

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



ITEM  
3.23  
(ID # 10276)

MEETING DATE:  
Tuesday, July 23, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Third Amendment to Lease with CP Perris MH, LLC, Riverside University Health System – Behavioral Health, Perris, 30 Year Lease, CEQA Exempt, District 5, [\$2,080,799], Federal 55%, State 45% (Clerk of the Board to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities exemption and Section 15061(b)(3) "common sense" exemption;
2. Approve the attached Third Amendment to Lease with CP Perris MH, LLC, and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within 5 days of approval by Board.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECD

7/2/2019

Matthew Chang, Director

7/5/2019

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: July 23, 2019  
xc: EDA

Kecia R. Harper  
Clerk of the Board  
By Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$39,390	\$70,393	\$2,080,799	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS: Federal 55%, State 45%</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2019/20-2048-49</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The County of Riverside (County) and CP Perris MH, LLC (Lessor), a California limited liability company, entered into a lease agreement on August 23, 2016, Minute Order 3.28 (Lease) for the purpose of providing office and clinic space for the Riverside University Health System – Behavioral Health (RUHS). The leased facility is located at 450 E. San Jacinto Avenue, Perris, California (“Premises”).

Pursuant to the Second Amendment to Lease, approved by the Board on April 30, 2019 (M.O. 3.9), the Lessor remodeled a portion of the Premises to accommodate a new Federally Qualified Health Clinic (FQHC). RUHS has now requested that a second medical clinic pod be constructed to expand the current FQHC. This Third Amendment represents a request to construct tenant improvements for the additional FQHC space, which consists of approximately 4,600 usable square feet in a portion of the 35,740 square foot building located on the Premises. Lessor will complete tenant improvements, including interior painting, framing, drywall, HVAC, fire sprinklers, floor coverings, T-bar ceiling, plumbing, insulation, glass and glazing, and signage. The cost of the tenant improvements is \$803,491.00 and includes group rooms, lobby, receptionist office, and exam rooms. In addition to the cost of the tenant improvements, Lessor shall make available an amount equal to an additional fifteen percent (15%) or \$120,523.65 as contingency for the sole use of the County (County Contingency) for the sole purpose of paying for extra items requested by County during the course of construction or installation of the additional improvements.

Pursuant to the California Environmental Quality Act (CEQA), the Third Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301, Class 1 – Existing Facilities exemption and Section 15061(b)(3), “Common Sense” exemption. The proposed project, the Third Amendment, is the continuation of the letting of property involving existing facilities with no significant physical changes, and no expansion of an existing use will occur.

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

This Third Amendment to Lease is summarized below:

Lessor: CP Perris MH, LLC  
c/o Capital Partners Development Company, LLC  
Attn: John Buckel  
2890 Kilgore Road, Suite 115  
Rancho Cordova, CA 95670

Premises Location: 450 E. San Jacinto Avenue, Perris, CA

Size: Total 35,740 Square Feet (Improvements consist of approx. 4,600 sq. ft.)

Lease Expiration: 4/30/2049

RCIT: \$8,133.85, to be completed by County

Tenant Improvements: Not to exceed \$803,491.00 to be amortized over the remaining term of the Lease and paid monthly by County to Lessor in an amount not to exceed \$5,591.04 per month. Lessor shall make available an additional \$120,523.65 as contingency for County use.

The attached Third Amendment to the Lease has been approved as to form by County Counsel.

**Impact on Residents and Businesses**

Providing additional FQHC space at this location will expand Health Clinic services to the community.

**Contract History and Price Reasonableness**

The lease has been in place since August 23, 2016. The lease rate is deemed competitive based upon the current market. The First Amendment to Lease was approved by the Board on April 10, 2018 (M.O. 3.8). The Second Amendment to Lease was approved by the Board on April 30, 2019 (M.O. 3.9).

**Fiscal Information**

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

All costs within this Board action are related to the FQHC space. The RUHS-BH has budgeted these costs in FY 2019/20-2048/49 and will reimburse the Economic Development Agency for all lease costs on a monthly basis.

**Attachments:**

- Exhibits A, B & C
- Third Amendment to Lease
- Notice of Exemption
- Letter of Authorization for RCIT

RF:HM:VY:SG:MH:jb PR073 20.643  
Minute Traq ID: 10276

  
Rekini L. Landa, Principal Management Analyst 7/15/2019

  
Gregory V. Priamos, Director County Counsel 7/11/2019

# Exhibit A

**FY 2019/20**

## **Riverside University Health System - Behavioral Health Lease Cost Analysis**

**450 E. San Jacinto Avenue, Perris, California**

### **Additional Costs:**

Lease Cost per Month (Amendment 3)	\$ 5,591.04	
Total Lease Cost (Jul-Jun)		\$ 27,955.20
RCIT		\$ 38,000.00
EDA Lease Management Fee as of 07/01/2019	4.92%	\$ <u>3,300.95</u>
<b>TOTAL COST FOR FY 2019/20</b>		<b>\$ <u>69,256.15</u></b>
Amount in FY 2019/20 for New Amendment		\$ 69,256.15
<b>TOTAL COUNTY COST</b>	<b>0%</b>	<b>\$ -</b>

# Exhibit B

FY 2020/21

## Riverside University Health System - Behavioral Health Lease Cost Analysis

450 E. San Jacinto Avenue, Perris, California

**Additional Costs:**

Lease Cost per Month (Amendment 3)	\$ 5,591.04	
Total Lease Cost (Jul-Jun)		\$ 67,092.48
EDA Lease Management Fee as of 07/01/2019	4.92%	<u>\$ 3,300.95</u>
<b>TOTAL COST FOR FY 2020/21</b>		<b><u>\$ 70,393.43</u></b>
<b>TOTAL COUNTY COST</b>	<b>0%</b>	<b>\$ -</b>

# Exhibit C

FY 2021/22 to 2048/49

Riverside University Health System - Behavioral Health Lease Cost Analysis

450 E. San Jacinto Avenue, Perris, California

	FY 2021/22	FY 2022/23	Total FY 2023/24 to 2048/49
<b><u>Additional Costs:</u></b>			
Lease Cost per Month	\$ 5,591.04	\$ 5,591.04	
Total Lease Cost (Jul-Jun)	\$ 67,092.48	\$ 67,092.48	
Tenant Improvement	\$ -	\$ -	
EDA Lease Management Fee as of 07/01/2019 4.92%	\$ 3,300.95	\$ 3,300.95	\$ 85,824.70
<b>TOTAL COST FOR FY 2021/22 to 2048/49</b>	<b>\$ 70,393.43</b>	<b>\$ 70,393.43</b>	<b>\$ 1,830,229.18</b>

F11 Total Cost \$ 2,080,799.47  
F11 Total County Cost 0% \$ -



RCIT Tracking Number  
IT740010PNPRCMH

**Letter of Authorization for RCIT - Procurement Management Group**

To process your request, RCIT will issue a purchase order to the required vendor for goods and/or services provided on your behalf through this agreement. Upon receipt of the vendor's invoice, RCIT will process payment to the vendor and prepare the Journal Voucher/invoice to your department/organization.

\*The Purchase Order will be a RCIT Purchase Order using RCIT's Pass Thru Fund. If a department's request crosses fiscal years, the requesting department is responsible for ensuring funds are available at the time payment is due.

<b>Department/Agency:</b>	RUHS Behavioral Health- Perris Ca
<b>Contact Name/Phone:</b>	Markus van Eenennaam
<b>Description of Request:</b>	<p>Original LOA Amount- \$ 243,294.35            Change Order #1 Amount- \$ 29,268.87            Change Order # 2 Description- Add 7 Card Readers, Relocate 3 Card Readers and Add 1 Camera</p> <p>Change Order #2 Cost:            Labor: \$ 6,218.75            Material: \$ 9,117.33            Tax: \$ 797.77            Contingency From CO#2 (\$8,000.00)            Total: \$ 8133.85            Revised Project Total Cost: \$280,697.02</p>
<b>Location:</b>	480 E. San Jacinto Ave Perris, CA 92571
<b>Total Estimated Cost:</b>	\$8,133.85

Fiscal Year: 19/20

RCIT Project Code: IT740010PNPRCMH

ACCOUNTING STRING							
% or \$	*Account (6 digits)	*Fund (5)	*Department ID (6 or 10)	Program (5)	Class (5)	Grant (9)	Customer Project Code (10)
	522310	110000	4100220005	83550			

Note: Please, do not use an INTERFUND account  
\*Mandatory Field

[Signature]  
 Authorizing Signature

Ryan Quist  
 Print Name

Deputy Director  
 Print Title

2/15/19  
 Date

951.955.7126  
 Telephone Number





Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

7/23/19  
Date

Kh  
Initial

## NOTICE OF EXEMPTION

June 26, 2019

**Project Name:** County of Riverside, Economic Development Agency (EDA) Third Amendment to Lease with CP Perris MH, LLC, Riverside University Health System - Behavioral Health, Perris, County of Riverside

**Project Number:** FM042552007300

**Project Location:** 450 East San Jacinto Avenue, west of Redlands Avenue, Perris, California 92571; Assessor's Parcel Numbers (APNs) 311-210-005, 311-210-012, and 311-210-026; (See Attached Exhibit)

**Description of Project:** The County of Riverside (County) has a Lease Agreement with CP Perris MH, LLC, a California limited liability company, (Lessor) which was entered into on August 23, 2016 for the purpose of providing office space for the Riverside University Health System – Behavioral Health Department. The leased facility is located at 450 East San Jacinto Avenue, Perris, California. A previous First Amendment to the Lease was approved on April 10, 2018 to facilitate the financing of this property. A Second Amendment to the Lease Agreement was approved on April 30, 2019 for the construction of tenant improvements in the new Federally Qualified Health Center (FQHC) space, a 4,880 usable square feet in the northwest corner of that certain 35,740 square feet building. RUHS has now requested for an additional 4,600 square feet of tenant improvements in a portion of the existing 35,740-square-foot building. Lessor will complete tenant improvements including interior painting, framing, drywall, HVAC, fire sprinklers, floor coverings, t-bar ceiling, plumbing, insulation, glass and glazing, and signage. The tenant improvements include group rooms, lobby, receptionist office, and exam rooms.

The Third Amendment to Lease is identified as the proposed project under the California Environmental Quality Act (CEQA). The proposed project would involve tenant improvements within the previously approved facility and would not result in an increase in capacity or physical expansion beyond what was previously approved as part of the Lease Agreement. No significant physical changes would occur as a result of the Third Amendment to the Lease Agreement.

**Name of Public Agency Approving Project:** County of Riverside, Economic Development Agency

**Name of Person or Agency Carrying Out Project:** County of Riverside, Economic Development Agency, CP Perris, MH LLC, a California limited liability company

**Exempt Status:** State CEQA Guidelines, Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Article 5, Section 15061.

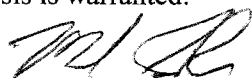
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**Reasons Why Project is Exempt:** The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor does the project have unusual circumstances that could possibly have a significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. No significant environmental impacts are anticipated to occur with the Third Amendment to the Lease Agreement.

- **Section 15301 (e)(2) –Existing Facilities:** This Class I categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The alterations to the previously approved facility would be limited to minor tenant improvements, which include interior painting, framing, drywall, HVAC, fire sprinklers, floor coverings, t-bar ceiling, plumbing, insulation, glass and glazing, and signage to accommodate the new FQHC. These improvements would be consistent with the existing land use, and no substantial increase in capacity would be created by the project. Therefore, the project is exempt as it meets the scope and intent of the Categorical Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or ‘it can be seen with certainty that the activity in question will not have a significant effect on the environment’, no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The effects of the proposed Third Amendment to the Lease Agreement are limited to interior alterations within the previously approved building. The indirect effects of the Lease Agreement were identified in a previous Notice of Exemption, filed August 29, 2016, which determined the potential indirect effects from this Lease Agreement would be analyzed separately as part of the Lessor’s contractual obligation to complete an appropriate level of environmental review under CEQA to the satisfaction of the County, acting as a Responsible Agency with final permitting approval. The proposed Third Amendment would not change the obligations of the Lessor, and in no way, would the project as proposed, have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: \_\_\_\_\_



Date: \_\_\_\_\_



Mike Sullivan, Senior Environmental Planner  
County of Riverside, Economic Development Agency

**RIVERSIDE COUNTY CLERK & RECORDER**

**AUTHORIZATION  
TO BILL  
BY JOURNAL VOUCHER**

**Project Name: Riverside County Third Amendment to Lease, Riverside University Health System - Behavioral Health, Perris, Riverside County, California**

**Accounting String: 524830-47220-7200400000 - FM042552007300**

DATE: June 26, 2019

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature: 

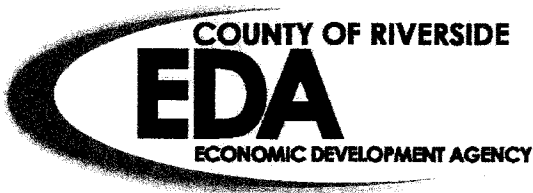
PRESENTED BY: Maribel Hyer, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: June 26, 2019

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

**Subject: County of Riverside Economic Development Agency Project # FM042552007300**  
Riverside County Third Amendment to Lease, Riverside University Health System – Behavioral Health, Perris, Riverside County, California

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

**After posting, please return the document to:**

**Mail Stop #1330**

**Attention: Mike Sullivan, Senior Environmental Planner,**

**Economic Development Agency,**

**3403 10<sup>th</sup> Street, Suite 400, Riverside, CA 92501**

**If you have any questions, please contact Mike Sullivan at 955-8009 or email at [msullivan@rivco.org](mailto:msullivan@rivco.org).**

Attachment

cc: file

1 **THIRD AMENDMENT TO LEASE**

2 (Riverside University Health Systems – Behavioral Health Clinic,  
3 450 E. San Jacinto Avenue, Perris, California)  
4

5 This **THIRD AMENDMENT TO LEASE** (“Third Amendment”) is made as of  
6 July 23, 2019, by and between the **COUNTY OF RIVERSIDE**, a political  
7 subdivision of the State of California (“County”), as Lessee, and **CP PERRIS MH LLC**,  
8 a California limited liability company (“Lessor”) and, sometimes collectively referred to  
9 as the “Parties.”

10 **RECITALS**

11 A. Lessor and County entered into that certain Lease dated August 23, 2016  
12 (“Original Lease”) pursuant to which Lessor has agreed to lease to County and County  
13 has agreed to lease from Lessor that certain building located at 450 E. San Jacinto  
14 Avenue, Perris, California, generally described as a free standing building consisting of  
15 approximately 35,740 square feet, as more particularly described in the Original Lease.

16 B. The Original Lease has been amended by:

17 i. That certain First Amendment to Lease dated April 10, 2018, by  
18 and between County and Lessor (the “First Amendment”), whereby the Parties  
19 amended the Original Lease to assist Lessor in obtaining funding for the loan by  
20 amending among other things the Subordination, Non-Disturbance and Attornment  
21 Agreement (“SNDA”), Exhibit H, whereby County agreed to subordinate its leasehold  
22 estate to the liens in favor of the lender.

23 ii. That certain Second Amendment to Lease dated April 30, 2019, by  
24 and between County and Lessor (the “Second Amendment”), whereby the Parties  
25 further amended the Original Lease for the remodeling of an approximately 4,880 SF  
26 portion of the building for use by the County as a Federally Qualified Health Center  
27 (“FQHC #1”)  
28

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1 C. The Original Lease together with the First and Second Amendment are  
2 collectively referred to herein as the "Lease".

3 D. The Parties now desire to amend the Lease with this Third Amendment to  
4 amend the rental amounts and provide for improvements for a further approximately  
5 4,600 SF expansion of the Federally Qualified Health Center ("FQHC #2").

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

8 1. **BASE RENT.** Section 5.1 of the Original Lease, as amended, shall be  
9 further amended and restated in its entirety as follows:

10 **5.1 Base Rent.** County shall pay the sum per month to Lessor as base  
11 rent ("Base Rent") for the Leased Premises as set forth below, payable, in advance, on  
12 the first day of the month; provided, however, in the event rent for any period during the  
13 term hereof which is for less than one full calendar month said rent shall be pro-rated  
14 based upon the actual number of days of said month.

	<u>Base Rent</u>	<u>Additional Rent</u>	<u>Additional Rent</u>	<u>Total Rent</u>
<u>Years</u>	<u>per month:</u>	<u>per month:</u>	<u>#2 per month:</u>	
17 1-5	\$80,415.00	\$6,740.61	\$5,591.04	\$92,746.65
18 6-10	\$82,425.38	\$6,740.61	\$5,591.04	\$94,757.03
19 11-15	\$84,486.01	\$6,740.61	\$5,591.04	\$96,817.66
20 16-20	\$86,598.16	\$6,740.61	\$5,591.04	\$98,929.81
21 21-25	\$88,763.11	\$6,740.61	\$5,591.04	\$101,094.76
22 26-30	\$90,982.19	\$6,740.61	\$5,591.04	\$103,313.84

23 2. **Additional Rent #2.** County shall also pay to Lessor the sum per month  
24 to Lessor as set forth above as additional rent ("Additional Rent #2", and together with  
25 Base Rent and Additional Rent, the "Rent") for the Additional Improvements for FQHC  
26 #2, payable, in advance, on the first day of the month; provided, however, in the event  
27 Additional Rent #2 for any period during the term hereof is less than one full calendar  
28 month said Additional Rent #2 shall be pro-rated based upon the actual numbers of

1 days of said month. The Parties acknowledge that Lessor shall be responsible for  
2 planning and constructing the additional improvements shown on Exhibit "K" attached  
3 hereto and incorporated herein ("Additional Improvements for FQHC #2"). The cost for  
4 the Additional Improvements is reflected in the above Additional Rent #2. Such  
5 Additional Rent #2, shall commence on February 1, 2020. Notwithstanding anything to  
6 the contrary herein, failure by Lessor to substantially complete the Additional  
7 Improvements shown on Exhibit "K" attached hereto shall not be a default or an event  
8 of default hereunder and the only remedy County shall have for the failure by Lessor to  
9 substantially complete such Additional Improvements for FQHC #2 shall be the  
10 suspension of the payment of Additional Rent #2 until the Additional Improvements for  
11 FQHC #2 are substantially complete.

12 The Parties acknowledge the following with respect to improvements and rent:

13 a) that Lessor has successfully completed the planning and  
14 constructing of the on-site and off-site improvements and complete building in  
15 accordance with Exhibit "B",

16 b) that Lessor has successfully completed the installation of certain  
17 furniture, fixtures, and equipment ("FF&E"),

18 c) that all project costs including but not limited to the core and shell  
19 and interior tenant improvements to the premises and FF&E are included in the above  
20 Base Rent.

21 d) that Base Rent has commenced as of May 10, 2019.

22 e) that Lessor has successfully completed the Additional  
23 Improvements for FQHC #1, as outlined in Exhibit "J".

24 f) that Additional Rent for the Additional Improvements has  
25 commenced as of July 1, 2019.

26 County shall also pay to Lessor the sum per month to Lessor as set forth  
27 above as additional rent ("Additional Rent #2", and together with Base Rent and  
28 Additional Rent, the "Rent") for the Additional Improvements for FQHC #2, payable, in

1 advance, on the first day of the month; provided, however, in the event Additional Rent  
2 #2 for any period during the term hereof is less than one full calendar month said  
3 Additional Rent #2 shall be pro-rated based upon the actual numbers of days of said  
4 month. The Parties acknowledge that Lessor shall be responsible for planning and  
5 constructing the additional improvements shown on Exhibit "K" attached hereto and  
6 incorporated herein ("Additional Improvements for FQHC #2"). The cost for the  
7 Additional Improvements is reflected in the above Additional Rent. Notwithstanding  
8 anything to the contrary herein, failure by Lessor to substantially complete the  
9 Additional Improvements shown on Exhibit "K" attached hereto shall not be a default or  
10 an event of default hereunder and the only remedy County shall have for the failure by  
11 Lessor to substantially complete such Additional Improvements for FQHC #2 shall be  
12 the suspension of the payment of Additional Rent #2 until the Additional Improvements  
13 for FQHC #2 are substantially complete.

14 **3. IMPROVEMENTS BY LESSOR.** Exhibit "K" attached hereto is hereby  
15 attached to the Lease as Exhibit "K", and Section 11.1 of the Lease shall be amended  
16 by adding the following as a new Section 11.1.10:

17 **11.1.10** Lessor, at its sole cost and expense, shall further expand the  
18 tenant improvements in the FQHC space referenced in Section 11.1.9 above, by  
19 construction of approximately 4,600 square feet in the northwest corner of that certain  
20 35,740 square feet building located on the Premises, as set forth in Exhibit "K",  
21 attached hereto and incorporated herein by reference ("Additional Improvements"). The  
22 total cost of the Additional Improvements is \$803,491.00 and is reflected in the  
23 Additional Rent #2 as set forth in Section 5.1.

24 In addition to the foregoing \$803,491.00, Lessor shall make available an  
25 amount equal to an additional fifteen percent (15%) or \$120,523.65 as contingency for  
26 the sole use of the County ("County Contingency") for the sole purpose of paying for  
27 extra items requested by County during the course of construction or installation of  
28 Additional Improvements. Upon completion of the Additional Improvements, Lessor



1 advance, on the first day of the month; provided, however, in the event Additional Rent  
2 #2 for any period during the term hereof is less than one full calendar month said  
3 Additional Rent #2 shall be pro-rated based upon the actual numbers of days of said  
4 month. The Parties acknowledge that Lessor shall be responsible for planning and  
5 constructing the additional improvements shown on Exhibit "K" attached hereto and  
6 incorporated herein ("Additional Improvements for FQHC #2"). The cost for the  
7 Additional Improvements is reflected in the above Additional Rent. Notwithstanding  
8 anything to the contrary herein, failure by Lessor to substantially complete the  
9 Additional Improvements shown on Exhibit "K" attached hereto shall not be a default or  
10 an event of default hereunder and the only remedy County shall have for the failure by  
11 Lessor to substantially complete such Additional Improvements for FQHC #2 shall be  
12 the suspension of the payment of Additional Rent #2 until the Additional Improvements  
13 for FQHC #2 are substantially complete.

14 **3. IMPROVEMENTS BY LESSOR.** Exhibit "K" attached hereto is hereby  
15 attached to the Lease as Exhibit "K", and Section 11.1 of the Lease shall be amended  
16 by adding the following as a new Section 11.1.10:

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18 tenant improvements in the FQHC space referenced in Section 11.1.9 above, by  
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20 35,740 square feet building located on the Premises, as set forth in Exhibit "K",  
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22 total cost of the Additional Improvements is \$803,491.00 and is reflected in the  
23 Additional Rent #2 as set forth in Section 5.1.

24 In addition to the foregoing \$803,491.00, Lessor shall make available an  
25 amount equal to an additional fifteen percent (15%) or \$120,523.65 as contingency for  
26 the sole use of the County ("County Contingency") for the sole purpose of paying for  
27 extra items requested by County during the course of construction or installation of  
28 Additional Improvements. Upon completion of the Additional Improvements, Lessor

1 shall provide the County with an itemized statement of any of the County Contingency  
2 used. In the event all or a portion of the County Contingency remains unused, the  
3 unused portion shall be applied as a credit to County's Rent payment obligation.

4 **4. CAPITALIZED TERMS/THIRD AMENDMENT TO PREVAIL.** Unless  
5 defined herein or the context requires otherwise, all capitalized terms herein shall have  
6 the meaning defined in the Lease, as heretofore amended. The provisions of this Third  
7 Amendment shall prevail over any inconsistency or conflicting provisions of the Lease  
8 and shall supplement the remaining provision thereof.

9 **5. MISCELLANEOUS.** Except as amended or modified herein, all the terms  
10 of the Lease shall remain in full force and effect and shall apply with the same force and  
11 effect. Time is of the essence in this Third Amendment and the Lease and each and all  
12 of their respective provisions. Subject to the provisions of the Lease as to assignment,  
13 the agreements, conditions and provisions herein contained shall apply to and bind the  
14 heirs, executors, administrators, successors and assigns of the parties hereto. If any  
15 provision of this Third Amendment or the Lease shall be determined to be illegal or  
16 unenforceable, such determination shall not affect any other provision of the Lease and  
17 all such other provision shall remain in full force and effect. The language in all parts of  
18 the Lease shall be constructed according to its normal and usual meaning and not  
19 strictly for or against either Lessor or County. Neither this Third Amendment, nor the  
20 Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded  
21 by County.


22 **6. Effective Date.** This Third Amendment to Lease shall not be binding or  
23 consummated until its approval by the Riverside County Board of Supervisors and fully  
24 executed by the Parties.

25  
26 IN WITNESS WHEREOF, the parties have executed this Third Amendment as of  
27 the date first written above.  
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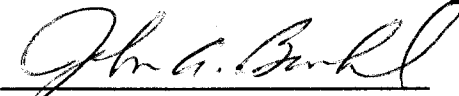
COUNTY:

COUNTY OF RIVERSIDE, a political  
Subdivision of the State of California

By:   
Kevin Jeffries, Chairman  
Board of Supervisors

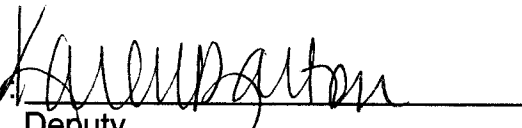
LESSOR:

CP PERRIS MH, LLC, a  
California limited liability company

By:   
John A. Buckel, Manager


ATTEST:

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

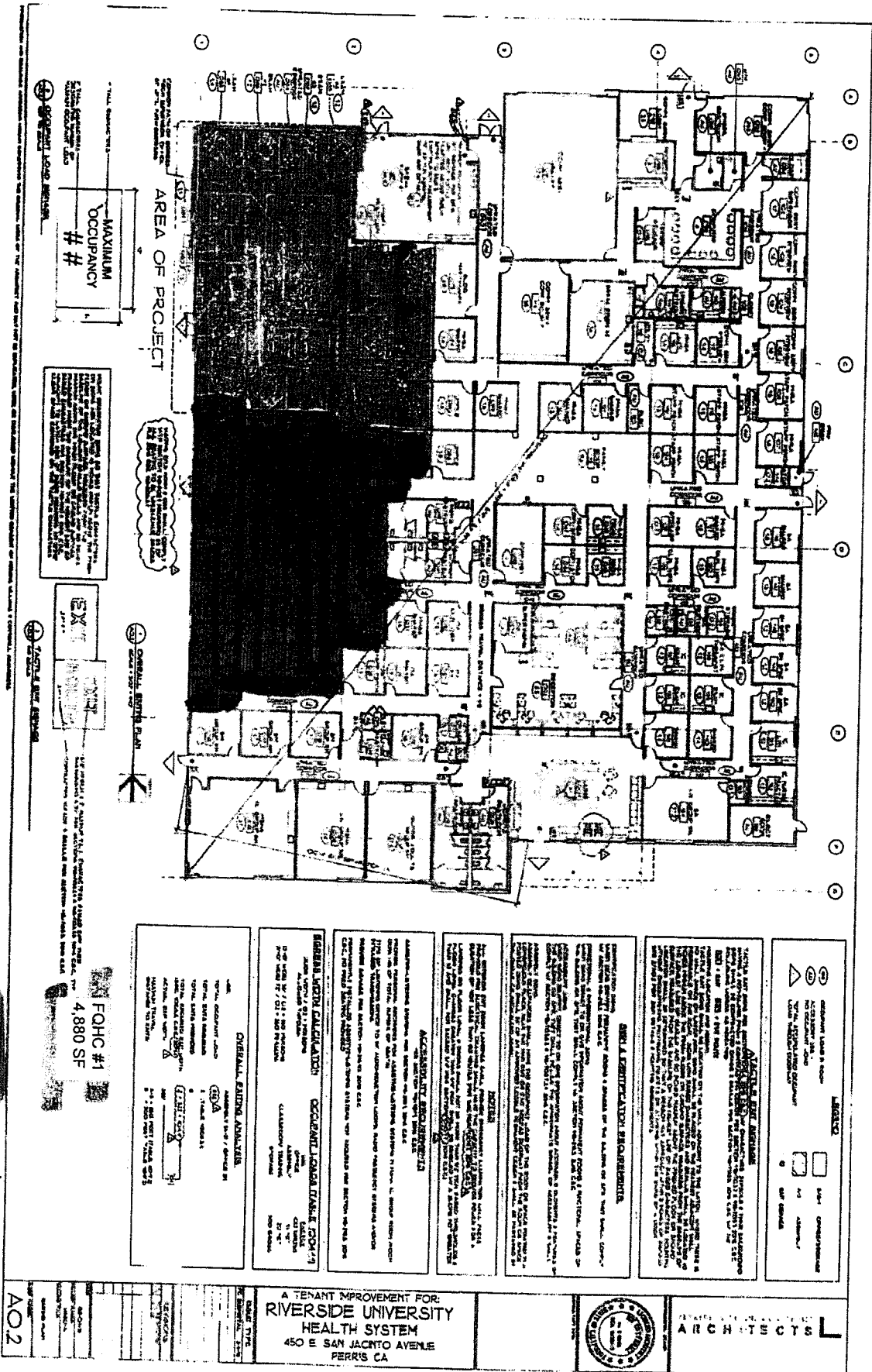
APPROVED AS TO FORM:

Gregory P. Priamos, County Counsel

By:   
Thomas Oh  
Deputy County Counsel

MH:vm/062419/PR073/20.651

# EXHIBIT "K" - Additional Improvements for FQHC #2



AREA OF PROJECT  
 MAXIMUM OCCUPANCY # #

NOTE: OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES.

EXIT  
 EXIT

OVERALL FINISH PLAN  
 OVERALL FINISH PLAN

FQHC #2  
 4,600 SF

FQHC #1  
 4,880 SF

**LEGEND**

	Occupant Load		No Occupant Load
	Special Area Occupancy		No Special Area Occupancy
	Utility		No Utility

**NOTES**

1. ALL ROOMS SHALL BE OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES.

**GENERAL NOTES**

1. ALL ROOMS SHALL BE OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES.

**ACCURACY STATEMENT**

1. ALL ROOMS SHALL BE OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES.

**GENERAL NOTES**

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**OVERALL FINISH ANALYSIS**

1. ALL ROOMS SHALL BE OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES. THE OCCUPANCY LOAD IS BASED ON THE ASSUMPTION THAT ALL ROOMS ARE FULLY OCCUPIED AT ALL TIMES.

A TENANT IMPROVEMENT FOR:  
**RIVERSIDE UNIVERSITY HEALTH SYSTEM**  
 450 E SAN JACINTO AVENUE  
 PERRIS CA

**ARCHITECTS**

AO2

## EXHIBIT "K" - BUDGET AND RENT

<b>Perris FQHC #2 Remodel Budget</b>	<b>6/30/19</b>
--------------------------------------	----------------

Approximate SF of area being remodeled: 4,600 SF

**Hard Costs (includes demolition & re-use of materials)**

Oltmans Budget 1/29/19 based on incomplete plans	\$ 128.51		\$ 591,163
Extra furniture costs for balance of building			\$ -
<b>Total Hard Costs</b>			<b>\$ 591,163</b>

**Soft Costs**

Permits & Fees - City and EMWD			\$ 46,500
Architectural			\$ 21,490
Plan Check			\$ 6,540
Project Management - 3.5% of total cost	3.5%		\$ 28,122
Contingency (hard and soft)		8.5%	\$ 68,297
Construction Interest - 6.5% of 60% of total cost for 4 months	60%	7.0%	\$ 11,249
Lender Fees based on FQHC #2 Total Costs		3.75%	\$ 30,131

**Total Hard and Soft Costs**

			\$ 212,329
			<b>\$ 803,491</b>

County Contingency 15% \$ 120,523.70

Additional Monthly Rent for costs amortized over:	351 months	6.00%	\$5,591.04
Additional Annual Rent			\$ 67,093
Actual Return on Cost			7.26%

\* Note: rent for FQHC #2 shall commence on February 1, 2020



## EXHIBIT "K" - Construction Budget Budget Summary

**RUHS - Med Pod #2 Remodel**

May 30, 2019

Perris

Budget Estimate

*Note: Oltmans' RCM budget was provided for the same quantity as contained*

Description	Qty.	Unit	Unit Price	Subtotal	Site		
					Coverage	Clear Ht.	Fire Sprinklers
RUHS Med Pod #2	5,000	sf	\$ 128.51	\$ 642,568	Existing	Existing	Existing
<b>PROJECT TOTAL:</b>	<b>5,000</b>	<b>SF</b>	<b>\$ 128.51</b>	<b>\$ 642,568</b>			

**Qualifications:**

1. Assumed work to be done during normal business hours.
2. Assumed current subs to perform work.
3. Prevailing wages included.
4. (1) year warranty included from time of sign-off.
5. (2.5) month construction schedule; assume Mid-June 2019 start.

*RUHS Med Pod #2 being 4,600 SF,  
the budget and rent was based on  
a straight-line reduction*

*\$642,568 / 5,000 SF x 4,600 SF =  
\$591,158.56*

**Exclusions:**

1. Assessment, acreage fees, bonds and all other government generated fees.
2. Utility company charges.
3. Builder's all-risk insurance, premiums and deductibles.
4. Architectural and engineering design fees.
5. Permit and plan check fees.
6. Testing and inspection, (mandatory and/or voluntary).
7. Testing, removal and handling of hazardous or toxic materials.
8. Performance bonds.
9. Off-site work.
10. LEED.
11. OSHPD requirements.

# ROM

PROJECT NAME: RUHS - Med Pod #2 Remodel

Project Number:

Date: 5/30/2019

Owner J.Buckle

Plans:

Project Address: -

Specifications: L.Rivas

5,000 sf

Project Description: Remodel Existing TI Area

02001	Job Site Security	\$	22,000	\$	22,000	\$	4.40
02005	Temp Power	\$	12,100	\$	12,100	\$	2.42
02010	Temp Construction Safety/Barricade	\$	11,000	\$	11,000	\$	2.20
02020	Final Cleaning	\$	2,750	\$	2,750	\$	0.55
02050	Demolition	\$	19,663	\$	19,663	\$	3.93
03300	Cast-in-Place Concrete	\$	12,375	\$	12,375	\$	2.48
05100	Structural Steel	\$	5,500	\$	5,500	\$	1.10
06200	Finish Carpentry	\$	40,753	\$	40,753	\$	8.15
07200	Insulation	\$	3,630	\$	3,630	\$	0.73
07500	Roofing	\$	1,100	\$	1,100	\$	0.22
07900	Caulking	\$	4,322	\$	4,322	\$	0.86
08100	Metal Doors & Frames	\$	28,557	\$	28,557	\$	5.71
08800	Glass & Glazing	\$	13,500	\$	13,500	\$	2.70
09250	Drywall	\$	25,850	\$	25,850	\$	5.17
09300	Ceramic Tile	\$	13,189	\$	13,189	\$	2.64
09500	Acoustical Ceiling	\$	6,022	\$	6,022	\$	1.20
09650	Resilient Flooring	\$	26,573	\$	26,573	\$	5.31
09900	Painting	\$	9,900	\$	9,900	\$	1.98
09960	Marlite	\$	1,650	\$	1,650	\$	0.33
10260	Wall & Corner Guards	\$	1,210	\$	1,210	\$	0.24
10400	Signage	\$	550	\$	550	\$	0.11
10520	Fire Extinguishers	\$	880	\$	880	\$	0.18
10800	Toilet Partitions & Accessories	\$	2,970	\$	2,970	\$	0.59
12500	Window Treatment	\$	5,500	\$	5,500	\$	1.10
15300	Fire Sprinklers	\$	9,020	\$	9,020	\$	1.80
15400	Plumbing	\$	102,300	\$	102,300	\$	20.46
15500	HVAC	\$	12,584	\$	12,584	\$	2.52
16000	Electrical	\$	50,000	\$	50,000	\$	10.00
16720	Alarm & Detection	\$	5,500	\$	5,500	\$	1.10
17200	Data Drops & AV System Allowance	\$	31,313	\$	31,313	\$	6.26
01000	General Conditions:	\$	100,518	\$	100,518	\$	20.10

Subtotal	\$	582,779	\$	582,779	\$	116.56
Permit/Plan Check	\$	-	\$	-	\$	-
A&E Fees	\$	-	\$	-	\$	-
SDI	\$	-	\$	-	\$	-
Special City Taxes	\$	-	\$	-	\$	-
Pre-Con	\$	-	\$	-	\$	-
Subtotal	\$	582,779	\$	582,779	\$	116.56
Insurance	\$	5,653	\$	5,653	\$	1.13
Subtotal	\$	588,432	\$	588,432	\$	117.69
O & P	\$	23,537	\$	23,537	\$	4.71
Subtotal	\$	611,969	\$	611,969	\$	122.39
Contractor Contingency	\$	30,598	\$	30,598	\$	6.12
Total:	\$	642,568	\$	642,568	\$	128.51

*MM: FOHC at 1,600 SF*

*the budget and then was raised on  
& site phone reductions*

*66-2 000-0 000 000 000 000 000 000*

*000 000 000*

EXHIBIT "K"

**Perris FQHC Remodel - Revised Rent Schedule** **6/30/2019**

Lease Term 30 years Total Building SF: 35,743 SF

	Original Base Rent/Month	Original Base Rent/Year	FQHC #1		FQHC #2		Revised Total Rent/Month	Revised Total Rent/Year
			Additional* FQHC Rent/Month	Additional FQHC Rent/Year	Additional** FQHC Rent/Month	Additional FQHC Rent/Year		
Years 1 - 5	\$ 80,415.00	\$ 964,980	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 92,746.65	\$ 1,112,960
Years 6 - 10	\$ 82,425.38	\$ 989,105	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 94,757.03	\$ 1,137,084
Years 11 - 15	\$ 84,486.01	\$ 1,013,832	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 96,817.66	\$ 1,161,812
Years 16 - 20	\$ 86,598.16	\$ 1,039,178	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 98,929.81	\$ 1,187,158
Years 21 - 25	\$ 88,763.11	\$ 1,065,157	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 101,094.76	\$ 1,213,137
Years 26 - 30	\$ 90,982.19	\$ 1,091,786	\$ 6,740.61	\$ 80,887	\$ 5,591.04	\$ 67,093	\$ 103,313.84	\$ 1,239,766

\* Note: Additional rent for FQHC improvements commences upon substantial completion of remodel in July 2019

\*\* Note: Additional rent for FQHC #2 improvements commences upon substantial completion of remodel in February 2020