

ADDENDUM TO THE COMMERCIAL LEASE AGREEMENT

LESSOR: JOHN BARLEYCORN INVESTMENTS LLC

LESSEE: COUNTY OF NEVADA

DATED AS OF SEPTEMBER 13, 2023

SECTION 40: OTHER TERMS AND CONDITIONS/SUPPLEMENTS:

- a. COMPLETION OF THE WAREHOUSE- COUNTY COMMITMENTS The Parties agree to enter into a standard Commercial Lease Agreement with a mutual understand of the following terms:

- (a) The County will lease the Warehouse from the Lessee upon, final inspection and approval by the Nevada County Building Department and with written approval of County acceptance of final completion.
- (b) The term of the lease will begin upon approval and execution from the Board of Supervisors. After August 22, 2046, ownership of the Office and Storage Facility and all Improvements transfers to the County.
- (c) The base rental rate is agreed to begin at \$1.25 per square foot or \$25,275 per month. The lease-lease back rate will increase at 3% annually beginning on the anniversary date for lease-lease back for years 1-15.

During year 15 of the lease-lease back agreement the base rent shall be re-evaluated and adjusted (increased or decreased) based upon prevailing market rental rate for mix use office and warehouse space of similar size in Nevada County for the year 16 adjusted base rent. Evaluated rate must be agreed upon in writing by both parties. The evaluated rate shall not go below \$1.25 per square foot or \$25,275 per month.

Thereafter the new adjusted rate of the lease-lease back will increase at 2% annually for years 16 through August 22, 2046.

- (d) Base Rental Rate payments shall commence upon occupancy or January 1, 2024, whichever occurs first.
- (e) The County shall pay for any and all taxes applicable to the property, property insurance and common area through Triple Net (NNN.) Any change in the NNN shall be notified no less than 30 days prior to January of each year for the next twelve-month period.

- (f) The County shall pay all utilities after occupancy.
  - (g) The County shall maintain the building and mechanical systems in accordance with standard county maintenance practices and will repair any damage caused to the building or mechanical systems by County staff or equipment.
- b. COMPLETION OF THE OFFICE AND STORAGE FACILITY - LESSEE COMMITMENTS The Parties shall enter into the Commercial Lease Agreement as attached with a mutual understand of the following terms subject to John Barleycorn Investment, LLC hired contractor:
- (a) Lessee will keep up to date/active Contractor's License, bonds and insurance in accordance with the requirements of California Contractor Association
  - (b) Lessee will warranty for one (1) year beginning on the commencement date of the Commercial Lease Agreement. The warranty shall cover construction and construction integrity including but not limited to, interior, exterior, mechanical system installations, doors, windows and foundation of the structure and parking area(s).
  - (c) Lessee shall maintain a safe and clean worksite at all times during pre-construction and construction.
  - (d) Lessee shall maintain working hours not earlier than 7am or later than 8pm. Unless otherwise agreed and approved by the Facilities Director.
  - (e) Lessee shall provide portable restrooms and job trailer during pre-construction and construction and shall remove such items upon project completion
  - (f) Lessee shall provide an emergency operations plan to the County prior to construction kick-off.
  - (g) Lessee shall provide project updates as requested or at minimum monthly, to the Director of Facilities and County Airport Manager.
  - (h) Lessee shall obtain all applicable building permits, inspections and testing required during course of construction.
  - (i) Upon final approved inspection, Lessee shall provide the County with a copy of all as-built plans, approved permits and all manufactures warranty documents and owner's manuals of all mechanical equipment installed.

SECTION 34 B(2): The Tenant has not received a copy of the report prepared by the CASp prior to the execution of this lease. Landlord shall provide a copy of the report prepared by the CASp

(and, if applicable a copy of the disability access inspection certificate) within 30 days after building occupancy clearance from the County Building Department.