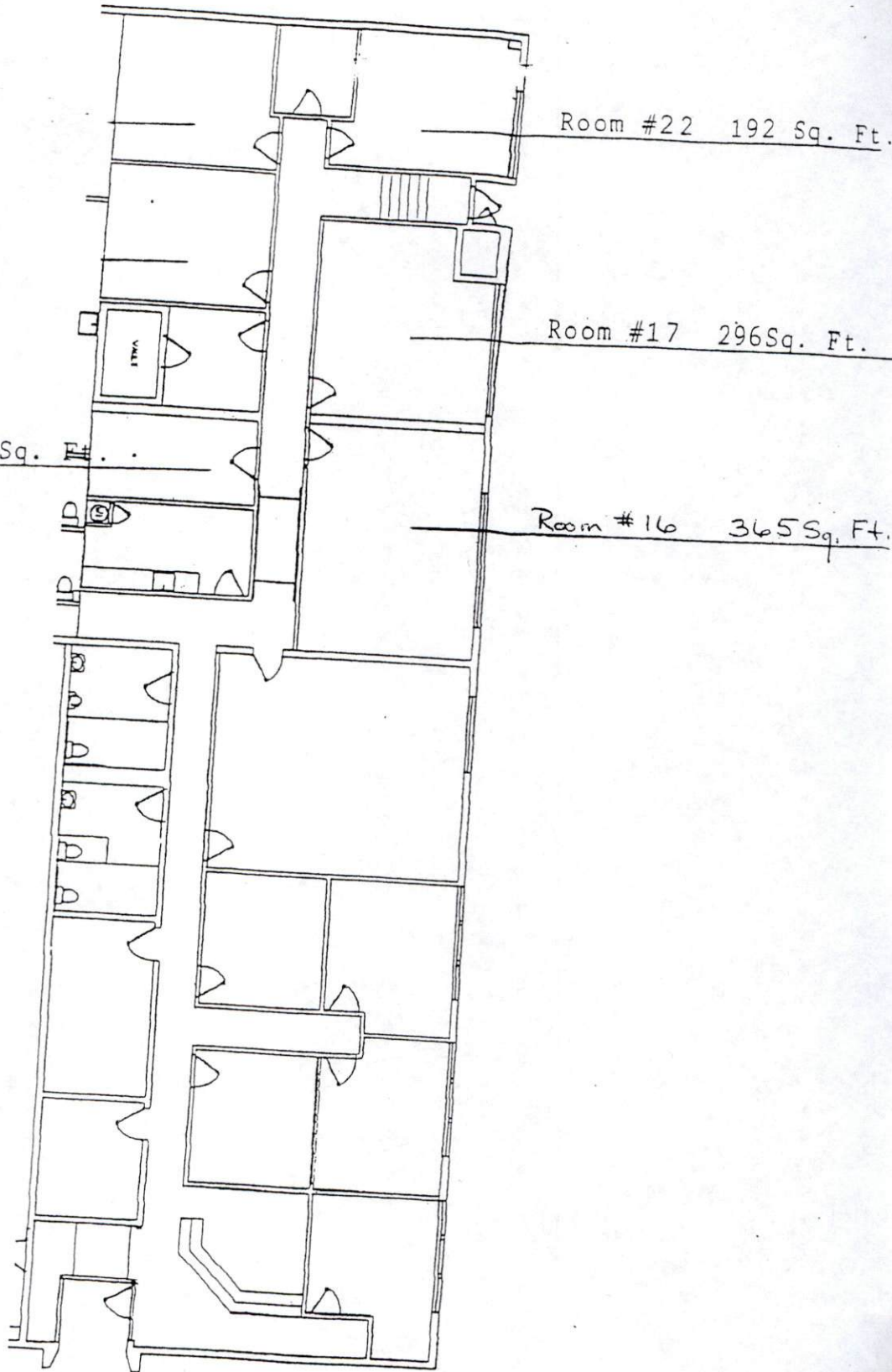


EXHIBIT A