



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C17

For the meeting of: November 7, 2017

Date: September 19, 2017

To: Board of Supervisors

From: Connie Beck, Director
Department of Health and Human Services – Public Health

Connie Beck
10/25/17

Subject: Request to approve Sublease with United Parcel Service, Inc. for property at 790 West Clark Street, Eureka, California for Fiscal Year 2017 – 2018

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Chair of the Board to execute the attached Sublease, in duplicate, with United Parcel Service, Inc. for a portion of county leased property at 790 West Clark Street, Eureka, California;
2. Direct the Clerk of the Board to return one (1) executed Sublease to Public Works-Real Property Division for transmittal to United Parcel Service, Inc. and one (1) copy of the executed Sublease to the Department of Health and Human Services – Social Services Branch; and
3. Direct the Clerk of the Board to transmit one (1) copy of the executed agenda item to Public Works-Real Property Division; and

SOURCE OF FUNDING:

Social Services Fund

Prepared by Haley Schandelmier AAI

CAO Approval

E. Smalley

REVIEW:	Auditor <u>MSM</u>	County Counsel _____	Human Resources _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor *Fennell* Seconded by Supervisor *Wilson*

Ayes *Fennell, Bass, Bohn, Wilson*
 Nays _____
 Abstain _____
 Absent *Sundberg*

PREVIOUS ACTION/REFERRAL:

Board Order No. C-7, C-10
Meeting of: April 11, 2006, February 9, 2016

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

Dated: 11/7/17
By: _____
Kathy Hayes, Clerk of the Board

DISCUSSION:

The County of Humboldt has leased the property at 790 West Clark Street, Eureka, California for the Department of Health and Human Services – Social Services Branch since May 1, 2006. The original lease was approved on April 11, 2006 (Attachment 1), and first amended on March 15, 2011. The Board of Supervisors approved a Second Amendment to Lease with Fred H. Lundblade (Lessor) on February 9, 2016, which modified the term of the lease to a three (3) year lease, terminating on April 30, 2019 with the option to extend the lease for two additional (2) one (1) year terms (Attachment 2). The current monthly lease is Three Thousand Two Hundred Twenty-five Dollars (\$3,225.00).

On May 22, 2017 United Parcel Service, Inc. (UPS) requested to sublease a portion of the parking stalls and below awning driveway at 790 West Clark Street to accommodate expanded package transport logistics for the holiday season. Staff has determined that the use of this space by UPS from November 15, 2017 through January 28, 2018 will not interfere with the county's use of the leased premises and the Lessor has provided the written approval to the county to enter into a sublease for a portion of the property (Attachment 3). The request before the Board today does not change the existing lease with the Lessor. Rents paid by UPS will be passed through in rent to the Lessor; county will not make profit from the proposed sublease.

Staff therefore request your Board's approval and authorization to enter into the proposed sublease with UPS (Attachment 5).

FINANCIAL IMPACT:

Approving the sublease at 790 West Clark, Eureka will offset expenditures in the amount of Three Thousand Nine Hundred Thirty Two Dollars and Six Cents (\$3,932.06) in Fund 1160, Budget Unit 511 for fiscal year 2017-18. A budget adjustment is not necessary as the revenue will offset expenditures previously approved in fiscal year 2017-18 budget process.

There is no anticipated impact to the county's General Fund.

This is in alignment with the Board's Strategic Framework by providing for and maintaining infrastructure and safeguarding public trust.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the sublease for UPS. However, that is not recommended as the sublease supports Board Core Role of supporting business, workforce development and creation of private-sector jobs.

ATTACHMENTS:

1. Copy of the original Lease with Fred H. Lundblade
2. Copy of the Second Amendment to the Lease with Fred H. Lundblade
3. Authorization from Fred H. Lundblade to enter into Sublease with United Parcel Service, Inc.
4. United Parcel Service, Inc. Assistant Secretary's Certificate
5. Sublease between the County of Humboldt and United Parcel Service, Inc., in duplicate

LEASE

ORIGINAL

This Lease is made and entered into this 11th day of April, 2006, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY and Fred Lundblade, a sole proprietor, hereinafter referred to as LESSOR;

WHEREAS, COUNTY desires to lease premises for COUNTY offices and LESSOR desires to lease the premises described herein to COUNTY;

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

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

Approximately 4,850 square feet of APN 003-121-050 located at 790 West Clark Street, Eureka, California, as shown on Exhibit A, which is attached hereto and incorporated herein.

2. USE OF PREMISES

The premises shall be used by COUNTY for county offices and storage as determined by COUNTY. At the commencement of this Lease COUNTY intends to use the premises as storage and document imaging for the Health and Human Services Department, Social Services Branch.

3. QUIET ENJOYMENT

Subject to the provisions of this Lease and conditioned upon performance of all the provisions performed by COUNTY hereunder, LESSOR 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 LEASE

A. The initial term of this Lease shall be for a period of three (3) years commencing May 1, 2006, providing LESSOR provides COUNTY with notice by April 25, 2006, that the modifications specified in paragraph 7 have been completed, and shall terminate on April 30, 2009. In the event said modifications are not completed by April 30, 2006, the commencement date will be five (5) days after LESSOR

provides COUNTY with a written notice premises are ready for occupancy. A Certificate of Occupancy and City of Eureka final inspection shall accompany the written notice. In the event said modifications are not completed by May 31, 2006, LESSOR shall pay liquidated damages pursuant to paragraph 5 of this Lease and COUNTY shall also have the right to terminate this Lease.

B. COUNTY has the option to extend this Lease upon the same terms and conditions for two (2) one (1) year terms. Each option may be exercised by COUNTY giving LESSOR written notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR sixty (60) days prior to the end of the initial term or any one (1) year term extension.

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

5. LIQUIDATED DAMAGES

Inasmuch as the actual damages, which would result from a breach by LESSOR of its duties under paragraph 7 of this Lease regarding modifications, are uncertain and would be impractical or extremely difficult to fix, LESSOR promises to pay to COUNTY, in the event of any such breach of duty by it, the sum of Eighty Five Dollars (\$85.00) per day as liquidated and agreed damages.

The liquidated damages shall be due from LESSOR to COUNTY within five (5) days of notice by COUNTY 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 due to COUNTY until COUNTY is paid by LESSOR. If LESSOR fails to pay COUNTY as required by this paragraph 5, COUNTY shall have the right to withhold from future rent due the amount of liquidated damages due COUNTY until COUNTY is paid in full for the sum and interest on it.

6. RENT

COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

Three Thousand One Hundred Eighty Dollars (\$3,180.00)

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.

7. BUILDING MODIFICATIONS

A. LESSOR agrees that it will, at its sole cost and expense, construct modifications to the leased premises as shown on Exhibit B, which is attached hereto and incorporated herein. All of the modifications shall be done in accordance with all local, state and federal laws and regulations including, but not limited to, the California Building Codes and Americans with Disabilities Act in effect at the time modifications are approved by the City of Eureka.

B. Upon completion of the modifications and prior to COUNTY taking possession of said premises, LESSOR shall provide COUNTY with a copy of the Notice of Completion and City of Eureka final inspection.

8. PREVAILING WAGE

LESSOR acknowledges and agrees that all work on building modifications performed by LESSOR at the request of COUNTY shall be governed by and performed in accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.). These provisions are not applicable to modifications costing not more than One Thousand Dollars (\$1,000.00).

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the Humboldt County Board of Supervisors has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality applicable to this Lease for each craft, classification, or type of workman needed to execute the aforesaid structural modifications from the director of the State Department of Industrial Relations. LESSOR herein agrees that LESSOR shall post, or cause to be posted, a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates. Copies of said prevailing wage rates may be obtained from COUNTY'S Clerk of the Board or the Department of Public Works.

9. BUILDING STANDARDS AND COMPLIANCE WITH LAWS

LESSOR 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. LESSOR 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.

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

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

10. SMOKING

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

11. UTILITIES

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

12. JANITORIAL

LESSOR shall be responsible for janitorial services, including all supplies, to the leased premises a minimum of two (2) times per week, Tuesday and Friday. Janitorial service shall include the following:

A. In all rooms except the warehouse, vacuum carpet and high vacuum for cobwebs. Sweep and mop all tile/vinyl floors, empty waste receptacles and change liners. Dust all counters, ledges and other surfaces. Spot clean light switches, door frames, hardware, and doors.

B. For the bathroom, dust, sweep and mop floors, clean sinks, toilets, mirrors, restock dispensers, sanitize restrooms and spot clean light switches, walls, door frames and hardware.

C. Windows shall be cleaned inside and out every four (4) months.

D. Carpet shall be cleaned every six (6) months.

13. MAINTENANCE AND REPAIRS

During the term of this Lease or any extension thereof, LESSOR 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. LESSOR 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, heating units and window glass, except for the following:

- A. Light bulbs.
- B. Minor plumbing, such as repairing of faucets, interior parts of toilets, and the unstopping of toilets and sinks unless blockage is in main sewer line.
- C. Any repairs caused by negligence of COUNTY personnel.
- D. Any repairs to phone system, computers, or security system or installation thereof.

The heating units in the main warehouse shall be inspected each year by a qualified inspector. LESSOR shall notify COUNTY when the inspection shall occur. LESSOR shall provide COUNTY with a copy of the inspection report within two (2) days of receipt by LESSOR. LESSOR shall correct any problems found during the inspection within ten (10) days of the date of the inspection.

LESSOR shall change the heating filters quarterly.

LESSOR shall clean the heating vents annually.

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

LESSOR shall have ten (10) days after notice from COUNTY to commence to perform its obligations under this paragraph, except that LESSOR shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by COUNTY. If LESSOR does not perform its obligations within the time limitations in this paragraph, COUNTY, after notice to LESSOR, 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 LESSOR'S obligations. If LESSOR 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 29, "NOTICE".

14. 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 leased premises without the prior written consent of LESSOR. 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
- F. Security system

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

15. 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 LESSOR.

16. 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. LESSOR agrees that no signs or advertising matter of any nature other than COUNTY'S shall be permitted upon any of the premises. LESSOR shall cooperate with COUNTY in obtaining any variances from restrictions placed on the use of signs by local authorities. LESSOR and COUNTY shall mutually agree as to the location, size, and style of any signs.

17. REAL PROPERTY TAXES

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

18. HOLD HARMLESS AND INDEMNIFICATION

COUNTY agrees to indemnify and hold harmless, and at its own risk, cost and expense, defend LESSOR from and against any and all liability expenses, including defense costs, legal fees, and claims for damages arising from COUNTY'S negligence, intentional acts, or breaches of this Lease. Indemnification with respect to defense costs shall be made at the time LESSOR incurs such costs.

LESSOR agrees to indemnify and hold harmless, and at its own risk, cost, and expense, defend COUNTY, its Board of Supervisors, officers, agents, and employees from and against any and all liability expenses, including defense costs, legal fees, and claims for damages arising from LESSOR'S negligence, intentional acts, or breaches of this Lease. Indemnification with respect to defense costs shall be made at the time COUNTY incurs such costs.

19. COUNTY'S INSURANCE

Without limiting COUNTY'S indemnification provided herein, COUNTY shall take out and maintain, throughout the period of this Lease, the following policies of insurance placed with insurers 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, employees, or sublessees:

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. 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. Said policy shall contain, or be endorsed with, the following provisions:

(1) LESSOR, its officers, employees and agents, 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 LESSOR, its officers, agents, and employees.

(2) The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to LESSOR by certified mail.

(3) 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.

(4) For claims related to this project, COUNTY'S insurance is primary coverage to LESSOR, and any insurance or self-insurance programs maintained by LESSOR are excess to COUNTY'S insurance and will not be called upon to contribute with it.

(5) Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to LESSOR, its officers, employees, and agents.

B. Property Insurance

COUNTY agrees to provide an all-risk property insurance for the contents of the property through COUNTY'S property insurance.

C. By its signature hereunder, COUNTY certifies that COUNTY is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that 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).

20. LESSOR'S INSURANCE

This Lease shall not be executed by COUNTY and LESSOR 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 LESSOR'S indemnification provided herein, LESSOR shall take out and maintain, throughout the period of this Lease, the following policies of insurance placed with insurers 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 LESSOR, its agents, employees or sublessors:

A. 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. If work involves explosive, or collapse risks, XCU must be included. 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. Said policy shall contain, or be endorsed with, the following provisions:

(1) COUNTY, its officers, employees and agents, are covered as additional insured for liability arising out of the operations performed by or on behalf of LESSOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its officers, agents, and employees.

(2) The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to COUNTY by certified mail.

(3) 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.

(4) For claims related to this project, LESSOR'S insurance is primary coverage to COUNTY, and any insurance or self-insurance programs maintained by COUNTY are excess to LESSOR'S insurance and will not be called upon to contribute with it.

(5) Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to COUNTY, its officers, employees, and agents.

B. Workers' Compensation insurance meeting statutory limits of the California Labor Code which 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. If LESSOR has no employees, LESSOR may sign and file the following certification in lieu of insurance:

"I am aware of the provisions of the California Labor Code Section 3700 which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with provisions of that code before commencing with and during the performance of the work of this contract."

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

D. COUNTY reserves the right to obtain complete copies of the original insurance policies, if the County Risk Manager desires to do so.

E. If LESSOR does not keep the above mentioned insurance in full force and effect during the life of this Lease, COUNTY, at LESSOR'S expense, may elect to purchase the necessary insurance, and LESSOR agrees to pay the cost of said insurance or, in the alternative, COUNTY may elect to treat the failure to maintain requisite insurance as a breach of contract and terminate the Lease as provided herein.

F. Should LESSOR subcontract any portion of the work to be performed under this Lease, said subcontractor shall be required by LESSOR to:

(1) Enter into a written contract with subcontractor acknowledging that no employee/employer relationship exists between LESSOR and subcontractor and that no Workers' Compensation, unemployment benefits or other personnel benefits are required by or available to subcontractor through LESSOR or COUNTY.

(2) Hold harmless and to indemnify, defend and save harmless LESSOR and COUNTY, its officers, agents and employees, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies who may be injured or damaged by subcontractor in connection with the performance of this Lease.

21. PARKING

Leased premises includes all available parking spaces as shown on Exhibit A, which is attached hereto and incorporated herein, which are included in the rent in paragraph 6 of this Lease. LESSOR shall be responsible for all maintenance and repair of the parking lot.

22. 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 Lease 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 Lease as provided in this paragraph (22).

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 Lease, LESSOR shall have the option to rebuild or to terminate this Lease. Such option shall be exercised by LESSOR by notice in writing to COUNTY within seven (7) days following the date of loss. LESSOR'S option to rebuild shall not constitute a waiver of COUNTY'S right to terminate this Lease, as provided in this paragraph (22).

23. 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 Lease by giving LESSOR seven (7) days notice in writing of such termination.

24. PREMISES UNUSABLE

If as a result of causes, such as flood, strikes, riots, insurrection, or other similar or different causes beyond the control of LESSOR, the premises shall become unusable from a practical standpoint for a period of ten (10) consecutive days or longer, then COUNTY may: (1) terminate this Lease upon seven (7) days written notice to LESSOR, (2) by notice in writing to LESSOR prorate the rent for the period of time the premises are unusable from a practical standpoint or (3) by notice in writing to LESSOR at any time prior to the date when this Lease would otherwise terminate, further extend this Lease 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 Lease.

25. NUCLEAR FREE CLAUSE

LESSOR certifies by its signature below that LESSOR is not a nuclear weapons contractor, in that LESSOR 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. LESSOR agrees to notify COUNTY immediately if it becomes a nuclear weapons contractor, as defined above. COUNTY may immediately terminate this

Lease if it determines that the foregoing certification is false or if LESSOR becomes a nuclear weapons contractor.

26. LESSOR DEFAULT

Except where another time limit is specifically provided, LESSOR shall be in default of this Lease if it fails or refuses to perform any material provision of this Lease 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 LESSOR. If the default cannot reasonably be cured within ten (10) days, LESSOR shall not be in default of this Lease if LESSOR commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

27. COUNTY'S REMEDIES ON LESSOR'S DEFAULT

COUNTY, at any time after LESSOR is in default, can terminate this Lease or can cure the default at LESSOR'S cost. If COUNTY at any time, by reason of LESSOR'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 LESSOR 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 LESSOR. If LESSOR 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 Lease.

28. TERMINATION

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

- A. The making by LESSOR of any general assignment for the benefit of creditors.
- B. The failure of LESSOR to pay promptly when due all charges, fees, or other payments in accordance with this Lease.
- C. The failure of LESSOR to remedy any default, breach, or violation of county, municipal, federal and/or state laws or regulations by LESSOR or its employees.

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

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.

29. 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 prepaid, first-class mail to the respective addresses set forth below. Notice shall be deemed communicated two (2) COUNTY working days from time of mailing if mailed as provided herein.

LESSOR: Fred Lundblade
939 Koster Street
Eureka, CA 95501

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

30. ASSIGNMENT

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

31. LEASE MODIFICATION

This Lease may be modified only by subsequent written agreement signed by COUNTY and LESSOR.

32. LESSOR NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY

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

33. 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 Lease 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.

34. WAIVER OF BREACH

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

35. BREACH, REMEDY FOR

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

36. SURRENDER OF PREMISES

At the termination of this Lease, COUNTY shall surrender the building to LESSOR 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.

37. BINDING EFFECT

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

38. JURISDICTION AND APPLICABLE LAWS

This Lease shall be construed under the laws of the State of California. Any dispute arising hereunder or relating to this Lease 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.

39. INTERPRETATIONS

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

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

(SEAL)

ATTEST:
CLERK OF THE BOARD

BY *Dea Conzoneri*

APR 11 2008

COUNTY OF HUMBOLDT

BY *J. J. Jolly*
CHAIRMAN, BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT
STATE OF CALIFORNIA

APPROVED AS TO FORM:
COUNTY COUNSEL

BY *[Signature]*
DEPUTY

LESSOR:

BY *[Signature]*
TITLE OWNER

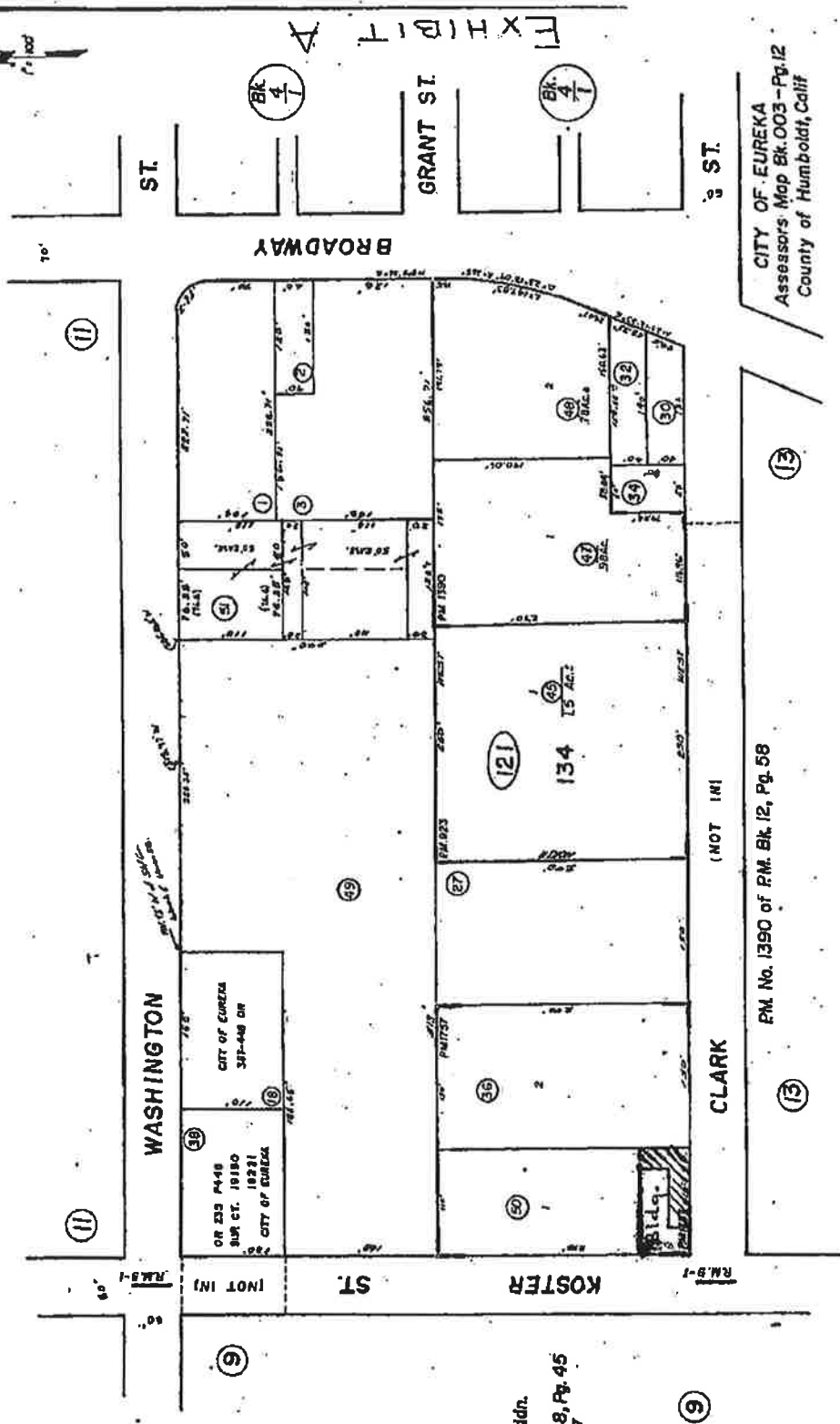
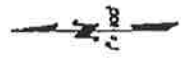
INSURANCE CERTIFICATES
REVIEWED AND APPROVED:

BY _____
RISK MANAGER

F:\RHOLLENB\790WCLAR.WPD

3-12

POR. SEC. 21, T. 5 N., R. 1 W., H. B. & M.
CITY OF EUREKA



CITY OF EUREKA
Assessors Map Bk. 003 - Pg. 12
County of Humboldt, Calif

PM No. 1390 of RM. Bk. 12, Pg. 58

Third Etl. of Clark's Addn.
R.M. Bk. 9 Pg. 1
RM. No. 923 of RM. Bk. 8, Pg. 45
PM 1757 of PM Bk. 15, Pg. 87

Parking

790 West Clark Street
EXHIBIT B

Modifications to be performed by Lessor:

1. Install two space heaters in large warehouse to provide sufficient heating for employees.
2. Install one electric wall heater in small warehouse to provide sufficient heating for employees.
3. Drop all lights to desired level to provide sufficient lighting for employees.
4. Install electric system on overhead door in large warehouse.
5. Repair concrete door step.
6. Adjust all doors to close properly.
7. Repair all existing door locks to function properly.
8. Install new blinds on all windows
9. Have premises professionally cleaned prior to County taking possession.

EXHIBIT B

~~ORIGINAL~~

SECOND AMENDMENT TO LEASE

This Amendment to the Lease entered into on April 11, 2006, and amended on March 15, 2011, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY and Fred Lundblade, a sole proprietor, hereinafter called LESSOR, is entered into this 9th day of February, 2016.

WHEREAS, the parties entered into a Lease for the use of the premises at 790 West Clark Street, Eureka CA., for the purpose of office space, storage and document imaging; and

WHEREAS, COUNTY and LESSOR desire to extend the term, increase the monthly rental amount, and to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. Paragraph 4, TERM OF LEASE, of the Lease is amended to read as follows:

A. The term of this Lease shall be extended for three (3) years beginning May 1, 2016 and shall terminate April 30, 2019.

B. COUNTY has the option to extend this Lease upon the same terms and conditions for two (2) one (1) year terms. Each option may be exercised by COUNTY giving LESSOR written notice of its intent to extend the Lease. The notice shall be in writing and shall be given to LESSOR sixty (60) days prior to the end of the initial term or any one (1) year term extension.

2. Paragraph 6, RENT, of the Lease is amended to read as follows:

COUNTY shall pay to LESSOR as rent for the leased premises a monthly rental as follows:

Three Thousand Two Hundred Twenty Five Dollars (\$3,225.00)

2. In all other respects the Lease between the parties entered into on April 11, 2006 and amended on March 15, 2011, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to

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the Lease dated April 11, 2006, on the date indicated above.

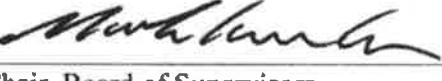
(SEAL)

ATTEST:

CLERK OF THE BOARD

COUNTY OF HUMBOLDT

By 

By 

Chair, Board of Supervisors
County of Humboldt
State of California

LESSOR:

By 

Title OWNER

ATTACHMENT 3

MAY 31 2017



DEPARTMENT OF PUBLIC WORKS
COUNTY OF HUMBOLDT

MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

ARCATA-EUREKA AIRPORT TERMINAL
McKINLEYVILLE
FAX 839-3596

PUBLIC WORKS BUILDING
SECOND & L ST, EUREKA
FAX 445-7409

CLARK COMPLEX
HARRIS & H ST, EUREKA
FAX 445-7388

AVIATION 839-5401

ADMINISTRATION 445-7491
BUSINESS 445-7552
ENGINEERING 445-7377
FACILITY MAINTENANCE 445-7493

ENVIRONMENTAL SERVICES 445-7741
NATURAL RESOURCES PLANNING 267-9540
PARKS & TRAILS 445-7741
ROADS & EQUIPMENT MAINTENANCE 445-7421

LAND USE 445-7205

May 22, 2017

Fred Lundblade
939 Koster Street
Eureka, CA 95501

RE: 790 W. Clark Street, Sublease with United Parcel Service

Dear Mr. Lundblade,

United Parcel Service (UPS) has requested to sublease a portion of the parking stalls and below awning driveway at the subject property leased by the County of Humboldt from you. The county department using the property is amenable to sharing the space with UPS to accommodate expanded package transport logistics for the holiday season.

County is asking your authorization to proceed with a sublease to formalize this potential shared use of your property. The county would not make any profit from this proposed sublease. If you are agreeable, please print your name and sign in the box below and return this letter to me using the enclosed pre-addressed envelope.

If you have any questions, please feel free to call me at 707-268-2687.

Sincerely,

Erin D. Damm
Sr. Real Property Agent
Facilities Division
1106 2nd Street
Eureka, CA 95501

I, FRED H. LUNOBLADE, do authorize County of Humboldt to proceed with negotiating a sublease for shared use of a portion of Assessor's Parcel Number 003-121-050.

I understand that I will be required to execute any sublease developed between the County of Humboldt and UPS, as the Owner of the subject property.

OWNER

Enclosed: Draft sublease exhibit showing shared use of APN 003-121-050
CC: Department of Health and Human Services, General Services Manager

UNITED PARCEL SERVICE, INC.

Assistant Secretary's Certificate

I, Ryan C. Swift, do hereby certify that:


I am a duly elected and qualified Assistant Secretary and the keeper of the records and corporate seal of United Parcel Service, Inc., a corporation organized, existing and in good standing under the laws of the State of Ohio (the "Company").

I further certify that:

1. Attached hereto as *Exhibit A* is a true, correct and complete copy of the resolutions duly adopted by the Board of Directors of the Company by unanimous written consent effective as of May 12, 2014, electing a new slate of officers including Mr. Stephen Slifer. Mr. Slifer was elected as Vice President of the Company and continues to hold such office and authority thereunder as of the date below.

IN WITNESS WHEREOF, I have signed this certificate of the Company as of the date hereof.

Date: November 17, 2016


 Ryan C. Swift
 Assistant Secretary

STATE OF GEORGIA)
COUNTY OF FULTON)

This instrument acknowledged before me by Ryan C. Swift, who personally appeared and is known to me or proved to me on the basis of satisfactory evidence, did sign the foregoing instrument, and that the same was his voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal this 17th day of November of 2016.


 Notary Public

My commission expires: MAY 9, 2017



Exhibit A

UNANIMOUS WRITTEN CONSENT
IN LIEU OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF
UNITED PARCEL SERVICE, INC.

* * * * *

The undersigned, being all of the members of the Board of Directors (the "Board") of United Parcel Service, Inc., an Ohio corporation (the "Company"), and acting in accordance with Section 1701.54 of the Ohio Revised Code, without the formality of a meeting, do hereby unanimously consent to and adopt the following resolutions. It is the intent of the undersigned that this consent be executed in lieu of a meeting of the Board, and that it shall be filed with the minutes of proceedings of this Board.

ELECTION AND REMOVAL OF OFFICERS

RESOLVED, that the individuals listed on Exhibit A be, and hereby are, elected as officers of the company in the capacity noted on Exhibit A, effective as of the date indicated, to serve in such capacity at the pleasure of the Board of Directors until the next annual meeting of the Board of Directors of the Company and until qualified successors have been elected, or until their earlier death, resignation, incapacity to serve, or removal;

FURTHER RESOLVED, that the individuals listed on Exhibit A be, and hereby are, removed as officers of the Company; and

FURTHER RESOLVED that any and all acts taken or performed by the individuals listed on Exhibit A, prior to the date of these resolutions that is within the authority conferred herein, is ratified, confirmed and approved.

United Parcel Service, Inc. (Ohio)
May 12, 2014
Page 2

IN WITNESS WHEREOF, the Directors of the Company have caused this
Consent to be executed effective as of the 12th day of May, 2014.



D. SCOTT DAVIS



KURT P. KUEHN



TERI P. MCCLURE

United Parcel Service, Inc. (Ohio)
May 12, 2014
Page 3

EXHIBIT A

Officer Elections

<u>Name</u>	<u>Title</u>	<u>Effective Date</u>
Steven Gaut	Vice President	January 1, 2014
Stephen Slifer	Vice President	April 17, 2014
Chris Staples	Vice President	January 1, 2014
William T. Taylor	Vice President	November 15, 2013

Officer Removals

<u>Name</u>	<u>Title</u>	<u>Effective Date</u>
P. Charles Altimari	Vice President	April 17, 2014
Daniel R. Shaw	Assistant Treasurer	May 5, 2014

ATTACHMENT 5 (IN DUPLICATE)

SUBLEASE

This SUBLEASE is made and entered into this 7 day of November, 2017, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and United Parcel Service, Inc., an Ohio corporation (doing business as UPS), hereinafter referred to as SUBLESSEE.

WHEREAS, COUNTY leases property located at 790 West Clark Street, Eureka, California, from Fred H. Lundblade, sole proprietor, hereinafter referred to as LESSOR; and

WHEREAS, LESSOR has consented to and approved the SUBLEASE between COUNTY and SUBLESSEE; and

WHEREAS, SUBLESSEE desires to sublease two parking bays for parking, loading and unloading transport vehicles, and COUNTY desires to sublease the two parking bays described herein ("premises") to SUBLESSEE;

NOW, THEREFORE, it is mutually agreed as follows:

1. PREMISES

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

Use of approximately two thousand nine hundred thirty square feet (2,930 sq. ft.), also described as parking bays number 2 and 3 beneath and in front of the building awning at 790 West Clark Street, also known as Assessor's Parcel No. 003-121-050, as shown on Exhibit A, which is attached hereto and incorporated herein.

The SUBLEASE premises shall not include the use of parking bay number 1 beneath and in front of the building awning, and SUBLESSEE shall not place any items outside of its designated use area.

2. USE OF PREMISES

The designated SUBLEASE premises shall be used by SUBLESSEE for parking, loading and unloading transport vehicles.

3. QUIET ENJOYMENT

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

SUBLEASE

4. TERM OF SUBLEASE

The term of this SUBLEASE, following the approval by Humboldt County Board of Supervisors, shall commence on November 15, 2017 and shall not exceed January 15, 2018.

5. RENT

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

For the portion of the month of November, specifically the 15th through the 30th, 2017, a prorated rental fee of One Thousand Thirty-one Dollars and Thirty-six Cents (\$1,031.36).

For the month of December, 2017, a rental fee of One Thousand Nine Hundred Thirty-three Dollars and Eighty Cents (\$1,933.80).

For the portion of the month of January, specifically the 1st through the 15th, 2018, a prorated rental fee of Nine Hundred Sixty-six Dollars and Ninety Cents (\$966.90).

Rent shall be paid in advance on the first day of each month the SUBLESSEE has authorized use of the subleased premises.

6. SMOKING

Pursuant to Humboldt County Code §971-1 et seq., smoking shall be prohibited in all COUNTY owned, leased, rented, controlled or subleased premises. SUBLESSEE shall comply with said provision.

7. UTILITIES

SUBLESSEE agrees to furnish and pay for all charges for gas, refuse collection, electricity, water, sewer and local telephone service supplied to and used in the subleased premises by SUBLESSEE.

8. JANITORIAL

No janitorial services are provided by COUNTY for subleased premises. SUBLESSEE shall remove all trash from the premises and properly dispose of it at SUBLESSEE'S own expense.

9. MAINTENANCE AND REPAIRS

During the term of this SUBLEASE or any extension thereof, SUBLESSEE shall be responsible for:

- A. Any repairs caused by negligence of SUBLESSEE'S personnel or clients.
- B. Any repairs to SUBLESSEE'S personal property.

SUBLEASE

10. IMPROVEMENTS AND ALTERATIONS

SUBLESSEE may not make improvements or alterations to the premises to accommodate SUBLESSEE'S use of the premises.

11. INSTALLATION AND REMOVAL OF TRADE FIXTURES

SUBLESSEE may cause or permit to be installed and/or affixed to the premises such fixtures, signs and equipment as SUBLESSEE deems desirable and all such fixtures and equipment shall remain the property of SUBLESSEE and shall be removed no later than the termination of this SUBLEASE, provided that SUBLESSEE, at its expense, shall repair any damage caused by such installation, affixing and/or removal. All such fixtures and equipment that are to be installed and/or affixed to the premises shall be approved in writing by COUNTY prior to its installation and/or affixing to the premises.

12. SUBLESSEE'S RIGHT TO ERECT SIGNS

Upon COUNTY'S approval, SUBLESSEE shall have the right to erect and maintain signs upon the premises and signs shall remain the property of SUBLESSEE and shall be removed no later than the termination of this SUBLEASE, provided that SUBLESSEE, at its expense, shall repair any damage caused by such installation and/or removal. All such signs shall be approved in writing by COUNTY prior to installation.

13. HOLD HARMLESS/INDEMNIFICATION

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

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

14. SUBLESSEE'S INSURANCE

This SUBLEASE shall not be executed by COUNTY and SUBLESSEE is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

SUBLEASE

Without limiting SUBLESSEE'S indemnification provided for herein, SUBLESSEE shall and shall require any of its subcontractors to take out and maintain, throughout the period of this SUBLEASE 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 SUBLESSEE, 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

SUBLESSEE is responsible for providing "All-Risk" Property Insurance for its contents on the premises at this location.

C. Workers' Compensation Insurance 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.

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

15. 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 SUBLEASE 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:

SUBLEASE

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 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).

16. SPECIAL INSURANCE REQUIREMENTS

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

A. SUBLESSEE

1. The Comprehensive General Liability Policy shall provide that 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 SUBLESSEE. The coverage shall contain no special limitations on the scope of protection afforded to 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.
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

SUBLEASE

SUBLESSEE 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 SUBLESSEE'S insurance and will not be called upon to contribute with it.

2. SUBLESSEE shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this SUBLEASE by COUNTY. The endorsements shall be on forms as approved by 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 SUBLESSEE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this SUBLEASE, take out the necessary insurance, and SUBLESSEE 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 SUBLESSEE under this SUBLEASE.

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

a. Contains a cross liability, severability of interest or separation of insureds clause.

b. The policies 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 SUBLESSEE 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.

c. SUBLESSEE shall furnish COUNTY with certificates and original endorsements effecting the required coverage of this SUBLEASE by COUNTY.

B. SUBLESSEE AND COUNTY

1. SUBLESSEE and COUNTY 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.

SUBLEASE

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

17. PARKING

Subleased premises may not be used for SUBLESSEE staff's personal vehicle off-street parking spaces.

18. 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 SUBLESSEE, 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 (18).

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, COUNTY shall have the option to rebuild or to terminate this SUBLEASE. Such option shall be exercised by COUNTY by notice in writing to SUBLESSEE within seven (7) days following the date of loss. COUNTY'S option to rebuild shall not constitute a waiver of COUNTY'S right to terminate this SUBLEASE, as provided in this paragraph (18).

19. USE UNLAWFUL OR PREMISES CONDEMNED

If it becomes unlawful for SUBLESSEE 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, SUBLESSEE shall have the right at any time thereafter to terminate this SUBLEASE by giving COUNTY seven (7) days notice in writing of such termination.

20. PREMISES UNUSABLE

If as a result of causes, such as flood, strikes, riots, insurrection, or other similar or different causes beyond the control of COUNTY, the premises shall become unusable from a practical standpoint for a period of ten (10) consecutive days or longer, then SUBLESSEE may: (1) terminate the SUBLEASE upon seven (7) days written notice to COUNTY, (2) by notice in writing to COUNTY prorate the rent for the period of time the premises are unusable from a practical standpoint or (3) by notice in writing to COUNTY at any time prior to the date when this SUBLEASE would otherwise terminate, further extend this SUBLEASE without the requirement

SUBLEASE

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.

21. NUCLEAR FREE CLAUSE

SUBLESSEE certifies by its signature below that SUBLESSEE is not a nuclear weapons contractor, in that SUBLESSEE 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. SUBLESSEE 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 SUBLESSEE becomes a nuclear weapons contractor.

22. SUBLESSEE DEFAULT

SUBLESSEE 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 (including, but not limited to, SUBLESSEE'S failure to pay promptly when due all charges, fees, or other payments in accordance with this SUBLEASE) if the failure to perform is not cured within ten (10) days after written notice of the default has been given by COUNTY to SUBLESSEE. If the default cannot reasonably be cured within ten (10) days, SUBLESSEE shall not be in default of this SUBLEASE if SUBLESSEE commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

23. COUNTY'S REMEDIES ON SUBLESSEE'S DEFAULT

COUNTY, at any time after SUBLESSEE is in default, can terminate this SUBLEASE or can cure the default at SUBLESSEE'S cost. If COUNTY at any time, by reason of SUBLESSEE'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 SUBLESSEE 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 SUBLESSEE until COUNTY is reimbursed by SUBLESSEE. 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.

24. 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 SUBLESSEE of any general assignment for the benefit of creditors.

SUBLEASE

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

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

D. 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.

25. 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.

SUBLESSEE:
United Parcel Service, Inc.
2826 Willis Street
Santa Ana, CA 92705
ATTN: Dan Scidmore

COUNTY:
County of Humboldt, Department of Public
Works
Real Property Section
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

26. ASSIGNMENT

This SUBLEASE shall not be assigned by either party.

27. SUBLEASE MODIFICATION

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

SUBLEASE

28. SUBLESSEE NOT OFFICER, EMPLOYEE, OR AGENT OF COUNTY

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

29. 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.

30. WAIVER OF BREACH

The waiver by either party 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.

31. BREACH, REMEDY FOR

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

32. SURRENDER OF PREMISES

At the termination of this SUBLEASE, SUBLESSEE shall surrender the premises to COUNTY in substantially the same condition as at the commencement of this SUBLEASE. SUBLESSEE 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.

33. 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.

SUBLEASE

34. 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.

35. 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 hereto upon the date first written above.

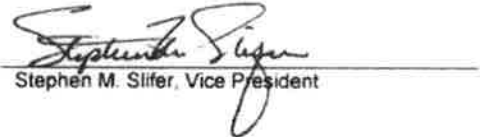
COUNTY OF HUMBOLDT

UNITED PARCEL SERVICE, INC., an
Ohio corporation

BY:


CHAIRMAN
BOARD OF
SUPERVISORS

BY:


Stephen M. Slifer, Vice President

ATTEST:

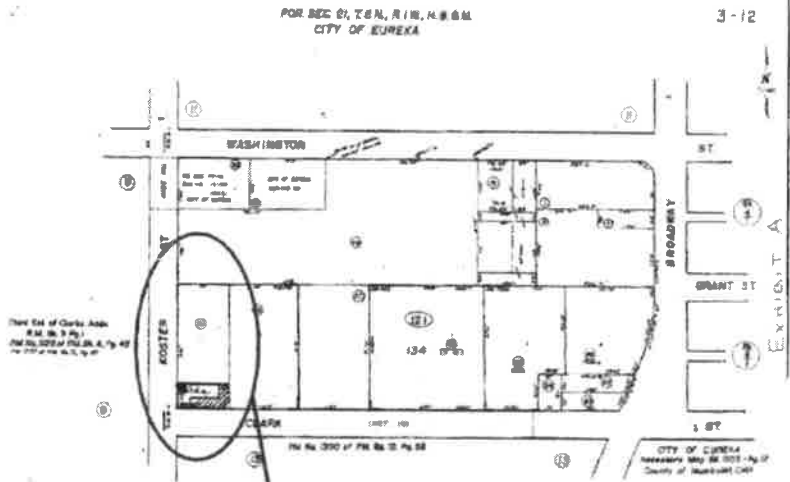
(SEAL)

BY:

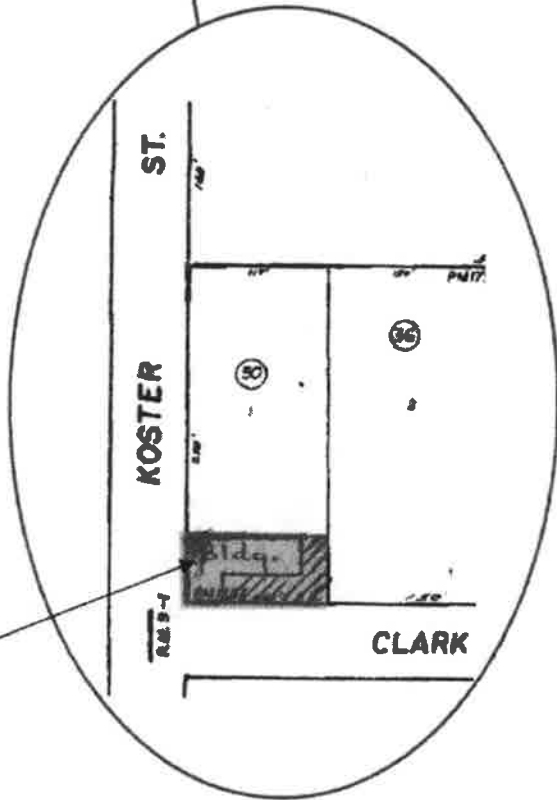

CLERK OF THE BOARD

SUBLEASE
EXHIBIT A, SHEET 1 OF 2

ASSESSOR'S PARCEL
NUMBER 003-121-050



COUNTY LEASED PREMISES



SUBLEASE
EXHIBIT A, SHEET 2 OF 2

■ SUBLEASED PREMISES,
(PARKING BAYS 2 AND 3)

