

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

272



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
November 13, 2014

SUBJECT: First Amendment to Purchase and Sale Agreement, 2085 Rustin Avenue, Riverside, District 1/District1, [\$3,200,803], 100% Mental Health Services Act (State Fund); CEQA Exempt

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find the project exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15301, Existing Facilities, and General Rule Exemption Section 15061, based on the findings and conclusion incorporated in the staff report; and
2. Approve the First Amendment to the Purchase and Sale Agreement, authorizing additional improvements in the amount of \$3,200,803; and
3. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk for posting within five working days.

BACKGROUND:

Summary

(Commences on Page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: Esteban Hernandez 11/12/14

[Signature]

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 3,200,803	\$ 0	\$ 3,200,803	\$ 0	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: 100% Mental Health Services Act (State Fund)
Budget Adjustment: No
For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED BY COUNTY COUNSEL
 BY: [Signature] 11/6/14
 DATE
 Departmental Concurrence
 Department of Mental Health
 Administration, Department of Mental Health
 Assistant Director, Administration, Department of Mental Health
 Maria Mabey
 By: [Signature]

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 3-18 of 5/20/14; 3-20 of 6/17/14

District: 1/1

Agenda Number:

3-33

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Economic Development Agency/Facilities Management

FORM 11: First Amendment to Purchase and Sale Agreement, 2085 Rustin Avenue, Riverside, District 1/District1, [\$3,200,803], 100% Mental Health Services Act (State Fund); CEQA Exempt

DATE: November 13, 2014

PAGE: 2 of 4

BACKGROUND:

Summary

The Economic Development Agency (EDA) was contacted by the Department of Mental Health to provide real estate services to identify potential facilities throughout the city of Riverside for consolidation of existing leased facilities to provide added efficiency and savings for the Department. The objective is to terminate lease payments and acquire a County owned facility for these programs. The funding for acquisition of real property for this purpose is the Mental Health Services Act, which provides funds for various Mental Health programs as well as a special allocation of funds which can only be utilized for the acquisition of facilities to provide mental health services.

On May 20, 2014 the Board of Supervisors approved minute order 3-18, and Resolution No. 2014-062, the Notice of Intention to Purchase Real Property, granting the Real Estate Division EDA authority to purchase real property consisting of an office building of approximately 150,052 square feet on 14.51 acres of land, located at 2085 Rustin Avenue, Riverside and situated on assessor's parcel number 249-140-032. On June 17, 2014 the Board of Supervisors approved minute order 3-20 and Resolution No. 2014-063 the Authorization to Purchase Real Property, granting the Real Estate Division of EDA final authority to purchase the property for \$33,209,029 including transaction costs.

This termination of existing leases and the acquisition of this facility will provide a County owned facility and save the Department approximately 1.85 million dollars annually in lease payments to private landlords, plus provide additional program savings.

The Department of Mental Health working with EDA has reassessed the goals and components for this facility. Whereas previously the primary goal of acquiring this facility was to consolidate programs and facilities to promote savings and efficiency, the Department also desires to develop this facility into a Behavioral Health Emergency Operations Facility to provide for continuity of operations and back up power supply in the event of disaster.

To aid in providing these components, the following improvements will be incorporated into the project.

Larger Capacity Full Building Generator & related work	\$927,517
Upgraded Building Access Security System	\$103,792
Enhanced Signage for mental health client navigation	\$210,274
Additional ADA Improvements	<u>\$124,759</u>
Subtotal	\$1,366,342

In addition, the Department desires to provide additional operating systems and improvements to reduce the likelihood of deferred maintenance and promote sustainability. It is anticipated the design criteria, features and equipment/fixtures selections should yield the sustainability level of LEED Silver.

(Continued)

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Economic Development Agency/Facilities Management

FORM 11: First Amendment to Purchase and Sale Agreement, 2085 Rustin Avenue, Riverside, District 1/District1, [\$3,200,803], 100% Mental Health Services Act (State Fund); CEQA Exempt

DATE: November 13, 2014

PAGE: 3 of 4

BACKGROUND:

Summary (Continued)

These improvements are as follows:

New Building HVAC units, rooftop units and in I.T. rooms	\$633,895 (applying for energy rebates)
Electric vehicle charging stations	\$ 20,566
Floor Coverings, with sustainable features	<u>\$280,000</u>
Subtotal	\$934,461
Total Improvements	\$2,300,803
Additional Contingency (2.5% of project)	<u>\$ 900,000</u>
Total Costs	<u>\$3,200,803</u>

A new roof, new parking lot resurface, and painting of the building are already in the current budget.

The purpose of this Form 11 is to recommend the approval of the First Amendment to the Purchase and Sale Agreement and to authorize the improvement costs requested.

A revised summary of the proposed acquisition based on the additional costs is as follows:

Location:	2085 Rustin Avenue, Riverside, APN 249-140-032
Improvements:	A 150,052 square foot concrete tilt-up constructed building, built in 1984, to be fully improved and new mezzanine installed resulting in 163,048 square feet.
Property:	14.51 acres, building coverage of 23.7%
Parking:	Approximately 1,124 parking spaces, 7.5 spaces for every 1,000 square feet of building area
Base Purchase Price:	\$17,000,000, or \$104 per square foot
Tenant Improvements Costs:	Total Improvements revised to \$19,179,507 or \$118.00 per square foot, total, including the above additional costs, and including sellers construction management fee of 4%, all to be completed by Seller before close of escrow, estimated to be on or before February 20, 2015.
Total Purchase Price:	\$36,179,507 or \$222 per square foot

(Continued)

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Economic Development Agency/Facilities Management

FORM 11: First Amendment to Purchase and Sale Agreement, 2085 Rustin Avenue, Riverside, District 1/District1, [\$3,200,803], 100% Mental Health Services Act (State Fund); CEQA Exempt

DATE: November 13, 2014

PAGE: 4 of 4

BACKGROUND:

Summary (Continued)

Sustainability Features: Building improvements to incorporate certain LEED components including LED lighting and motion controls, added insulation at roof deck, insulated walls, water efficient plumbing fixtures, white roof, and construction waste recycling.

IT Improvements: Included in improvements

Furniture: To be contracted for and paid by the Department to County furniture vendor outside of this acquisition

Due Diligence: Appraisal, physical inspection, and environmental inspection completed

Impact on Residents and Businesses

The acquisition of this building by the Department will provide a positive overall economic impact to the community by combining various services to the community in one location, thereby making it easier for clients and residents to access a multitude of services provided by DOMH. In addition, the construction phase will provide temporary construction jobs throughout the period of construction. The long term occupancy by the DOMH in this region will benefit the business community as a whole by providing an important and positive economic impact to local business through the sale of products and services to employees and clients of the facility. The acquisition of this facility is estimated to save the tax payers approximately 1.85 million dollars per annum in lease costs.

Additional Fiscal Information:

Purchase Price	\$32,978,704.00
Due Diligence	\$313,235.00
First Amendment Tenant Improvements	\$3,200,803.00
Total Purchase Price	\$36,492,742.00

Contract History and Price Reasonableness

This is an acquisition. The purchase price is a fair market value.

Attachments:

- First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions
- Project Budget Exhibit D
- Notice of Exemption

1 **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT**
2 **ESCROW INSTRUCTIONS**

3
4 **THIS FIRST AMENDMENT** (“First Amendment”) to the Purchase and Sale
5 Agreement and Joint Escrow Instructions, (“Agreement”), is effective as of the ____day
6 of _____, 2014, is entered into by and between the **COUNTY OF**
7 **RIVERSIDE**, a political subdivision of the State of California (“Buyer”), and **B.H.**
8 **RUSTIN, LLC**, a California limited liability company (“Seller”). Buyer and Seller are
9 herein collectively referred to as the “Parties.”

10 **RECITALS**

11 a. The Board of Supervisors approved the Purchase and Sale Agreement
12 by and between the County of Riverside as Buyer and B.H. Rustin, LLC, a California
13 Limited Liability Company, as Seller, as item 3-20 on June 17, 2014 for the purchase of
14 the property located at 2085 Rustin Avenue, Riverside, and:

15 b. The Purchase and Sale Agreement requires Seller to make certain
16 improvements to the property prior to the close of escrow for use by Buyer; and,

17 c. County desires Seller to make additional improvements to the property
18 not previously contemplated in the Agreement,

19 **NOW THEREFORE**, for good and valuable consideration the receipt and adequacy of
20 which is hereby acknowledged, the Parties agree as follows:

21
22 1. The word “Purchase Price” as used in the Purchase and Sale
23 Agreement is hereby amended to be “Total Consideration”. Total Consideration shall
24 thus be the Base Price plus Final Improvement Costs.

25
26 2. **SECTION 1(d)**. Section 1 (d) entitled “Purchase Price” is hereby
27 deleted and replaced as follows:
28

1 Total Consideration: The maximum Total Consideration is Thirty Six Million, One
2 Hundred Seventy Nine Thousand, Five Hundred Seven dollars (\$36,179,507),
3 comprised of the Base Price for the Property as set forth in Section 2 below and the
4 cost of the Buyer Improvements to be reimbursed to Seller in the amount of Nineteen
5 Million One Hundred Seventy Nine Thousand, Five Hundred Seven Dollars
6 (\$19,179,507.00) as further described in Section 2.

7 3. **SECTION 2.** Section 2 entitled "Purchase and Sale" is hereby
8 deleted and replaced as follows:

9 Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees
10 to sell the Property to Buyer and Buyer agrees to buy the Property from Seller, together
11 with all easements, appurtenances thereto, and all improvements and fixtures situated
12 thereon. Seller acknowledges that as part of the consideration for the payment of the
13 Total Consideration the Seller shall complete and pay any and all costs to construct the
14 Buyer Improvements of a fully completed and fully furnished turn-key building inclusive
15 of land, building shell, core, buyer improvements, and parking as set forth in Exhibit
16 "C." The Base price of the purchase is Seventeen Million Dollars (\$17,000,000.00) (the
17 "Base Price"), and estimated Buyer improvement costs are Nineteen Million One
18 Hundred Seventy Nine Thousand, Five Hundred Seven Dollars (\$19,179,507.00) the
19 ("Estimated Buyer Improvement Costs"). The Estimated Buyer Improvement Costs are
20 in accordance with the Project Budget set forth in "Exhibit D." The Total Consideration
21 is made up of Base Price and Estimated Buyer Improvement Costs. The Total
22 Consideration is subject to a downward adjustment based upon the final cost of the
23 Buyer Improvements (the "Final Improvement Costs"), the scope of which is set forth in
24 the Preliminary Plans and Buyer Improvement Plans and Specifications set forth in
25 Exhibits "C" and "C-1." In no event will the Final Improvement Costs increase the total
26 Total Consideration, which is the maximum allowed price allowed to be paid by Buyer
27 under this Agreement, except as related to Buyer's written requested and/or authorized
28 change orders, which shall be paid from the project contingency as set forth in the

1 Project Budget in Exhibit "D" and as set forth in Section 10 of Exhibit "F." Upon
2 completion of the Buyer Improvements, Seller shall submit a final itemization of the
3 total cost of the Final Buyer Improvement Costs, which shall be set forth in Exhibit "D-
4 1." In the event the Final Buyer Improvement Costs are less than the Estimated Buyer
5 Improvement Costs, the Total Consideration shall be adjusted down based upon the
6 difference of the Estimated Buyer Improvement Costs and the Final Buyer
7 Improvement Costs. The revised Total Consideration shall be defined as the "Adjusted
8 Total Consideration." The Adjusted Total Consideration shall be set forth in Exhibit "D-
9 2." The Final Buyer Improvement Costs and Adjusted Total Consideration shall be set
10 forth in their respective Exhibits on or before seven (7) days prior to the Close of
11 Escrow.

12 4. **Exhibit H - Section 7.1 of Exhibit B.** Section 7.1 of Exhibit "B,"
13 entitled "Construction Costs," that is attached as an exhibit to Exhibit "H" of the
14 Purchase and Sale Agreement, is hereby deleted and replaced as follows:

15 7.1 In the event County executes the lease pursuant to Section 13(b) of the
16 Purchase and Sale Agreement, the total costs of all improvements subject to
17 reimbursement, including but not limited to fixtures and equipment, as reflected in the
18 cost breakdowns, shall not exceed the sum of the "Final Improvements Costs" as set
19 forth in Exhibit "D-1" of the Purchase and Sale Agreement.

20 5. **Exhibit H - Section 8.2 of Exhibit B.** Section 8.2 of Exhibit "B,"
21 entitled "Reimbursement of Leasehold Improvements," that is attached as an exhibit to
22 Exhibit "H" of the Purchase and Sale Agreement, is hereby deleted and replaced as
23 follows:

24 8.2 In the event County executes the lease pursuant to Section 13(b) of the
25 Purchase and Sale Agreement, County shall reimburse Lessor monthly for the
26 improvements based on the amortization of the Final Improvement Costs as set forth in
27 Exhibit "D-1" of the Purchase and Sale Agreement. An example of this monthly
28 payment and amortization is set forth in Exhibit "B-1" to this Exhibit "B." This is an

1 example only as the Parties do not know the Final Improvement Costs at this time. In
2 the event the transaction results in a lease, the Final Improvement Costs will be
3 inserted and the monthly payment recalculated based upon the ten (10) year term and
4 4% interest rate. This reimbursement shall be paid to Lessor monthly in addition to the
5 monthly rent.

6 6. **Energy Rebates.** Any Energy Rebates received by Seller shall be
7 credited to Buyer's escrow account.

8 7. **Exhibit D to Purchase and Sale Agreement.** Exhibit "D" to the
9 Purchase and Sale Agreement is hereby deleted and replaced by the revised Exhibit
10 "D," attached hereto and incorporated by this reference into the Purchase and Sale
11 Agreement.

12 8. **Closing.** The parties hereto agree that, notwithstanding anything
13 contained herein to the contrary, that there shall be two separate closings for the
14 transactions contemplated hereunder and two separate closing statements. There
15 shall be one closing statement and one closing for the sale of the Property for the Base
16 Price. There shall be a second closing statement and closing solely for the
17 reimbursement of the Final Improvement Costs. These two closings may occur on two
18 separate sequential days.

19 9. **Approval.** This First Amendment to Purchase and Sale and Joint
20 Escrow Instructions shall not be binding or consummated until its approval and
21 execution by the Riverside County Board of Supervisors and the Seller.

22
23
24
25
26
27
28

1 WITNESS WHEREOF, the parties have executed this First Amendment as of
2 the date first written above.

3
4
5
6
7 BUYER:
8 COUNTY OF RIVERSIDE

SELLER:
B.H. RUSTIN, LLC a California Limited
Liability Company

9
10 By: _____
11 Jeff Stone, Chairman
12 Board of Supervisors

By: B.H. Partnership B, L.P.
A Delaware limited partnership
Its: Member

13
14 APPROVED AS TO FORM:
15 Gregory P. Priamos, County Counsel

By: B.H. Holding Company 1, Inc.
A Delaware corporation
Its: General Partner

16 By:  _____
17 Patricia Munroe
18 Deputy County Counsel


By: _____
Name: Arsalan Gozini
Title: President

19
20
21
22
23 CC:ra/111014/011MH/17.201 S:\Real Property\TYPING\Docs-17.000 to 17.499\17.201.doc

EXHIBIT B-1
Example Only

B-1 LESSOR'S MONTHLY ALLOCATIONS OF LEASEHOLD IMPROVEMENT COSTS

Data		Amortization Schedule
Total:		\$19,179,507 *
Annual interest rate:	4.00%	
Term in years:	10	
Allocations per year:	12	
First allocation:	12/1/2014	

ALLOCATED AMOUNT: \$225,841.55
Allocated Amount: \$225,841.55 Beginning balance of allocation 1: 19,179,507.00
 1st allocation in table: 1

Table

Mo. No.	Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	12/1/2014	19,179,507.00	63,931.69	161,909.86	19,017,597.14	63,931.69
2	1/1/2015	19,017,597.14	63,391.99	162,449.56	18,855,147.58	127,323.68
3	2/1/2015	18,855,147.58	62,850.49	162,991.06	18,692,156.52	190,174.17
4	3/1/2015	18,692,156.52	62,307.19	163,534.36	18,528,622.16	252,481.36
5	4/1/2015	18,528,622.16	61,762.07	164,079.48	18,364,542.68	314,243.43
6	5/1/2015	18,364,542.68	61,215.14	164,626.41	18,199,916.28	375,458.58
7	6/1/2015	18,199,916.28	60,666.39	165,175.16	18,034,741.11	436,124.96
8	7/1/2015	18,034,741.11	60,115.80	165,725.75	17,869,015.37	496,240.77
9	8/1/2015	17,869,015.37	59,563.38	166,278.17	17,702,737.20	555,804.15
10	9/1/2015	17,702,737.20	59,009.12	166,832.43	17,535,904.78	614,813.28
11	10/10/2015	17,535,904.78	58,453.02	167,388.53	17,368,516.24	673,266.29
12	11/1/2015	17,368,516.24	57,895.05	167,946.50	17,200,569.75	731,161.35
13	12/1/2015	17,200,569.75	57,335.23	168,506.32	17,032,063.43	788,496.58
14	1/1/2016	17,032,063.43	56,773.54	169,068.01	16,862,995.42	845,270.12
15	2/1/2016	16,862,995.42	56,209.98	169,631.57	16,693,363.86	901,480.11
16	3/1/2016	16,693,363.86	55,644.55	170,197.00	16,523,166.86	957,124.66
17	4/1/2016	16,523,166.86	55,077.22	170,764.33	16,352,402.53	1,012,201.88
18	5/1/2016	16,352,402.53	54,508.01	171,333.54	16,181,068.99	1,066,709.89
19	6/1/2016	16,181,068.99	53,936.90	171,904.65	16,009,164.33	1,120,646.78
20	7/1/2016	16,009,164.33	53,363.88	172,477.67	15,836,686.66	1,174,010.66
21	8/1/2016	15,836,686.66	52,788.96	173,052.59	15,663,634.07	1,226,799.62
22	9/1/2016	15,663,634.07	52,212.11	173,629.44	15,490,004.63	1,279,011.73
23	10/1/2016	15,490,004.63	51,633.35	174,208.20	15,315,796.43	1,330,645.08
24	11/1/2016	15,315,796.43	51,052.65	174,788.90	15,141,007.54	1,381,697.74
25	12/1/2016	15,141,007.54	50,470.03	175,371.52	14,965,636.01	1,432,167.76
26	1/1/2017	14,965,636.01	49,885.45	175,956.10	14,789,679.92	1,482,053.22
27	2/1/2017	14,789,679.92	49,298.93	176,542.62	14,613,137.30	1,531,352.15
28	3/1/2017	14,613,137.30	48,710.46	177,131.09	14,436,006.21	1,580,062.61
29	4/1/2017	14,436,006.21	48,120.02	177,721.53	14,258,284.68	1,628,182.63
30	5/1/2017	14,258,284.68	47,527.62	178,313.93	14,079,970.74	1,675,710.24
31	6/1/2017	14,079,970.74	46,933.24	178,908.31	13,901,062.43	1,722,643.48
32	7/1/2017	13,901,062.43	46,336.87	179,504.68	13,721,557.75	1,768,980.35
33	8/1/2017	13,721,557.75	45,738.53	180,103.02	13,541,454.73	1,814,718.88
34	9/1/2017	13,541,454.73	45,138.18	180,703.37	13,360,751.36	1,859,857.06

EXHIBIT B-1
Example Only

Mo. No.	Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
35	10/1/2017	13,360,751.36	44,535.84	181,305.71	13,179,445.65	1,904,392.90
36	11/1/2017	13,179,445.65	43,931.49	181,910.06	12,997,535.58	1,948,324.38
37	12/1/2017	12,997,535.58	43,325.12	182,516.43	12,815,019.15	1,991,649.50
38	1/1/2018	12,815,019.15	42,716.73	183,124.82	12,631,894.33	2,034,366.23
39	2/1/2018	12,631,894.33	42,106.31	183,735.24	12,448,159.10	2,076,472.55
40	3/1/2018	12,448,159.10	41,493.86	184,347.69	12,263,811.41	2,117,966.41
41	4/1/2018	12,263,811.41	40,879.37	184,962.18	12,078,849.23	2,158,845.78
42	5/1/2018	12,078,849.23	40,262.83	185,578.72	11,893,270.51	2,199,108.61
43	6/1/2018	11,893,270.51	39,644.24	186,197.31	11,707,073.20	2,238,752.85
44	7/1/2018	11,707,073.20	39,023.58	186,817.97	11,520,255.23	2,277,776.43
45	8/1/2018	11,520,255.23	38,400.85	187,440.70	11,332,814.53	2,316,177.28
46	9/1/2018	11,332,814.53	37,776.05	188,065.50	11,144,749.03	2,353,953.33
47	10/1/2018	11,144,749.03	37,149.16	188,692.39	10,956,056.64	2,391,102.49
48	11/1/2018	10,956,056.64	36,520.19	189,321.36	10,766,735.28	2,427,622.68
49	12/1/2018	10,766,735.28	35,889.12	189,952.43	10,576,782.85	2,463,511.80
50	1/1/2019	10,576,782.85	35,255.94	190,585.61	10,386,197.24	2,498,767.74
51	2/1/2019	10,386,197.24	34,620.66	191,220.89	10,194,976.35	2,533,388.40
52	3/1/2019	10,194,976.35	33,983.25	191,858.30	10,003,118.05	2,567,371.65
53	4/1/2019	10,003,118.05	33,343.73	192,497.82	9,810,620.23	2,600,715.38
54	5/1/2019	9,810,620.23	32,702.07	193,139.48	9,617,480.74	2,633,417.44
55	6/1/2019	9,617,480.74	32,058.27	193,783.28	9,423,697.46	2,665,475.71
56	7/1/2019	9,423,697.46	31,412.32	194,429.23	9,229,268.24	2,696,888.04
57	8/1/2019	9,229,268.24	30,764.23	195,077.32	9,034,190.92	2,727,652.27
58	9/1/2019	9,034,190.92	30,113.97	195,727.58	8,838,463.34	2,757,766.24
59	10/1/2019	8,838,463.34	29,461.54	196,380.01	8,642,083.33	2,787,227.78
60	11/1/2019	8,642,083.33	28,806.94	197,034.61	8,445,048.72	2,816,034.72
61	12/1/2019	8,445,048.72	28,150.16	197,691.39	8,247,357.34	2,844,184.89
62	1/1/2020	8,247,357.34	27,491.19	198,350.36	8,049,006.98	2,871,676.08
63	2/1/2020	8,049,006.98	26,830.02	199,011.53	7,849,995.45	2,898,506.10
64	3/1/2020	7,849,995.45	26,166.65	199,674.90	7,650,320.55	2,924,672.75
65	4/1/2020	7,650,320.55	25,501.07	200,340.48	7,449,980.07	2,950,173.82
66	5/1/2020	7,449,980.07	24,833.27	201,008.28	7,248,971.79	2,975,007.09
67	6/1/2020	7,248,971.79	24,163.24	201,678.31	7,047,293.48	2,999,170.33
68	7/1/2020	7,047,293.48	23,490.98	202,350.57	6,844,942.91	3,022,661.31
69	8/1/2020	6,844,942.91	22,816.48	203,025.07	6,641,917.83	3,045,477.78
70	9/1/2020	6,641,917.83	22,139.73	203,701.82	6,438,216.01	3,067,617.51
71	10/1/2020	6,438,216.01	21,460.72	204,380.83	6,233,835.18	3,089,078.23
72	11/1/2020	6,233,835.18	20,779.45	205,062.10	6,028,773.08	3,109,857.68
73	12/1/2020	6,028,773.08	20,095.91	205,745.64	5,823,027.44	3,129,953.59
74	1/1/2021	5,823,027.44	19,410.09	206,431.46	5,616,595.98	3,149,363.68
75	2/1/2021	5,616,595.98	18,721.99	207,119.56	5,409,476.42	3,168,085.67
76	3/1/2021	5,409,476.42	18,031.59	207,809.96	5,201,666.46	3,186,117.26
77	4/1/2021	5,201,666.46	17,338.89	208,502.66	4,993,163.79	3,203,456.14
78	5/1/2021	4,993,163.79	16,643.88	209,197.67	4,783,966.12	3,220,100.02
79	6/1/2021	4,783,966.12	15,946.55	209,895.00	4,574,071.13	3,236,046.58
80	7/1/2021	4,574,071.13	15,246.90	210,594.65	4,363,476.48	3,251,293.48
81	8/1/2021	4,363,476.48	14,544.92	211,296.63	4,152,179.85	3,265,838.40

EXHIBIT B-1
Example Only

Mo. No.	Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
82	9/1/2021	4,152,179.85	13,840.60	212,000.95	3,940,178.90	3,279,679.00
83	10/1/2021	3,940,178.90	13,133.93	212,707.62	3,727,471.28	3,292,812.93
84	11/1/2021	3,727,471.28	12,424.90	213,416.65	3,514,054.64	3,305,237.84
85	12/1/2021	3,514,054.64	11,713.52	214,128.03	3,299,926.60	3,316,951.35
86	1/1/2022	3,299,926.60	10,999.76	214,841.79	3,085,084.81	3,327,951.11
87	2/1/2022	3,085,084.81	10,283.62	215,557.93	2,869,526.87	3,338,234.72
88	3/1/2022	2,869,526.87	9,565.09	216,276.46	2,653,250.41	3,347,799.81
89	4/1/2022	2,653,250.41	8,844.17	216,997.38	2,436,253.03	3,356,643.98
90	5/1/2022	2,436,253.03	8,120.84	217,720.71	2,218,532.32	3,364,764.82
91	6/1/2022	2,218,532.32	7,395.11	218,446.44	2,000,085.88	3,372,159.93
92	7/1/2022	2,000,085.88	6,666.95	219,174.60	1,780,911.28	3,378,826.88
93	8/1/2022	1,780,911.28	5,936.37	219,905.18	1,561,006.10	3,384,763.25
94	9/1/2022	1,561,006.10	5,203.35	220,638.20	1,340,367.91	3,389,966.61
95	10/1/2022	1,340,367.91	4,467.89	221,373.66	1,118,994.25	3,394,434.50
96	11/1/2022	1,118,994.25	3,729.98	222,111.57	896,882.68	3,398,164.48
97	12/1/2022	896,882.68	2,989.61	222,851.94	674,030.74	3,401,154.09
98	1/1/2023	674,030.74	2,246.77	223,594.78	450,435.96	3,403,400.86
99	2/1/2023	450,435.96	1,501.45	224,340.10	226,095.86	3,404,902.31
100	3/1/2023	226,095.86	753.65	225,087.90	1,007.97	3,405,655.97
101	4/1/2023	1,007.97	3.36	1,007.97	0.00	3,405,659.33
102	5/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
103	6/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
104	7/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
105	8/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
106	9/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
107	10/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
108	11/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
109	12/1/2023	0.00	0.00	0.00	0.00	3,405,659.33
110	1/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
111	2/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
112	3/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
113	4/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
114	5/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
115	6/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
116	7/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
117	8/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
118	9/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
119	10/1/2024	0.00	0.00	0.00	0.00	3,405,659.33
120	11/1/2024	0.00	0.00	0.00	0.00	3,405,659.33

*In the event the Parties execute a Lease pursuant to Section 13 (b) of the Purchase and Sale Agreement, this amount to be adjusted based upon the "Final Improvement Costs" as set forth in Exhibit "D-1" to the Purchase and Sale Agreement.

EXHIBIT "D"

Project Budget

Revised for First Amendment to Purchase and Sale Agreement

Project Budget

Revised Oltmans Construction Company Project Contract Total (see pg. 2, includes additional \$250,000 contingency)	\$17,397,603
Additional Contingency	\$ 900,000
Construction Management Fee due to Seller (calculated at 4% of final actual Oltmans Project Total, subject to adjustment, based on final Oltmans Project Total at project's end)	\$ 731,904
Architectural Reimbursement (SAA)	\$ 135,000
Reimbursement for CADD files (SAA)	<u>\$ 15,000</u>
Project Total	\$19,179,507



EXHIBIT D

BUDGET ESTIMATE SUMMARY

PROJECT: DOMH County Of Riverside
2085 Rustin Ave,
Riverside, CA.
REVISION 5 FINAL

LAST UPDATE: 11/10/14
ESTIMATOR : Gary Lacey
PROJ. MGR. :
TOTAL S.F. : 163,048
COST / S.F. : \$106.70

COST: \$17,397,603

CSI	DESCRIPTION	TOTAL	NOTES
01500	Temporary Power	2,500	Oltmans Construction
01525	Temporary Construction Fencing	2,000	Oltmans Construction
01526	Construction Clean Up	15,000	Oltmans Construction
01527	Temporary Security Service (Allowance)	25,000	Oltmans Construction
01710	Final Cleaning	82,880	Pacific Cleaning
02050	Interior / Exterior Demolition	311,140	Holbrook Construction
02500	Asphalt Repair / New	17,114	High Valley Construction
02501	Seal & Strip Existing Parking Lot	40,976	High Valley Construction
02521	Site Concrete	230,445	High Valley Construction
02522	ADA Sidewalk Modification (Allowance)	10,000	Oltmans Construction
02900	Landscape & Irrigation Repair (Per Plan)	46,757	DMA
02901	Upgrade Existing Landscaping @ Entry Of Building	60,304	DMA
03200	Reinforcing Steel	Included	Oltmans Construction
03300	New Concrete Footings / Patch Back Existing Slab	60,550	Oltmans Construction
03301	Concrete Slab Infill @ Lobby Planter	4,100	Oltmans Construction
03500	Concrete @ 2nd Floor Mezzanine	30,000	Oltmans Construction
03501	Self Leveling Concrete Topping @ Existing Lobby Floor & Hall	30,000	Allowance
04000	Masonry Generator Enclosure	15,000	Allowance
05100	Structural Steel / Misc Iron / Steel Strong Backs @ New Wall Openings	124,430	So Cal Steel
05101	Structural Repair / Repair @ Existing Column Connections For GLB @ New Mezzanine (Allowance)	15,000	Allowance
05700	Steel Handrails / Guardrails	59,285	So Cal Steel
05701	Stainless Steel Handrails / Guardrails	43,470	So Cal Steel
05701	Steel Canopy With Metal Mesh	37,100	So Cal Steel
06100	Wood Mezzanine Framing / HVAC Curbs & Supports	246,814	Oltmans Construction
06200	Architectural Millwork / Solid Surface Tops	537,405	Roy E Whitehead
07200	Insulation In New Walls & Above Ceiling (Per Plan)	23,549	Viking Insulation
07201	Insulation @ All Remaining New Walls (Indicated On Plan As No Insulation)	43,480	Viking Insulation
07202	Insulation Above Ceiling Tiles Including 2nd Floor Ceilings	81,524	Viking Insulation
07500	Roof Repair For New Construction	21,326	Rosscrete
07501	Cool Roof Coating With A 10 Yr NDL	187,650	Rosscrete
07600	Flashing & Sheet Metal	3,500	Allowance
07900	Caulking & Sealants	2,500	Oltmans Construction
08100	Doors / Frames / Hardware	649,075	Roy E Whitehead
08101	Re-keying Of Doors	11,260	Roy E Whitehead
08800	Aluminum Storefront / Door Side Lites / Interior Windows	110,395	GSA
08901	Full Height Wall Mirrors @ Gym	Included	GSA
09250	Drywall / Metal Studs	1,201,592	Oltmans Wall
09251	Skim Coat Existing Walls	Included	Oltmans Wall
09300	Ceramic Tile @ New Restrooms	47,800	Allowance
09500	Acoustical Ceilings	519,900	Excel Acoustics
09650	Resilient Flooring / Carpet / Base / Moisture Tests	753,900	Renegade Flooring
09651	Floor Prep	39,775	Renegade Flooring
09652	Skim Coat Areas For VCT, LVT, SDT, RB	36,937	Renegade Flooring
09900	Painting (Interior & Exterior)	295,158	Continental Painting
10520	Fire Extinguishers & Cabinets	4,487	Mobile Fire Extinguishers
10800	Toilet Partitions & Accessories	14,100	Allowance
10801	Corner Guards (Approx. 225)	14,625	Allowance
11131	Interior Café Area @ Southeast Corner Of Building (Allowance)	100,000	Allowance
12500	Window Treatment	53,000	Sheward & Sons
12501	Interior / Exterior Signage (Allowance)	95,000	Allowance
14200	Elevator Interior Refinishing (Allowance)	15,000	Allowance
15300	Fire Sprinklers (Design Build)	314,578	Advanco
15301	5 Year Title 19 Fire Sprinkler Inspection	1,175	Advanco
16400	Plumbing (Design Build)	379,897	American Contractors
15500	HVAC (Design Build)	1,501,774	Blake Air Conditioning
15501	Repair Existing HVAC Equipment (Allowance)	50,000	Allowance
16050	Electrical (Design Build)	1,946,751	Gregg Electric
16061	Additional (490) Conduits & Boxes For Voice Data (Per Email From Carl Gronning RCIT)	27,744	Gregg Electric
16052	250 KW Stand By Diesel Generator	91,774	Gregg Electric
16051	Fire Alarm (Design Build)	259,530	Red Hawk
16052	Security System / AV (Design Build)	815,452	Red Hawk
16053	(10) Smart Boards (Allowance)	55,000	Allowance
16054	Additional Cable Tray (Per Email From Carl Gronning RCIT)	112,039	Greg Electric
16053	Accelerated Construction Schedule Costs (Allowance)	500,000	Oltmans Construction
16054	Capital Partners / Project Management	85,000	Capitol Partners
00600	Preconstruction Services	10,000	Oltmans Construction
00601	Architectural & Structural Design	189,320	PWC Architects
00602	Civil Engineering (Allowance)	In Architectural	Allowance
00603	3 Year Extended Warranty	52,250	Oltmans Construction
00604	Payment & Performance Bond	150,000	Oltmans Construction
00605	Builders Risk Insurance	18,000	Oltmans Construction
00606	ADA / CAFP Report (Allowance)	5,000	Allowance
	Changes to scope of work: Generator Capacity Upgrade, HVAC Unit Replacement, Signage Requirements, Finishes Upgrades, Secured Parking Automation, Etc.	2,860,466	
00700	General Conditions	225,000	Oltmans Construction
	SUBTOTAL	16,023,553	
	LIABILITY INSURANCE 0.97%	155,428	
	OVERHEAD & PROFIT 3.50%	566,264	
	CONTRACTOR'S CONTINGENCY 3.00%	502,357	
	CONSTRUCTION TOTAL	17,247,603	
	PERMITS / FEES (BY OWNER)	150,000	
	PROJECT TOTAL	17,397,603	