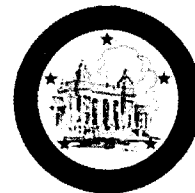


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.21
(ID # 9845)

MEETING DATE:

Tuesday, January 28, 2020

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Ratification and approval of the Fifth Amendment to Lease with Perris Citrus Avenue Storage, LP, Sheriff's Department, Perris Storage Facility, 5-Year Lease Renewal, District 1, CEQA Exempt. [\$3,637,071] 100% General Funds Sheriff's Budget; (Clerk of the Board to File the 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, Class 1 - Existing Facilities, and Section 15061(b) (3), the "common sense" exemption;
2. Ratify and approve the Fifth Amendment to Lease with Perris Citrus Avenue Storage, LP, 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 five (5) days of approval by the Board.

ACTION:Policy, CIP


Robert Field, Assistant County Executive Officer/ECD

5/15/2019

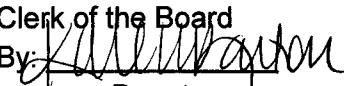

Robert Gunzel, Assistant Sheriff

8/15/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel 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: January 28, 2020
xc: EDA

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 75,349	\$ 713,077	\$ 3,637,071	\$0
NET COUNTY COST	\$ 75,349	\$ 713,077	\$ 3,637,071	\$ 0
SOURCE OF FUNDS: 100% General Funds, Sheriff's Budget			Budget Adjustment: No	
			For Fiscal Year: 2018/19 to 2023/24	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

On June 13, 2017 the Board of Supervisors approved a Fourth Amendment to Lease, Minute Order 3.6, to extend the lease for two years at the Perris Storage Facility for the Sheriff's Department. This Fifth Amendment to Lease will extend the Lease for an additional five-year term, expand the warehouse space and provide office space.

The Fifth Amendment expands the current 55,625 square feet of leased warehouse space by approximately 17,128 square feet. The department requests the addition of office and mezzanine space consisting of approximately 17,473 square feet. The Sheriff's department will now occupy a total of 90,226 square feet, which is the entire building. The department will relocate Banning's Special Enforcement Bureau Team, including the Hazardous Device Team (Bomb Squad), Crisis Negotiation Team, Sheriff's K9 Team, Dive Team, Off-Road Vehicle Enforcement (ROVE) and Sheriff's Emergency Response Team (SERT) under one roof. The expansion of the space is Phase 1 of the relocation process.

It is imperative that the Sheriff's department relocate Banning's Special Enforcement Bureau Team to the Perris site due to water leaks and other issues associated with the older Banning building. In the recent past, the basement of the Banning building has flooded. Currently items averse to water damage are stored in the basement. In addition, the Banning building will undergo a major renovation in the near future. Therefore, the Sheriff's department will need to plan and coordinate the transition of staff and sensitive equipment from Banning to the warehouse in Perris in a timely manner, where much of their respective equipment is currently located.

The Economic Development Agency (EDA), Real Estate Division, has negotiated a five-year lease extension at the rate of \$.39 per square foot for the warehouse space. Staff has also negotiated a rate of \$.67 per square foot for the office space, with a two and one half percent annual increase. The lease has options to extend for two consecutive five year lease terms, a first right of refusal to lease additional storage units as they become available, with an option to purchase the building and premises after ten years.

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

Phase II, the second half of this project, will commence after the Board of Supervisors approve the lease and the current tenant vacates the office space at the end of December. The Sheriff's department may then take full occupancy. Phase II will consist of improvements to convert the second floor mezzanine area into mixed use of office space and an open area for Sheriff's Special Enforcement Bureau Team to conduct mission planning and required briefings. Additional improvements will be made within the warehouse area to buildout a secured weapon and ammunition room, secured evidence room, install a shower area with lockers and add a security system to secure the premises and painting as needed. EDA, on Sheriff's behalf, shall contract with a County awarded architect and contractor to complete the improvements.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Class 1 - Existing Facilities and Section 15061(b) (3), the common sense exemption. The proposed project, the Lease, is the letting of property involving existing facilities with no tenant improvement alterations and no expansion of an existing use will occur.

The Fifth Amendment to Lease is summarized as follows:

Location: Daytona Business Park, 24312 Daytona Cove, Perris

Lessor: Perris Citrus Avenue Storage, LP

Size: Entire Building consists of 90,226 square feet approximately
Current Warehouse square feet: 55,625 square feet

Term: Five years from June 12, 2019 to June 11, 2024
*Rent commencement will be January 28, 2020

Rent: Current Warehouse (55,625 Sq. Ft.)
\$.39 PSF
\$ 21,911.83 Per Mo.
\$262,941.96 Per Year

+

New Warehouse Space (17,128 Sq. Ft.)
\$.39 PSF
\$ 28,373.67 Per Month
\$340,484.04 Per Year

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

New Office Space (17,473 Sq. Ft.)
\$.67 PSF
\$ 11,706.91 Per Month
\$140,482.92 Per Year

Annual Escalator: Two and a half percent

Operating Expenses: County. Includes Taxes and Insurance, Maintenance, Custodial and Utilities; estimated at \$0.14 psf., and a reserve account of \$0.05 psf.

Options: Two option(s) to extend the Original Term ("Extension Option(s)"). Each Option shall be for a period of five years ("Extended Term").

Option to Purchase: County has the Option to Purchase the Premises at any time after the fourth year of the first extension option.

Tenant Improvements: To be performed in Phase II

RCIT: To be performed in Phase II

Parking: Sufficient for County use

The Fifth Amendment to Lease has been approved by County Counsel as to form, and Agency staff recommends approval.

Impact on Citizens and Businesses

Sherriff's presence in warehouse space continues to create dispatch efficiencies and improve public safety in this region of the County.

SUPPLEMENTAL:

Additional Fiscal Information

See attached Exhibits A, B and C. Sheriff's budgeted these costs in FY 2019/20 and will reimburse EDA for all lease costs on a monthly basis

Contract History and Price Reasonableness

The lease rate is deemed competitive based upon the current market. This contract has been in place since June 12, 2012.

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

Attachments:

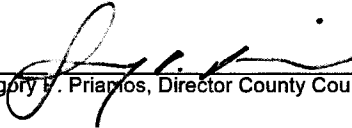
- Exhibits A, B & C
- Aerial Image
- Fifth Amendment to Lease
- Notice of Exemption

RF:HM:VC:VY:CC:jb PR050 20.559
Minute Traq ID # 9845



Steven Atkeson

1/22/2020



Gregory E. Priamos, Director County Counsel

1/15/2020

Exhibit A

FY 2018/19

Fifth Amendment Sheriff's Department
24312 Daytona Cove, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Total Office Square Footage to be Leased:	17,473	SQFT
Total Warehouse Square Footage to be Leased:	72,753	SQFT
Total	90,226	SQFT

Approximate Cost per SQFT (July-May)	\$ 0.39
Approximate Cost per SQFT (June)	\$ 0.67
Approximate Cost per SQFT (June)-Warehouse	\$ 0.39

Lease Cost per Month (July-May)	\$ 21,911.83
Lease Cost per Month (June)	\$ 40,080.58

Total Lease Cost (July-May)	\$ 241,030.13
Total Lease Cost (June)	\$ 40,080.58
Total Estimated Lease Cost for FY 2018/19	\$ 281,110.71

Custodial Cost per Month (July-May)	\$ -
Custodial Cost per Month (June)	\$ 5,000.00

Total Custodial Cost (July-May)	\$ -
Total Custodial Cost (June)	\$ 5,000.00
Total Estimated Custodial Cost for FY 2018/19	\$ 5,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12
Estimated Utility Costs per Month	\$ 10,827.12
Total Estimated Utility Cost (July-May)	\$ 119,098.32
Total Estimated Utility Cost (June)	\$ 10,827.12
Total Estimated Utility Cost for FY 2018/19	\$ 129,925.44

Reimbursable Expenses	\$ 17,469.37
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EDA Lease Management Fee prior to 06/12/2019	0.00%	\$ -
EDA Lease Management Fee as of 06/12/2019	4.92%	\$ 13,830.65

TOTAL ESTIMATED COST FOR FY 2018/19		\$ 447,336.16
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TOTAL COUNTY COST	100%	\$ 447,336.16
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Exhibit B

FY 2019/20

Fifth Amendment Sheriff's Department

24312 Daytona Cove, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Total Office Square Footage to be Leased:	17,473	SQFT
Total Warehouse Square Footage to be Leased:	72,753	SQFT
Total	90,226	SQFT

Approximate Cost per SQFT (July-May)	\$ 0.67
Approximate Cost per SQFT (June)	\$ 0.69
Approximate Cost per SQFT (June)-Warehouse	\$ 0.40

Lease Cost per Month (July-May)	\$ 40,080.58
Lease Cost per Month (June)	\$ 41,082.61

Total Lease Cost (July-May)	\$ 440,886.38
Total Lease Cost (June)	\$ 41,082.61
Total Estimated Lease Cost for FY 2019/20	\$ 481,968.99

Custodial Cost per Month (July-May)	\$ 5,000.00
Custodial Cost per Month (June)	\$ 5,000.00

Total Custodial Cost (July-May)	\$ 55,000.00
Total Custodial Cost (June)	\$ 5,000.00
Total Estimated Custodial Cost for FY 2019/20	\$ 60,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month		\$ 10,827.12
Total Estimated Utility Cost (July-May)		\$ 119,098.32
Total Estimated Utility Cost (June)		\$ 10,827.12
Total Estimated Utility Cost for FY 2019/20		\$ 129,925.44

Reimbursable Expenses		\$ 17,469.37
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EDA Lease Management Fee prior to 06/12/2019	0.00%	\$ -
EDA Lease Management Fee as of 06/12/2019	4.92%	\$ 23,712.87

TOTAL ESTIMATED COST FOR FY 2019/20		\$ 713,076.67
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TOTAL COUNTY COST	100%	\$ 713,076.67
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Exhibit C

FY 2020/21 to 2023/24
Fifth Amendment Sheriff's Department
24312 Daytona Cove, Perris

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

Total Office Square Footage to be Leased:	17,473	SQFT
Total Warehouse Square Footage to be Leased:	72,753	SQFT
Total	90,226	SQFT

	FY 2020/21	FY 2021/222	FY 2022/23	FY 2023/24
Approximate Cost per SQFT (July-May)	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.39
Approximate Cost per SQFT (June)	\$ 0.39	\$ 0.39	\$ 0.39	
Lease Cost per Month (July-May)	\$ 41,082.61	\$ 42,109.68	\$ 43,162.43	\$ 44,241.50
Lease Cost per Month (June)	\$ 42,109.68	\$ 43,162.43	\$ 44,241.50	
Total Lease Cost (July - May)	\$ 451,908.71	\$ 463,206.48	\$ 474,786.73	\$ 486,656.50
Total Lease Cost (June)	\$ 42,109.68	\$ 43,162.43	\$ 44,241.50	
Total Estimated Lease Cost for FY 2020/21 to 2023/24	\$ 494,018.39	\$ 506,368.91	\$ 519,028.23	\$ 486,656.50
Custodial Cost per Month (July-May)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Custodial Cost per Month (June)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Total Custodial Cost (July - May)	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00
Total Custodial Cost (June)	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Total Estimated Custodial Cost for FY 2020/21 to 2023/24	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 55,000.00
<u>Estimated Additional Costs:</u>				
Utility Cost per SQFT	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Estimated Utility Costs per Month	\$ 10,827.12	\$ 10,827.12	\$ 10,827.12	\$ 10,827.12
Total Estimated Utility Cost	\$ 129,925.44	\$ 129,925.44	\$ 129,925.44	\$ 119,098.32
EDA Lease Management Fee as of 06/12/2019 4.92%	\$ 24,305.70	\$ 24,913.35	\$ 25,536.19	\$ 23,943.50
TOTAL ESTIMATED COST FOR FY 2020/21 to 2023/24	\$ 708,249.53	\$ 721,207.70	\$ 734,489.86	\$ 684,698.32

F11 Total Cost		\$ 4,009,058.24
F11 Total County Cost	100%	\$ 4,009,058.24



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

1/20/2020
Date

kb
Initial

NOTICE OF EXEMPTION

October 8, 2019

Project Name: County of Riverside, Sheriff's Department Storage Facility, 5th Amendment to Lease, Perris

Project Number: FM042552005000

Project Location: 24312 Daytona Cove, Perris, California 92570; APN 305-170-035

Description of Project: On June 12, 2012 the County of Riverside (County) entered into a lease with Perris Citrus Storage, LP for the use of a storage building located at 24312 Daytona Cove. The building consists of secured warehouse space, with reinforced concrete flooring, which is used by the Sheriff's Department for storage. The lease has been amended four times previously for term and rent modifications and the reduction of leased space. The Sheriff's Department now seek consolidate services and lease the entire building in order to accommodate Banning's Special Enforcement Bureau Team which also includes the Hazardous Device Team (Bomb Squad), Crisis negotiation Team, Sheriff's K9 Team, Dive Team, Off-road vehicle enforcement (ROVE and Sheriff's Emergency Response Team (SERT) under one roof. The building continues to meet the needs of the Department and a new five-year extension of term, along with the lease of 90,226 square feet, is being sought. The five-year extension would commence on June 12, 2019 and terminate on June 11, 2024. The 5th Amendment to the Lease Agreement, which is the letting of property involving existing facilities, and contains no tenant improvements, alterations, or expansion of the existing building footprint, is identified as the proposed project under the California Environmental Quality Act (CEQA). No additional direct or indirect physical environmental impacts are anticipated.

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, and Perris Citrus Avenue Storage LP

Exempt Status: State CEQA Guidelines, Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15300 to 15301.

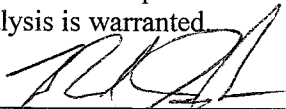
Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA 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 possibility 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 5th Amendment to the Lease Agreement.

JAN 28 2020 3.21

- **Section 15301 – Class 1 Existing Facilities Exemption:** This 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 project, as proposed, is limited to a Lease Agreement of existing storage space within an existing building. The use of the storage space would be consistent with the designated land use, and would not require any expansion of public services and facilities; therefore, the project is exempt as the project meets the scope and intent of the Class 1 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 proposed 5th Amendment to the Lease Agreement is limited to a contractual transaction and indirect effects would be limited to the existing use of a storage building. The Lease Agreement will not result in any direct or indirect physical environmental impacts. Therefore, 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: _____

10/8/19

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 Sheriff's Department Storage Facility, 5th Amendment to Lease, Perris

Accounting String: 524830-47220-7200400000- FM042552005000

DATE: October 8, 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: Cindy Campos, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: October 8, 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 # FM042552005000**
Riverside County Sheriff's Department Storage Facility, 5th Amendment to Lease, Perris

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 10th Street, Suite 400, Riverside, CA 92501

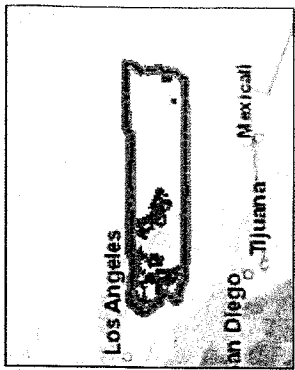
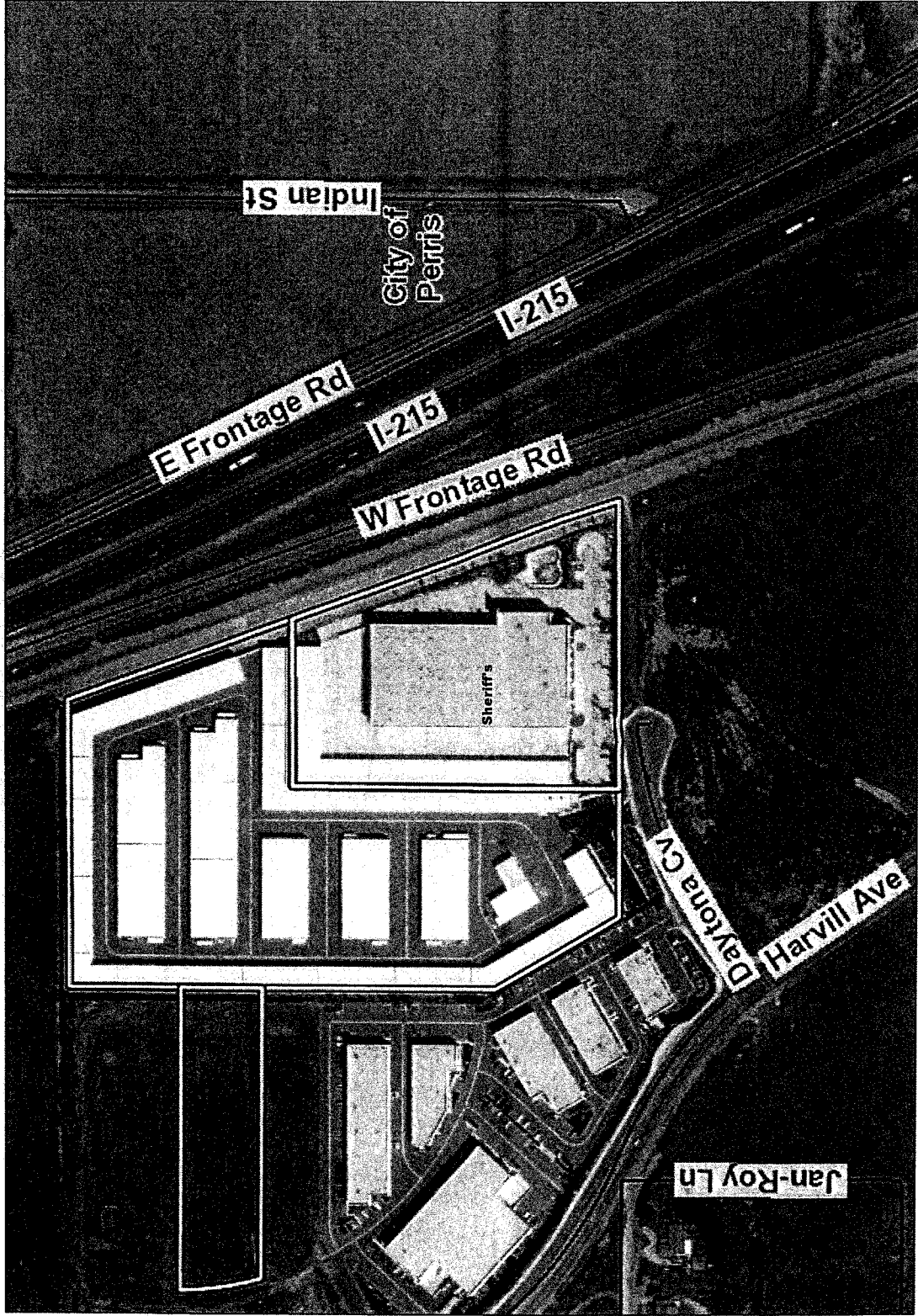
If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

Fifth Amendment to Lease

Sheriff's Fleet Storage, 24312 Daytona Cove, Perris, CA 92570



- Legend**
- County Centerline Names
 - County Centerlines
 - Blue-line Streams
 - City Areas
 - World Street Map

Notes
APN 305170035

"IMPORTANT" Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



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REPORT PRINTED ON... 4/29/2019 1:36:27 PM
© Riverside County GIS

FIFTH AMENDMENT TO LEASE
24312 Daytona Cove, Perris, California

THIS FIFTH AMENDMENT TO LEASE ("Fifth Amendment"), dated as of January 28, 2020 is entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("County"), and PERRIS CITRUS AVENUE STORAGE, LP, a California limited partnership ("Lessor") collectively referred to as the "Parties".

RECITALS

A. Lessor and County have entered into that certain Lease dated June 12, 2012 ("Original Lease"), pursuant to which Lessor has agreed to lease to County and County has agreed to lease from Lessor that certain building located at 24312 Daytona Cove, Perris, as more particularly described in the Lease.

The Lease has been amended by:

i) The First Amendment to Lease dated September 10, 2013 by and between County of Riverside and Perris Citrus Avenue Storage, LP, a California Limited Partnership (the "First Amendment"), whereby the Parties amended the Original Lease to among other things extend the term and reduce the square footage.

ii) The Second Amendment to Lease dated September 9, 2014 between County of Riverside and Perris Citrus Avenue Storage, LP, a California Limited Partnership (the "Second Amendment"), whereby the Parties amended the Original Lease to among other things extend the term and rent.

iii) The Third Amendment to Lease dated September 15, 2015 between County of Riverside and Perris Citrus Avenue Storage, LP, a California Limited Partnership (the "Third Amendment"), whereby the Parties amended the Original Lease to among other things extend the term and rent.

iv) The Fourth Amendment to Lease dated June 13, 2017 between County of Riverside and Perris Citrus Avenue Storage, LP, a California Limited

Partnership (the "Fourth Amendment"), whereby the Parties amended the Original Lease to among other things extend the term and rent.

B. The Original Lease together with the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment is collectively referred to as the "Lease".

C. The Parties now desire to further amend the Lease, to constitute the fifth amendment to Lease, to extend the term period, expand the current 55,625 warehouse square footage by an additional 17,128 square feet, and expand into office space consisting of 17,473 square feet for a total of 90,226 square feet, obtain two option's to extend the term for (2) five year periods, obtain a right of first refusal and an option to purchase the Premises after the third year of the first extension option period.

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

1. Defined. Section 2.2 of the Lease is hereby amended by the following:

The Premises shall consist of approximately 90,226 square feet, including 72,753 square feet of warehouse space, and 17,473 square feet of office space. Schedule A attached to the Lease, as amended by the Second Amendment, is hereby deleted in its entirety and the Exhibit A attached hereto and incorporated herein is hereby inserted in lieu thereof.

2. Term. Section 4 (4.1) of the Lease is hereby amended by the following:

The term of this lease shall be extended for five (5) years commencing on June 12, 2019 and terminating on June 11, 2024 ("Term").

3. Warehouse Rent. Section 5.1 of the Lease is hereby amended by the following:

<u>Lease Period</u>		<u>Monthly Base Rent</u>
June 12, 2019	thru June 11, 2020	\$28,373.67
June 12, 2020	thru June 11, 2021	\$29,083.02
June 12, 2021	thru June 11, 2022	\$29,810.10
June 12, 2022	thru June 11, 2023	\$30,555.36

June 12, 2023 thru June 11, 2024 \$31,319.25

Office Rent. The office rent for the 17,473 square feet of office space referenced above in section 1 of this Fifth Amendment shall commence on January 28, 2020.

<u>Lease Period</u>	<u>Monthly Base Rent*</u>
January 28, 2020 thru June 11, 2020	\$11,706.91
June 12, 2020 thru June 11, 2021	\$11,999.59
June 12, 2021 thru June 11, 2022	\$12,299.58
June 12, 2022 thru June 11, 2023	\$12,607.07
June 12, 2023 thru June 11, 2024	\$12,922.25

* any partial months shall be pro-rated on a day to day basis based on a 30 day calendar month.

3.1 Reimbursable Rent. Operating Expenses, Taxes and Insurance.

In addition to Base Rent, County shall reimburse Lessor, without notice, demand, counter-claim, set off, or abatement, except as otherwise set forth in the Fifth Amendment, all expenses associated with the operation of the Premises including, (1) Operating Expenses and (2) Taxes and Insurance as outlined in Exhibit "I" "Taxes and Insurance" attached hereto as Operating Expenses for the Premises ("Reimbursable Rent").

3.1. (a) Operating Expenses. The term "Operating Expenses" includes all expenses incurred by Lessor with respect to Lessor's responsibility for the maintenance and operation of the Premises as set forth in section 10 of the lease, including, but not limited to costs for the following: all maintenance services, including all components listed in section 10 of the Lease, also including supplies, repairs, replacements, third party services to the extent their duties are outlined on Exhibit "I", and other expenses for maintaining and operating the Premises, including the parking areas, common areas, and the cost, over its useful life, of the purchase and installation of any device or other equipment for the purpose of improving the operating efficiency

of any system on the Premises and thereby reducing Operating expenses. The term “**Operating Expenses**” does not include the following: income and franchise taxes of Lessor; interest or principal payments on any mortgage or other indebtedness of Lessor; compensation paid to any employee of Lessor, other than maintenance and property management personnel to the extent these services are directly associated with the operation and maintenance of the Premises; any depreciation allowance or expense; expenses which are the direct responsibility of County; or expenses (herein called “**Defect Expenses**”) incurred as a result of the latent defects or punch list items for improvements constructed by Lessor.

County and Lessor hereby acknowledge and agree that certain Operating Expenses may include shared services for other property owned by Lessor (“**Shared Services**”). In such event, Shared Services shall be paid by County pro rata based upon the total square footage of the Premises. For purposes of example only, assuming there are monthly Shared Services totaling \$10,000 and those Shared Services benefit both the Premises containing 90,226 square feet and a hypothetical neighboring building containing 9,774 square feet then the County would be obligated to pay, as part of its Operating Expenses, \$9,022.60 ($90,226/100,000 = .90226 \times \$10,000 = 9,022.60$).

The Premises is not separately metered for electric and shares an electric meter with neighboring buildings. Until such time as the Premises is separately metered, such electrical usage shall be treated as Shared Services and the Operating Expenses related to such Shared Services shall be determined and paid in accordance with this Section 3.1(a). In the event Lessor determines, in its sole and absolute discretion and without any obligation to do so, to separately meter the Premises then such electrical usage shall no longer be deemed to be Shared Services hereunder; provided, however, such electrical usage for the Premises shall continue to be paid by Tenant as Operating Expenses.

3.1. (b) Pro Rata Share and Payment of Reimbursable Rent. County's Pro rata share of the Reimbursable Rent is 100%. County shall pay its pro rata share of the Reimbursable Rent monthly (prorated on a per-month basis) in advance, along with Base Rent, on or before the first day of every month commencing as of the Commencement Date. The monthly payments shall be based upon Lessor's estimate of Reimbursable Rent for the then current operating year, which amount may be adjusted annually at the time of the annual accounting set forth in 3.1. (c) based upon Lessor's anticipated Taxes and Insurance and Operating Expenses. If Lessor is required under a mortgage, deed of trust, underlying lease, or loan agreement covering the Premises to escrow ad valorem taxes, assessments or insurance, Lessor may, but shall not be obligated to, use the required escrow amount as a basis for its estimate for taxes and Insurance. As of the Effective Date, Lessor estimates that the Reimbursable Rent for the first 12 months of the first operating year will be approximately **\$.14** per Rentable Square Feet per month for operating expenses, plus **\$.05** per square feet per month for capital reserves for a total of **\$16,874.47** per month. See attached Exhibit "I" for year one Reimbursable Rent budget.

3.1. (c) Annual Accounting for the initial operation Budget is attached Exhibit "I" Reimbursable Rent. Following the end of each operating year, Lessor shall provide County an accounting and operating budget showing in reasonable detail all computation of Reimbursable Rent due under this Fifth Amendment. If the accounting shows that the total of the monthly payments made by County exceeds the amount of Reimbursable Rent due by County for the applicable operating year, then that excess shall be credited against the next required payments of Reimbursable Rent. If the accounting shows that the total of the monthly payments made by County is less than the amount of Reimbursable Rent due by County for the applicable operating year, then County shall pay that Reimbursable rent amount within thirty days, or as soon thereafter as a warrant can be issued in the normal course of County's business, after the date of Lessor's accounting. The new monthly payment

for Reimbursable Rent for the next operating year shall be the prior year actual expenses for Reimbursable Rent divided by 12.

3.1. (d) Audit of Operating Expenses. If County is not in default under this Fifth Amendment, County may, at its sole expense, audit Lessor's books relevant to Operating Expenses. With respect to such audit, County: (i) must request the audit within six months after receipt of the annual accounting of Operating Expenses, (ii) may review Lessor's books only during Lessor's office hours and at the location of Lessor's books, (iii) may take no more than ten business days to review Lessor's books, (iv) must deliver to Lessor a copy of the results of its audit, and (v) may not audit the same operation year more than one time. If the audit, as approved by Lessor reveals that Operating Expenses were overstated by five percent or more, Lessor, shall reimburse County for its actual third-party costs of the audit. If the audit, as approved by Parties, reveals that Operating Expenses were overstated or understated, the parties shall make cash settlement of the difference with thirty days after the audit is approved the Parties. Assignees of County may audit only periods for which they occupy the Leased Premises. Subtenants of County have no audit rights.

3.1. (e) Cap on Certain Operating Expenses. Anything in this Fifth Amendment to the contrary notwithstanding, Lessor represents and warrants that the amount of Controllable Operating Expenses will not increase during any particular operating year throughout the Term to an amount which is greater than the amount which would be included in Controllable Operation Expenses had Controllable Operating Expenses increased at a rate of five percent per operating year (the "**CAP**") on a cumulative basis. As used in the Section, the phrase "**Controllable Operating Expenses**" means those constituent elements of Operating Expense (other than Non-Controllable Operating Expenses) that are within the reasonable control of Lessor. Non-Controllable Operating Expenses (herein so called) include, maintenance, taxes, and insurance premiums.

4. **Custodial Services.** Section 8 of the Lease is hereby amended as follows: County shall provide Custodial Services for the Leased Premises.

5. **Lessor's Right to Early Termination.** Section 6 of the Lease shall be deleted in its entirety.

6. **Options.** Section 13 of the Lease is hereby amended to include the following: **Option to Extend Term.** Lessor grants to County two option(s) to extend the Term ("Extension Option(s)"). Each Extension Option shall be for a period of five years ("Extended Term"). To exercise any such Extension Option, County shall provide written notice to Lessor no later than 180-days prior to the expiration of the Term or any Extended Term. If County shall fail to provide such notice, with time being of the essence, as and when due then County shall have waived its right to exercise the Extension Option.

7. **Option Rent.** Section 5.1 of the Lease is hereby amended as follows: The Rent payable by County during the first year of any Extended Term shall be 2.5% greater than the Rent for the immediately preceding Term or Extended Term, and shall increase by 2.5% annually thereafter. All terms and conditions of the Fifth Amendment with the exception of Rent and the Term shall remain in full force and effect during the Extended Term.

8. **Right of First Refusal to Extend Lease Term.** Section 4 of the Lease is hereby amended to include the following: In further consideration of the Rent, covenants, and conditions to be paid, performed, and observed by County, Lessor hereby grants to County a right of first refusal to extend the Lease of the Premises, on the following terms and conditions: In the event Lessor receives a bona fide offer within 180 days of the expiration of the Term or Extended Term(s), if applicable, from a third party to lease the Premises, which offer is acceptable to Lessor, Lessor shall promptly notify County in writing of the offer, including the amount of rent offered and other terms and conditions of the offer. County shall have thirty (30) business days within which to notify Lessor in writing whether County agrees to extend the Lease of

the Premises on the same terms and conditions as the third party offer. In the event County elects to extend the Lease of the Premises, the Lease shall be subject to the same terms and conditions as the third party offer, including, but not limited to amount of rent, term, and commencement date. In the event County fails to give written notice of its election to extend the Lease of the Premises, Lessor shall be free to accept the bona fide offer and lease the Premises to the third party. If the third party fails to lease the premises and the Premises remains available, County shall have the same right of first refusal granted herein with respect to a bona fide offer to lease the Premises by a subsequent third party offeror. For the avoidance of any doubt, this Right of First Refusal to Extend Lease Term shall be void and of no further force and effect upon the earlier of: (a) expiration of the Term or any Extended Term(s) as applicable and (b) the termination of the Lease, as amended hereby.

9. Option to Purchase. Section 13 of the Lease is hereby amended to include the following. So long as the Lease, as amended hereby, is then in full force and effect, County shall have the option to purchase the fee simple interest in the Premises, the land and the 55 single storage units located on the land identified in Assessor Parcel Number 305-170-035 and 305-180-050 and generally depicted in Exhibit "J" at Fair Market Value (as defined below) at any time after the fourth year of the first extension option. County shall exercise this option to purchase by notification in writing to Lessor of County's exercise of said option to purchase under the provisions of this Fifth Amendment. Within ninety (90) days of Lessor's receipt of County's notification, Lessor shall provide an appraisal (herein known as the "first appraisal"), completed by an MAI appraiser, to determine the Fair Market Value of the building, property, and related improvements. In the event County disagrees with the Fair Market Value as set forth by the appraisal provided by Lessor, County, at County's sole cost and expense, shall also provide an appraisal (herein known as the "second appraisal"), completed by an MAI appraiser, which shall set the a second Fair Market Value for the building, property, and related improvements. In the event Lessor

disagrees with the Fair Market Value as set forth by the second appraisal provided by County then Lessor and County shall select an additional MAI appraiser to complete an additional appraisal (herein known as the "third appraisal") and the Parties shall each pay fifty percent (50%) of the expense for said appraiser. In the event the Parties cannot agree to the Fair Market Value as set forth in the third appraisal, County and Lessor hereby agree that the Fair Market Value shall be the average of the first and second appraisals. The purchase price of the Property shall be established as the Fair Market Value as determined herein. Lessor shall prepay any debt and reconvey the lien of any deed of trust encumbering the Property. Lessor and County, upon agreement as to the Fair Market Value of the Property shall open escrow for the purpose of consummating a purchase of the property, and the purchase of the property by County of Lessor's interest shall commence and proceed diligently and close escrow in a timely and reasonable manner based upon similar purchase transactions of comparable buildings in the area. The Lessor as Seller shall be responsible for the cost of a CLTA policy in favor of County, its pro-ration of property taxes for its period of ownership and payment of documentary transfer tax, if any, and one half of the escrow fees. In accordance with the law, the County shall not be responsible for any real property taxes. County shall be responsible for payment of one half of the escrow fees and any other costs of the County as Buyer. For the avoidance of any doubt, this Option to Purchase shall be void and of no further force and effect upon the earlier of: (a) expiration of the Term or any Extended Term(s) as applicable and (b) termination of the Lease, as amended hereby.

10. CAPITALIZED TERMS. Fifth Amendment to Prevail. Unless defined herein or the context required otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Fifth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

11. **MISCELLANEOUS.** Except as amended or modified herein, all terms of the Lease shall remain in full force and effect. If any provisions of this Fifth Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease. Neither this Fifth Amendment nor the Lease shall be recorded by the County.

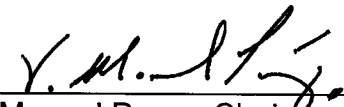
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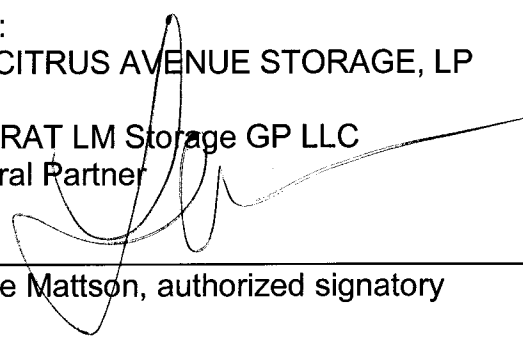
EFFECTIVE DATE. This Fifth Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

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

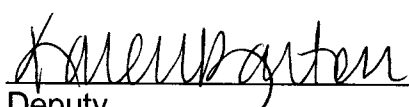
LESSEE:
COUNTY OF RIVERSIDE

LESSOR:
PERRIS CITRUS AVENUE STORAGE, LP

By: 
V. Manuel Perez, Chairman
Board of Supervisors

By: DT GRAT LM Storage GP LLC
Its; General Partner
By: 
Laurie Mattson, authorized signatory

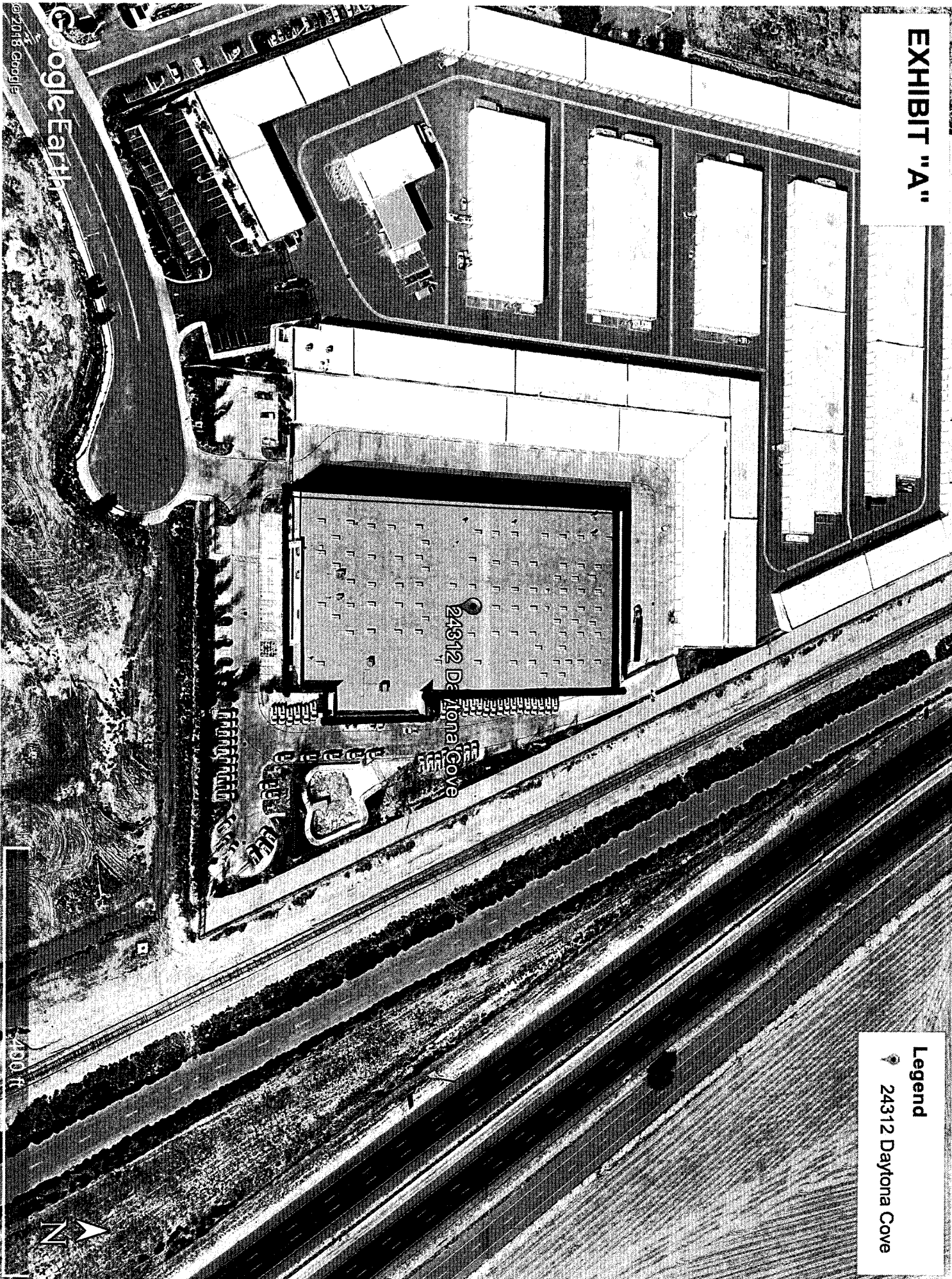
ATTEST:
Kecia Harper-Herr
Clerk of the Board

By: 
Deputy

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

By: 
Wesley W. Stanfield
Deputy County Counsel

EXHIBIT "A"



Legend
● 24312 Daytona Cove

Exhibit "1"
24312 Daytona Cove, Perris

Reimbursable Expenses	Reimbursable Operating Expenses Per Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
		Electricity/Water - Paid by County to Supplier	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Custodial - County Custodial Office, Restroom and Breakroom areas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trash-Paid by County to supplier	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Protection Systems	\$ 5,000.00	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67	\$ 416.67
Landscape/Sweeping	\$ 6,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Pool Service	\$ 1,800.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Management Fees	\$ 12,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Pest Control	\$ 1,200.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Repairs & Maintenance - Contracts	\$ 12,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Repairs and Maintenance - Supplies	\$ 9,000.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
Insurance	\$ 6,316.20	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35	\$ 526.35
Property Taxes	\$ 48,180.60	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05	\$ 4,015.05
Total Operating Cost Per Year	\$ 101,496.80	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67	\$ 3,916.67
Capital Reserve Funds	\$ 54,000.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
Total Reimbursable Operating Expense Cost	\$ 155,496.80	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74	\$ 16,874.74

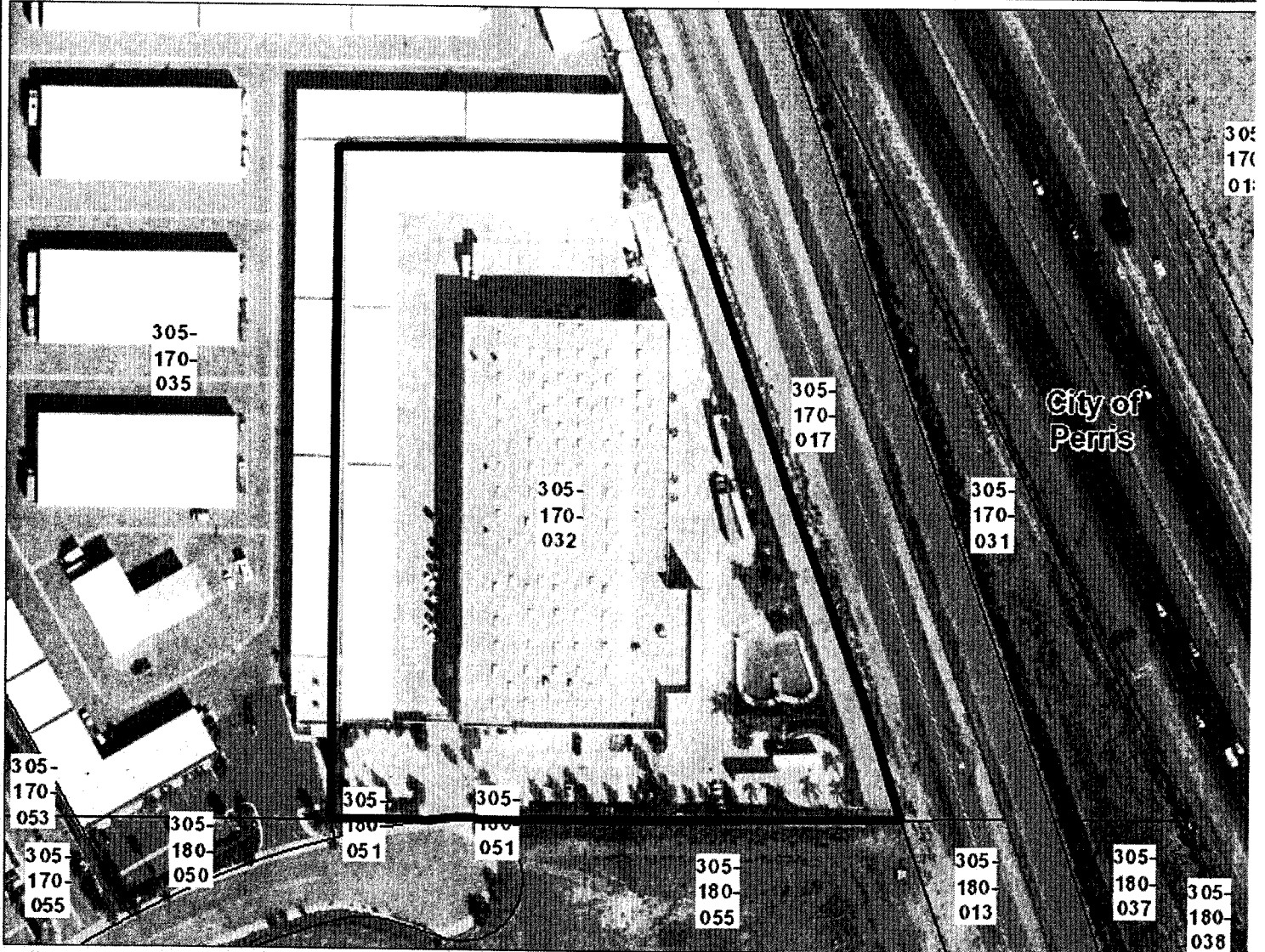
Est. Annual Operating Cost psf 1.72

Est. Monthly Operating Cost psf 0.14

Est. Monthly Capital reserve Cost psf 90,226
Total Square Feet

Exhibit "J"

APN 305-170-032



IMPORTANT Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

0 188 376 Feet

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