

Attachment 2 – Lease Insurance modifications



AGENDA ITEM NO.
C-15

COUNTY OF HUMBOLDT

For the meeting of: February 7, 2012

Date: January 10, 2012

To: Board of Supervisors

From: William Damiano, Chief Probation Officer

Subject: Approval of First Amendment To Lease with Elaine Joyce Foote Revocable Trust

RECOMMENDATIONS:

That the Board of Supervisors:

1. Approve and authorize the Chairperson to execute the attached First Amendment To Lease with Elaine Joyce Foote Revocable Trust, for office space located at 404 H Street, in Eureka.
2. Direct the Clerk of the Board to return one executed original of the First Amendment To Lease to Public Works-Real Property Division for transmittal to the Lessor.

SOURCE OF FUNDING:

State of California 2011 Public Safety Realignment funds.

DISCUSSION:

On, December 6, 2011, the Board of Supervisors approved a lease agreement with Elaine Joyce Foote Revocable Trust for office space located at 404 H Street in Eureka. The office will be used as the Day Reporting Center for the recently adopted Humboldt County Public Safety Realignment Plan.

Prepared by Mark Magladry, Administrative Services Officer

CAO Approval

REVIEW:	Auditor	County Counsel	Personnel	Risk Manager	Other
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor

Seconded by Supervisor

And unanimously carried by those members present.

The Board hereby adopts the recommended action contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. C-20

Dated: Kathy Hayes, Clerk of the Board

Meeting of: 12/6/10

By:

Upon review of the lease by the Public Works-Real Property Division, it was determined that sections of the insurance language needed to be amended. The amended lease agreement changes the language in Section 17, B, Property Insurance, whereas the County shall provide evidence of insurance with a Loss Payee endorsement naming the Elaine Joyce Foote Revocable Trust as loss payee.

In addition, Paragraphs A and B of Section 18, Special Insurance Requirement, are amended to clarify the terms regarding the County's and Lessor's requirement for Comprehensive General Liability Policy coverage.

FINANCIAL IMPACT:

The purpose of the amended lease is to clarify the insurance language and does not change the financial terms of the original lease. The approval of the amended lease creates no additional financial impact to the County.

OTHER AGENCY INVOLVEMENT:

Public Works-Real Property Division has prepared the amended lease.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board can choose not to approve the amended lease with Elaine Joyce Foote Revocable Trust; however, this is not recommended. The Humboldt County Community Correction Partnership (CCP) considers the lease of 404 H Street as a key element for the County's Public Safety Realignment Plan and work has begun by outside contractors and County staff, to prepare the office.

ATTACHMENTS:

1. Original lease with Elaine Joyce Foote Revocable Trust
2. Proposed First Amendment To Lease with Elaine Joyce Foote Revocable Trust

FIRST AMENDMENT TO LEASE

This Amendment to the Lease entered into on December 6, 2011, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter called COUNTY and Elaine Joyce Foote Revocable Trust, hereinafter called LESSOR, is entered into this 9 day of February, 2012.

WHEREAS, the parties entered into a Lease for the use of the premises at 404 H Street, Eureka, CA for the purpose of offices for County programs managed by the Probation Department; and

WHEREAS, COUNTY and LESSOR desire to revise the insurance clauses and to amend the Lease as specified.

NOW, THEREFORE, it is mutually agreed as follows:

1. Section 17, B, of the Lease is amended to read as follows:

B. Property Insurance

COUNTY is responsible for providing an "All-Risk" Property Insurance for the building and its contents for this location. COUNTY shall provide a certificate or evidence of insurance along with a Loss Payee endorsement naming the LESSOR as a loss payee.

2. Section 18, A, 1, of the Lease is amended to read as follows:

1. The Comprehensive General Liability Policy shall provide that the COUNTY, its officers, employees, and volunteers 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 the COUNTY, its officers, officials, employees, and volunteers and 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. 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 as "XCU Hazards"
- c. Does not contain a pro-rata, excess only, and/or escape clause
- d. Contains a cross liability, severability of interest or separation of insureds clause
- e. 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 LESSOR 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.

3. Section 18, B. 1, of the Lease is amended to read as follows:

The Comprehensive General Liability Policy shall provide that the LESSOR, its officers, officials, employees, and volunteers are covered as additional insured for liability arising out of the operations performed by or on behalf COUNTY. The coverage shall contain no special limitations on the scope of protection afforded to the LESSOR, 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 as "XCU Hazards"
- c. Is primary insurance as regards to LESSOR
- 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 LESSOR 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 LESSOR with proof satisfactory to LESSOR that equal or better insurance has been secured and is in place.

4. In all other respects the Lease between the parties entered into on December 6, 2011, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment To Lease dated December 6, 2011, on the date indicated above.

(SEAL)

ATTEST:

CLERK OF THE BOARD

COUNTY OF HUMBOLDT

By

Mikki Turner

By

Vernon Barr

Chair, Board of Supervisors
County of Humboldt
State of California

APPROVED AS TO FORM:

LESSOR:

By

Amy Olsen
Risk Manager

By

Glenn Jayce Foster

Title

Owner