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This Lease is made and entered into this 12 day of March, 2019, by and between the COUNTY OF HUMBOLDT, a political subdivision of the State of California, hereinafter referred to as COUNTY, and ROBERT R. JONES, DBA PUBA PROPERTIES, a SOLE PROPRIETORSHIP hereinafter referred to as LESSOR;

WHEREAS, COUNTY desires to continue 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:

A. Assessor Parcel Number (APN) 003-121-045 located at 600 West Clark Street, Eureka, County of Humboldt, State of California, as shown on Exhibit A, which is attached hereto and incorporated herein.

B. Current occupied premises – Approximately 17,600 square feet, including off-street parking, as shown in Exhibit B, which is attached hereto and incorporated herein.

2. USE OF PREMISES

A. The premises shall be used by COUNTY for county offices as determined by COUNTY. At the commencement of this Lease, COUNTY intends to use the premises for offices, warehouse storage, and issuance of public benefits and other public support activities for the Department of Health and Human Services.

B. COUNTY shall not commit any waste or any public or private nuisance upon the premises. COUNTY shall not install (nor permit the placement by any subtenant) any underground fuel or hazardous material containing storage tanks or lines.

C. COUNTY shall comply with all laws, rules, and orders of all federal, state, and municipal governments or agencies that may be applicable to use of the premises.

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.

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4. TERM OF LEASE

A. The initial term of this Lease shall be for a period of ten (10) years commencing upon the first of the month following the date first indicated above and ending after ten (10) years has lapsed, on the last day of the month first indicated above.

B. Provided the Lease is in full force and effect and COUNTY is not in default under any of the terms and conditions of the Lease at the time of notification, COUNTY has the option to extend this Lease, upon the same terms and conditions, for two (2) five (5) 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 no less than ninety (90) days prior to the end of the initial term or any five (5) year option term.

C. Any holding over with LESSOR'S consent beyond the term of this Lease shall be a month-to-month tenancy only and not a renewal or extension of this Lease, subject to a thirty (30) day notice of termination by either party at any time during the hold over period. The month-to-month tenancy shall be subject to all the terms and conditions of this Lease.

5. RENT

A. COUNTY shall pay to LESSOR a one-time rent payment of Nineteen Thousand Two Hundred Dollars and Seventy Eight Cents (\$19,200.78) due upon the commencement date of this lease. This amount represents the difference in rent between the new rent of Fifty Eight Thousand Five Hundred Dollars (\$58,500.00) for the months of January, February, and March and the paid rent of Thirty Nine Thousand Two Hundred Ninety Nine Dollars and Twenty Two Cents (\$39,299.22) for the months of January, February, and March.

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

Nineteen Thousand Five Hundred Dollars (\$19,500.00)

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.

C. If said rent is not paid by the tenth (10th) of each month, it shall be considered delinquent and COUNTY shall pay to LESSOR an amount equal to

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five percent (5%) of the past due amount. This provision shall not apply to rent paid for the first month of the fiscal year (July). Parties agree that rent for this month shall be deemed late if said rent is not paid by the fifteenth (15th) of said month.

D. Beginning on July 1, 2020 and each July 1st thereafter during the term and any option terms of this Lease, COUNTY will increase or decrease the monthly rent payable under this Lease as defined in Paragraph 5. The new rental rate shall be determined by multiplying Nineteen Thousand Five Hundred Dollars and Zero Cents (\$19,500.00) by one plus the percentage which the Consumer's Price Index, U.S. Bureau of Statistics, U.S. City Average, All Items Series A (1982-1984 = 100) Urban Wage Earners and Clerical Worker, for the preceding April increased over or decreased under the same Index for the month of April 2020, which shall be the base period. Notwithstanding any other provisions contained herein, no CPI adjustments will accrue or be paid during any agreed periods of free rent. In no event shall the monthly rent be less than Nineteen Thousand Five Hundred Dollars and Zero Cents (\$19,500.00). Regardless of the CPI percentage change, the increase or decrease for any one year will be no more than three percent (3%).

6. BUILDING STANDARDS AND COMPLIANCE WITH LAWS

LESSOR covenant 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.

COUNTY covenant and warrants that prior construction and remodeling performed by COUNTY under the previous Lease were done in accordance with all local, state and federal laws and regulations, including but not limited to, the Americans with Disabilities Act.

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 thirty (30) days written notice if any of the above mentioned applicable laws, standards, or criteria are not complied with.

7. SMOKING

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

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8. UTILITIES

COUNTY agrees to pay for all charges for utilities, including but not limited to, propane and/or gas, refuse collection, electricity, water and sewer supplied to and used in the leased premises by COUNTY. COUNTY shall pay for its own security, telephone, data and communications services.

9. ENTRY

Except in cases of emergency in which case LESSOR shall immediate access to the premises, COUNTY shall permit, upon twenty-four (24) hours' notice, LESSOR or LESSOR's agents, representatives, or employees to enter the premises at all reasonable times to inspect the premises and to do other lawful acts that may be necessary to protect LESSOR'S interests in the premises under this Lease or to perform LESSOR'S duties under this Lease.

10. JANITORIAL, LANDSCAPE, SECURITY PATROL

COUNTY shall be responsible for janitorial services, litter removal and sweeping of premises and adjacent city sidewalk, any landscaping inside perimeter fencing, striping of parking area, and security patrol use.

LESSOR shall be responsible for landscaping outside perimeter fencing which front Clark Street.

11. MAINTENANCE AND REPAIRS

A. 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 following:

1. Exterior building siding, painting, windows, doors, awnings, eaves, fencing, and gates.

2. Roof, including gutters and down spouts, and any problems caused by failure of the roof system.

3. Plumbing service into the building, plus in attic, walls and floors, and any problems caused by plumbing failure therein including mainline drainage failures.

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4. Parking lot structural section (patching, sealing and structural repairs) and City sidewalks.

5. Maintenance and repair of HVAC system.

The HVAC system shall be maintained and operated by LESSOR 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. 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 HVAC filters quarterly.

LESSOR shall clean the HVAC vents quarterly.

6. Structural floor repair or replacement of building floor.

7. Electrical service into the building, plus lines in attic, walls, floor and any problems caused by major electrical failure.

8. 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 section, 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 commence to perform its obligations within the time limitations in this section, 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 Section 29 of this Lease.

B. COUNTY shall be responsible for the following maintenance and repairs to the premises:

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Interior and exterior

1. Light lenses and bulbs, ballasts, photo-eye sensors, subpanel circuit breakers, and minor electrical repairs.
2. All plumbing malfunctions that are not the obligation of LESSOR to repair, including but not limited to, faucets, drinking fountains, and toilet repairs; unstopping of toilets and sinks, and exterior wash apron drains.
3. Any repairs necessitated by negligence of COUNTY personnel, its contractors, or subcontractors or COUNTY invitee(s).
4. Any repairs to phone, data, computer, security system(s) or installation thereof.
5. Floor coverings, including but not limited to carpet and vinyl, repairs and replacement.
6. Interior painting touch-up.
7. Damaged ceiling tiles, unless caused by plumbing failure or roof leaking.
8. Non-structural repair or replacement of interior glass or doors.
9. Pest control and repair, with the exception of pests not attracted by COUNTY'S use of building.
10. Restriping of parking lot, speed humps.

COUNTY shall have ten (10) days after notice from LESSOR to commence to perform its obligations under this paragraph, except that COUNTY shall perform its obligations immediately if the nature of the problem presents a material hazard or emergency as determined by LESSOR. If COUNTY does not commence to perform its obligations with the time limitations in this paragraph, LESSOR, after notice to COUNTY, can perform the obligations and has the right to be reimbursed for the sum LESSOR actually and reasonably expended (including charges for LESSOR'S employees and equipment) in the performance of COUNTY'S obligations. If COUNTY does not reimburse LESSOR within ten (10) days after demand from LESSOR, LESSOR shall have the right to charge monthly interest at the maximum rate an individual is permitted to charge by law. 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 Section 29 of this Lease.

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C. With regard to nonemergency maintenance/repairs that cannot be cured within ten (10) days and the party responsible for such maintenance/repairs commences to cure the maintenance/repair problem within ten (10) days and diligently and in good faith continues to cure the problem, the party shall not be in default.

12. IMPROVEMENTS AND ALTERATIONS

A. COUNTY and LESSOR shall agree in writing prior to any alterations or improvements desired by COUNTY. In the event alterations are agreed to and COUNTY elects not to perform the work, any such work, when mutually and contractually agreed in writing by both parties, may be performed by LESSOR in accordance with professionally developed plans and specifications.

B. Modifications or alterations at COUNTY'S request costing over Forty-Five Thousand Dollars (\$45,000.00) shall be made only after an amendment to this Lease, detailing how COUNTY shall pay LESSOR in advance for the modifications, has been made and authorized by both parties.

C. LESSOR covenants and warrants that any work performed by LESSOR on the premises will be done in accordance with all local, state and/or federal laws and regulations including but not limited to the Americans with Disabilities Act. All such work shall have required permits before work commences.

D. Prior to installation, COUNTY and LESSOR shall agree in writing that any alteration/improvement shall either be removed by COUNTY or shall automatically become the property of LESSOR upon termination of this Lease. COUNTY shall remove any alterations/improvements installed by COUNTY or installed at COUNTY'S request that it has agreed to remove within thirty (30) days of the termination date and, at its expense, repair any damage caused by reason of such removal. Lacking written agreement to the contrary, any alteration or improvement performed by COUNTY, or performed at COUNTY'S request at any time during the term of this or any previous Lease for the premises between LESSOR and COUNTY and not removed from the premises by COUNTY within thirty (30) days after the termination date of this lease shall be deemed abandoned by COUNTY and shall automatically become the property of LESSOR without prejudice to any other rights of LESSOR under this Lease.

E. COUNTY may make non-structural alterations or improvements to the premises, costing less than Forty-Five Thousand Dollars (\$45,000.00), 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.

F. COUNTY agrees to remove the "wall of disbursement windows" in Room 101 shown on the floorplan attached as Exhibit "B" within thirty (30) days of the termination date and, at its expense, repair any damage caused by reason of such removal.

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G. 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:

1. Telephone cable;
2. Key system units;
3. Intercom system;
4. Telephones;
5. Data system; and
6. Security system.

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

13. 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 in writing prior to installation. Such consent shall not be unreasonably withheld.

14. 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.

15. REAL PROPERTY TAXES

- A. COUNTY shall pay all real property taxes and general and special assessments levied and assessed against the premises during the term of this Lease.

LESSOR shall provide COUNTY with the tax bills within five (5) days of receipt by LESSOR.

- B. If COUNTY fails to pay the taxes within thirty (30) days of the last day on which payment may be made without penalty or interest, LESSOR may, but shall not be obligated to, pay those taxes, together with interest and penalties.

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Any amounts that LESSOR may pay pursuant to this provision, together with interest at the rate of five percent (5%) per annum, shall be repaid to LESSOR by COUNTY on demand as additional rent.

- C. For any fraction of a tax year at the beginning or end of the term, or any extensions, COUNTY's obligation shall be prorated as of the commencement or end of the Lease term or any extension. For any such fraction of a tax year at the beginning of said term, COUNTY agrees to reimburse LESSOR for COUNTY'S portion of such taxes within thirty (30) days after presentation to COUNTY of receipted copies of the tax bills covering the same. For any such fraction of a tax year at the end of the Lease term, or any extension, LESSOR agrees to reimburse COUNTY for LESSOR'S portion of such taxes within thirty (30) days after presentation to LESSOR of receipted copies of the tax bills.

16. HOLD HARMLESS/INDEMNIFICATION

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

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

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

17. 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, are filed with the Clerk of the Humboldt County Board of Supervisors.

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

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

18. 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 Lease 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 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 per occurrence for any one incident, including personal injury, death and property damage. If a general aggregate limit is used, either

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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).

19. SPECIAL INSURANCE REQUIREMENTS

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

A. LESSOR

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 LESSOR. 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 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 29 of this Lease. It is further understood that LESSOR shall not terminate such coverage until it provides

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

2. LESSOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Lease 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 LESSOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Lease, take out the necessary insurance, and LESSOR 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 LESSOR under this Lease.

3. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered and LESSOR 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 LESSOR, 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 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 "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 LESSOR and in accordance with the Notice provisions set forth under section 29 of this Lease. It is further understood that COUNTY shall not terminate such coverage

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until it provides LESSOR with proof satisfactory to LESSOR that equal or better insurance has been secured and is in place.

e. COUNTY shall furnish LESSOR with certificates and original endorsements effecting the required coverage of this Lease by LESSOR.

C. COUNTY AND LESSOR

1. COUNTY and LESSOR 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 LESSOR, COUNTY, their officers, officials, employees, and volunteers.

20. PARKING

The leased premise includes a paved parking lot, which is included in the rent in paragraph 5 of this lease. Both parties shall be responsible for all maintenance and repair of the parking lot as described in Section 11 of this Lease.

21. DESTRUCTION OF PREMISES

A. 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 section.

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

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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 section.

B. COUNTY agrees to notify LESSOR in writing promptly if any damage to the premises resulting from fire, earthquake, or other identifiable event of a sudden, unexpected, or unusual nature (casualty). If the premises are damaged by a casualty, and if neither LESSOR nor COUNTY has elected to terminate this Lease under this paragraph 21, LESSOR shall promptly and diligently restore the premises, the COUNTY improvements originally constructed by LESSOR, and COUNTY parking facilities to substantially the same condition as existed before the casualty, except for modifications required by building codes and other laws.

C. LESSOR shall, within thirty (30) days after the date of the casualty, provide written notice to COUNTY indicating the anticipated period for repairing the casualty (repair period notice). The repair period notice shall be accompanied by a written statement executed by the contractor retained by LESSOR to complete the repairs or, if LESSOR has not retained a contractor, a licensed contractor not affiliated with LESSOR, certifying the contractor's opinion about the anticipated period for repairing the casualty. The repair period notice shall also state, if applicable, LESSOR's election either to repair or to terminate the LEASE under paragraph 21(D).

D. LESSOR may elect either to terminate this Lease or to effectuate repairs if:

- 1) The repair period notice estimates that the period for repairing the casualty exceed one hundred eighty (180) days from the date of the commencement of the repairs.
- 2) The estimated repair cost exceeds the insurance proceeds, if any, available for such repair (not including the deductible, if any, on LESSOR'S property insurance), plus any amount that COUNTY is obligated or elects to pay for such repair.
- 3) The building cannot be restored except in a substantially different structural or architectural form than existed before the casualty.

LESSOR's election shall be stated in the repair period notice.

E. If the repair period notice provided by LESSOR indicates that the anticipated period for repairing the casualty exceeds one hundred eighty (180) days, COUNTY may elect to terminate this Lease by providing written notice (COUNTY'S termination notice) to LESSOR within thirty (30) days after receiving the repair period notice. If COUNTY does not elect to terminate

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within this thirty (30) day period, COUNTY shall be considered to have waived the option to terminate.

- F. LESSOR and COUNTY agree that COUNTY'S rent shall be fully abated during the period beginning on the later of the date of the casualty or the date on which COUNTY ceases to occupy the premises and ending on the date of substantial completion of LESSOR'S restoration obligations as provided in this paragraph 21 (abatement period). If, however, COUNTY is able to occupy and does occupy a portion of premises, rent shall be abated during the abatement period only for the portion of the premises not occupied by COUNTY subject to paragraph 21(E), the rent abatement provided in this paragraph 21(F) is COUNTY'S sole remedy due to the occurrence of the casualty. LESSOR shall not be liable to COUNTY or any other person or entity for any direct, indirect, or consequential damage, including lost profits of COUNTY or loss of or interference with COUNTY's operations, contractors, licenses, or invitees, due to, or arising out of, or as a result of the casualty, including, but not limited to the termination of the Lease in connection with the casualty.
- G. Despite any other provision of this paragraph 21, if the premises are destroyed or damaged by a casualty during the last eighteen (18) months of the lease term, LESSOR and COUNTY shall each have the option to terminate this Lease by giving written notice to the other of the exercise of that option within thirty (30) days after that damage or destruction.

22. 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) day notice in writing of such termination.

23. 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.

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24. LESSOR DEFAULT

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.

25. 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 section, 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 section are in addition to and do not in any manner limit other remedies set forth in particular sections of this Lease.

26. COUNTY DEFAULT

Except where another time limit is specifically provided in the Lease, COUNTY 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 LESSOR to COUNTY. COUNTY shall not be in default of this Lease if COUNTY commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default.

27. LESSOR'S REMEDIES ON COUNTY'S DEFAULT

In the event of any default not cured by COUNTY within ten (10) days herein set forth, LESSOR may re-enter and regain possession of premises in the manner provided by the laws of unlawful detainer of the State of California then in effect. In addition, LESSOR may, in the event of default by COUNTY, elect to exercise any of the remedies described in California Civil Code Sections 1951.2 and 1951.4. LESSOR may continue Lease in effect after COUNTY's breach and abandonment and recover rent as

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it becomes due, if COUNTY has the right to sublet or assign, subject only to reasonable limitations.

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 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.

LESSOR: Robert R. Jones
DBA PUBA Properties
2185 Greenwood Heights Drive
Kneeland, CA 95549

COUNTY: County of Humboldt
Department of Public Works
Attn: Real Property Agent
1106 Second Street

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Eureka, CA 95501

All insurance notices shall also be sent to:

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

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

30. ASSIGNMENT

COUNTY shall not sublease or assign COUNTY'S interest in this Lease or in the premises without first obtaining LESSOR'S written consent. Provided, however, that LESSOR shall not arbitrarily or unreasonably withhold consent to such an assignment. No consent to any assignment or sublease shall constitute a further waiver of the provisions of this paragraph.

LESSOR may, at any time assign this Lease to any party without COUNTY'S consent subject to the following:

(1) LESSOR shall provide COUNTY with written notice of the assignment no less than sixty (60) days prior to its effective date;

(2) Any assignee shall agree in writing to become LESSOR under this Lease and assume all of LESSOR'S obligations from and after the effective date of assignment; and,

(3) LESSOR shall remain liable for any matters that accrued prior to the effective date of assignment.

COUNTY may object by written response within ten (10) days of notice from LESSOR if it determines that the proposed assignee violates the provisions of Section 23 entitled "NUCLEAR FREE CLAUSE" herein, specifying the nature of the violation. LESSOR shall respond in writing to COUNTY within ten (10) days of receipt of COUNTY'S response by: (1) cancelling the assignment; or, (2) denying COUNTY'S objection and proceeding with the assignment.

If LESSOR refuses to cancel the proposed assignment, the parties shall submit to binding arbitration upon the written request of COUNTY after service of that request on LESSOR. Failure of COUNTY to serve the request for arbitration on LESSOR within ten (10) days of receiving LESSOR'S denial letter shall result in COUNTY'S waiver of its objection to the assignment. The parties shall agree on the arbitrator, and the arbitration shall be conducted pursuant to the American Arbitration Association ("AAA") rules. If the parties cannot agree, then the Superior Court of Humboldt County shall choose an

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impartial arbitrator whose decision shall be final and conclusive on all parties. The costs and fees of arbitration shall be apportioned between the parties in such proportion as the arbitrator shall decide. The parties shall bear their own legal fees and costs. The sole and exclusive venue for the arbitration and or any legal dispute shall be Humboldt County, California.

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. ATTORNEY'S FEES

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

34. WAIVER OF BREACH

The waiver by COUNTY or LESSOR 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; and the acceptance of rent shall not constitute a waiver of any breach of any term of this Lease, except as to the payment of rent accepted.

35. REMEDY FOR BREACH

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

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At the termination of this Lease and subject to the hold over protocol set forth in Section 4.C., 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. PREMISES INSPECTION BY CERTIFIED ACCESS SPECIALIST

A. The Premises have undergone an Americans with Disabilities Act (ADA) Access Compliance Assessment.

B. The Premises have not been issued a disability access inspection certificate. Pursuant to Civil Code section 1938(e):

A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASP inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASP inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASP inspection, the payment of the fee for the CASP inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

40. ACCESSIBILITY COMPLIANCE

LESSOR and COUNTY shall be responsible for all local, state, and federal accessibility laws, standards, and regulations including, but not limited to, ADA compliance based on the following:

A. LESSOR shall complete all accessibility barrier removals within the area outlined by the heavy line as shown in Exhibit C – Site Plan, and as delineated in

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Exhibit C – Barrier List, and Exhibit C - ADA ACCESS COMPLIANCE ASSESSMENT by SZS (the “ADA Assessment Report”).

B. COUNTY is responsible for all interior building accessibility and ADA requirements as delineated in Exhibit C – Barrier List, and Exhibit C – ADA ACCESS COMPLIANCE ASSESSMENT by SZS and for the remediation of all other local, state, and federal ADA and accessibility compliance matters effecting the premises during the course of this Lease.

C. Completion of work is subject to COUNTY’S CASp inspection at COUNTY expense.

D. LESSOR shall complete all accessibility barrier removal as specified in Exhibit C within one hundred eighty (180) calendar days of execution of this Lease. If modifications by LESSOR are not completed within this time period, the COUNTY shall have the option to either terminate this lease or proceed with this lease.

E. For work performed by LESSOR under the terms of this Lease, LESSOR hereby guarantees to COUNTY to rectify, at LESSOR’s sole cost and expense, any defects, shrinkage, or faults in such work which appears within one (1) year of completion.

41. INTERPRETATION

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.

42. COUNTERPARTS CLAUSE

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement, and any amendments hereto, for all purposes.

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

COUNTY OF HUMBOLDT:

LESSOR:
Robert R. Jones

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BY: Ray Bell
CHAIR
TITLE: BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT

BY: Robert R Jones
TITLE: DBA PUBA PROPERTIES,
A SOLE PROPRIETORSHIP

(SEAL)

BY: _____
TITLE: _____

ATTEST: RS
TITLE: CLERK OF THE BOARD
Ryan Sharp, Deputy