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

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
August 31, 2011

SUBJECT: Third Amendment to Lease, Human Resources Department

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Third Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and,
Approve and direct the Auditor-Controller to make the budget adjustment as shown on Schedule A, attached.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 40,540	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Occupational Health and Wellness Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Dept't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Ayes: Buster, Tavaglione, Benoit and Ashley
 Nays: None
 Absent: Stone
 Date: September 13, 2011
 xc: EDA, HR, Auditor(2), E.O.

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

2011 SEP 13 8:33
 11 00 52 AM '11
 2011 SEP 13 10:03 AM
 2011 SEP 13 10:03 AM

FORM APPROVED COUNTY COUNSEL
 DATE 8-3-11
 Approved by:
 Barbara Olivier, Assistant Chief Executive Officer/HR Director
 Riverside County Human Resources
 FISCAL PROCEDURES APPROVED
 BY:
 SAMUEL WONG
 PAUL ANGLIO, CPA, AUDITOR-CONTROLLER

BACKGROUND:

The County of Riverside entered into a lease agreement for the premises located at 3600 Lime Street, Suites 314, 315, 316 and 716, Riverside, on February 8, 2011, on behalf of the Human Resources Department for their Employee Assistance and Wellness programs. Of the total square footage of 3,964 square feet, the Wellness Program occupies 1,199 square feet in Suite 716. The department desires to expand this by an additional 1,979 square feet. This third amendment to lease will authorize the expansion of 1,979 square feet into Suite 716 which will be occupied by the Wellness Program. This expansion is needed to accommodate the increased participation in this program by County employees. The Economic Development Agency's Real Estate division has negotiated an expansion in addition to tenant improvements to the facility which will be provided by the landlord at no cost to the County. Occupancy is anticipated to commence September 2011.

Lessor: M.P. Property Partners-Riverside, LLC
A California limited liability company and
Greenleaf Whittier LLC, a California
limited liability company
1601 N. Sepulveda, Suite 364
Manhattan Beach, California 0-266

Premises Location: 3600 Lime Street, Suite 314, 315, 316, 716
Riverside, California

Term: Five (5) years commencing January 1, 2011 expiring December 31,
2015.

Size: Increased from 3,964 square feet to 5,943 square feet

Rent:	Current	New
	\$1.75 per sq. ft.	\$ 1.80 per sq. ft.
	\$6,937.00 per month	\$10,697.00 per month
	83,244.00 per year	\$128,364.00 per year

Rent Adjustment: Two (2%) annually

Tenant Improvements: Provided by Landlord

RCIT: \$11,401.55

Parking: Sufficient to meet County needs

This third amendment to lease has been reviewed and approved as to legal form by County Counsel.

FINANCIAL DATA: (Commences on Page 3)

FINANCIAL DATA:

All associated costs for this third amendment to lease will be fully funded through the Occupational Health and Wellness budget. The Human Resources Department has budgeted these costs in FY 2011/12. While EDA will front the costs for this lease with the property owners, the Human Resource Department will reimburse EDA for all associated lease costs.

Attachments:

Third Amendment to lease
Schedule A
Exhibit A

Schedule A

Increase Appropriations:

47220-7200400000-526700 – Rent/Lease Buildings	\$37,772
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Increase Estimated Revenue:

47220-7200400000-777330 – Leasing Services	\$37,772
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Exhibit A

HR Lease Cost Analysis FY 2011/12 3600 Lime Street, Riverside

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office: 3,964 SQFT
Total Budgeted Lease Cost for FY 2011/12 \$ 84,076.44

ACTUAL AMOUNTS

Current Office: 3,964 SQFT
Proposed Office: 5,943 SQFT

Approximate Cost per SQFT (July - Aug) \$ 1.75
Approximate Cost per SQFT (Sept - June) \$ 1.80

Lease Cost per Month (July - Aug) \$ 6,937.00
Lease Cost per Month (Sept - June) \$ 10,697.40

Total Lease Cost (July - Aug) \$ 13,874.00
Total Lease Cost (Sept - Jun) \$ 106,974.00

Total Actual Lease Cost for FY 2011/12 \$ 120,848.00
Total Lease Cost Variance for FY 2011/12 \$ 36,771.56

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot \$ 0.12
Estimated Utility Costs per Month \$ 475.68
Total Budgeted Utility Cost for FY 2011/12 \$ 5,708.16

RCIT \$ 11,401.55

EDA Lease Management Fee (Based @ 3.79%) \$ 3,186.50
Total Estimated Additional Cost Included in Budget for FY 2011/12 \$ 20,296.21

ACTUAL AMOUNTS

Utility Cost per Square Foot \$ 0.12
Costs per Month (July - Aug) \$ 951.36
Costs per Month (Sept - June) \$ 7,131.60
Total Estimated Actual Utility Cost for FY 2011/12 \$ 8,082.96

RCIT \$ 11,401.55

EDA Lease Management Fee (Based @ 3.79%) \$ 4,580.14
Total Estimated Additional Actual Cost for FY 2011/12 \$ 24,064.65

Total Estimated Additional Cost Variance for FY 2011/12 \$ 3,768.44

TOTAL ESTIMATED COST FOR FY 2011/12 \$ 40,540.00

THIRD AMENDMENT TO LEASE

County of Riverside and M.P. Property Partners, LLC
3600 Lime Street, Suite 314, 315, 316 and 716, Riverside, California

This **THIRD AMENDMENT TO LEASE** ("Third Amendment") is made as of September 13, 2011, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, herein called ("County"), and **M.P. PROPERTY PARTNERS, LLC**, a California limited liability company and **GREENLEAF WHITTIER, LLC**, a California limited liability company, herein called "Lessor."

1. Recitals.

a. The County of Riverside ("County"), as Lessee, and AG/HP Touchstone Lake, LLC, a Delaware limited liability company, as Lessor, entered into that certain Lease dated March 15, 2005, (the "Original Lease"), for the premises located at 3600 Lime Street, Suite 111, Riverside, California, as more particularly shown on Exhibit "A" to the Original Lease.

b. The Original Lease has been amended by:

i. That certain First Amendment to Lease dated May 6, 2008, by and between County of Riverside and M.P. Property Partners, LLC, a California limited liability company and Greenleaf Whittier, LLC, a California limited liability company, as successor in interest to AG/HP Touchstone Lake, LLC, a Delaware limited liability company (the "First Amendment").

ii. That certain Second Amendment to Lease dated February 8, 2011 by and between County of Riverside and M.P. Property Partners, LLC, a California limited liability company and Greenleaf Whittier, LLC, a California limited liability company (the "Second Amendment").

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

1 2. **Capitalized Terms:** Third Amendment to Prevail. Unless defined herein or the
2 context requires otherwise, all capitalized terms herein shall have the meaning defined
3 in the Lease, as heretofore amended. The provisions of this Third Amendment shall
4 prevail over any inconsistency or conflicting provisions of Original Lease, as heretofore
5 amended, and shall supplement the remaining provisions thereof. The Original Lease
6 remains in full force and effect except to the extent amended by this Third Amendment.

7 3. **Leased Premises.** Section 3 of the Second Amendment to Lease is hereby
8 amended as follows. The Premises will be increased by 1,979 square feet, comprised
9 of Suite 715, from 3,964 square feet to 5,943 square feet as more particularly shown
10 on Exhibit A-2 attached hereto and by this reference made a part of this Lease.

11 4. **Rent.** Section 5 of the Second Amendment to Lease is hereby amended as
12 follows: The monthly rent shall be as follows upon completion and acceptance of the
13 tenant improvements. County shall pay the sum of \$10,697.00 per month as rent for
14 the leased premises, payable, in advance, on the first day of the month or as soon
15 thereafter as a warrant can be issued in the normal course of County's business;
16 provided, however, in the event County cannot take useful occupancy of the leased
17 premise until after the first day of the month, the rent for the first and last month shall
18 be pro-rated on the actual number of days in said month, payable on the date of
19 occupancy for the first month and on the first day of the last month, or as soon
20 thereafter as a warrant can be issued in the normal course of County's business.

21 5. **Improvements by Lessor.** Lessor, at its sole cost and expense shall complete
22 tenant improvements as specified on Exhibit "B-1" attached hereto and by this
23 reference made a part of this lease.

24 6. Except or modified or supplemented by this Third Amendment to Lease, all
25 provisions of this Lease shall remain in full force and effect.

26 7. This Third Amendment to Original Lease shall not be binding or consummate
27 until it's executed by the County's Board of Supervisors.
28

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

3 Dated: _____

4 M.P. PROPERTY PARTNERS
5 RIVERSIDE, LLC, a California limited liability
6 Company and GREENLEAF WHITTIER LLC,
7 a California limited liability company
8 It's Authorized Signatory

8 (LESSOR)

9
10 By: John Mcdonnell
11 John Mcdonnell, Member

12
13 COUNTY OF RIVERSIDE

14
15 By: Bob Buster
16 Bob Buster, Chairman
17 Board of Supervisors

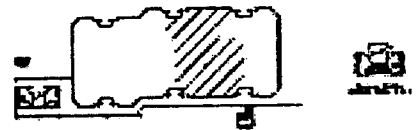
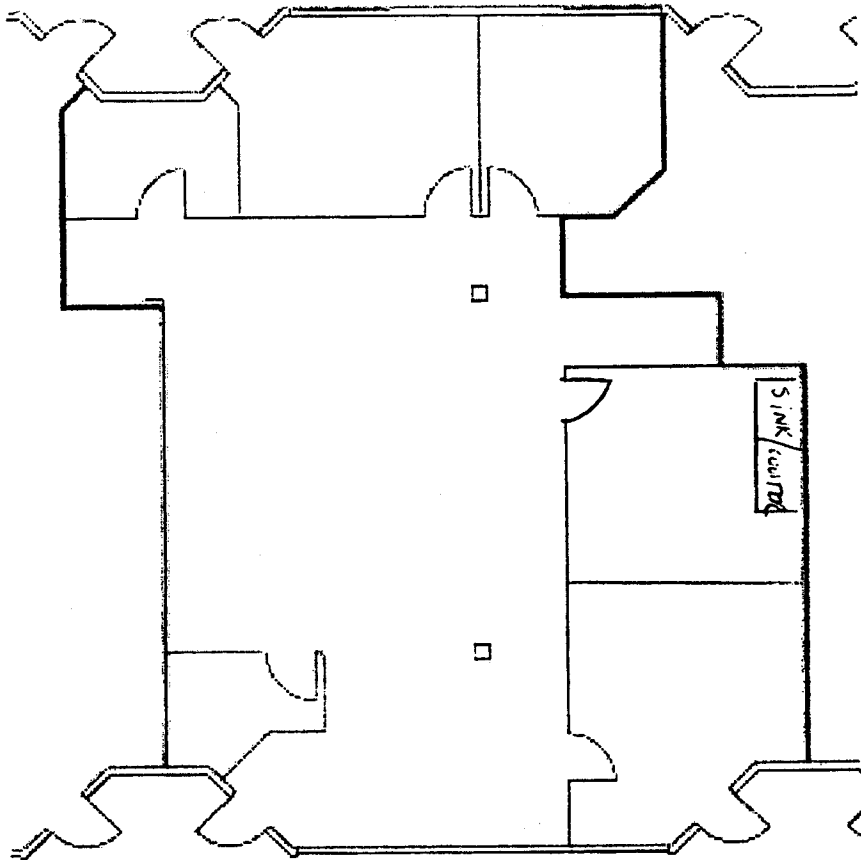
15 **ATTEST:**
16 Kecia Harper-Ihem
17 Clerk of the Board


18 By: Kecia Harper-Ihem
19 Deputy

20 **APPROVED AS TO FORM:**
21 Pamela J. Walls
22 County Counsel

23 By: Synthia M. Gunzel
24 Synthia M. Gunzel
25 Deputy County Counsel

26
27 TW:ra/062311/RV083/14.234 S:\Real Property\TYPING\Docs-14.000 to 14.499\14.234.doc



 Stevenson Systems, Inc.
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Building 7 - Suite 715
3600 Lime St., Riverside, CA

Mission Lake Centre
1,979 sq ft

EXHIBIT A

Human Resources Department
3600 Lime Street, Suite 715
Riverside, California

Scope of Work

- Paint
- Carpet
- Demo wall, install opening and door between Suite 715 and 716

EXHIBIT B-1