

El Dorado County - Department of Health & Human Services, Mental Health Division
 Leased Property Analysis / May 2013

Address	768 Pleasant Valley	670 Placerville Drive
Square Feet	13,770	14,001
Term	130 months	125 months
Free Rent	10 months (1 month for the first 5 years and Aug 13 - Dec 13 free)	No free rent.
Base Rent	<p><u>As Proposed</u> \$1.35 per square foot (modified gross) *Annual increases of \$0.05 per square foot *Tenant pays electrical and janitorial (est.at \$0.31 per sq. ft.)</p> <p><u>Estimated Full Service Rent</u> \$1.66 per square foot *Annual increases of \$0.05 per square foot *\$0.31 per square foot to bring modified gross to full service (\$0.10 / janitorial, \$0.21 / electrical)</p> <p><u>Total Estimated Rent and Expenses</u> \$3,114,774 or \$1.74 per sq. ft. average over the term</p>	<p><u>As Proposed</u> \$1.34 per square foot (modified gross) *Annual increases of 2.5% *Tenant pays electrical, janitorial and garbage (est. at \$0.328 per sq. ft.)</p> <p><u>Estimated Full Service Rent</u> \$1.668 per square foot *Annual increases of 2.5% *\$0.328 per square foot to bring modified gross to full service (\$0.10 for janitorial, \$0.21 for electrical and \$0.018 for garbage)</p> <p><u>Total Estimated Rent and Expenses</u> \$3,289,154 or \$1.879 per square foot average over the term</p>
Additional Costs	\$55,080 for extra TI & wiring allowance (amortized over 130 months) \$0 to complete ADA improvements \$200,000 for furniture and move-in and security system \$0 for additional parking costs \$0 for County's broker's commission \$0 for operating expense passthroughs over 12 months \$0 in estimated capital expense passthroughs over 130 months	\$100,000 to complete tenant improvements, fire life safety and project management \$250,000 to complete ADA improvements \$65,000 for temporary move and updating / rewiring security system \$75,000 for additional parking costs (at \$20/stall/month for 30 stalls) \$55,000 for County's broker's commission \$67,000 in operating expense passthroughs over 125 months \$60,000 in estimated capital expense passthroughs over 125 months * Does not account for the difference in Lease Termination or Holdover Costs
Additional Concessions	\$92,947 in free rent through 2013 (to compare like terms)	No additional concessions
Total Est. Real Estate Costs	\$3,276,907	\$3,961,154
Operating Expenses	Tenant to pay for janitorial and electrical. <u>NO</u> operating expense passthroughs. <u>NO</u> capital expenditure passthroughs.	Tenant to pay for janitorial, electrical and garbage. Tenant to pay \$67,000 in additional operating expense passthroughs \$60,000 in estimated capital expense passthroughs over 125 months
Option(s) to Renew	Two (2) five (5) year options at fair market rate	Two (2) five (5) year options at fair market rate or the then rent being paid, whichever is greater.
Space Planning	Landlord to pay Tenant's space planner Landlord using BOMA standard to measure space.	Landlord to use Landlord's space planner. Landlord unwilling to use BOMA standard to measure space.
Tenant Improvements	Landlord to "turnkey" the space with our exact layout. \$55,080 for extra TI & wiring allowance (amortized over 130 months)	Landlord to provide most of the requested tenant improvements, approximately \$100,000 remaining in costs. Landlord did not address County's need for additional TI specs Tenant to pay to move furniture, fixtures and equipment Landlord removed County requested language to competitively bid the improvements. Landlord removed timeline and penalty for delivering the space late.

El Dorado County - Department of Health & Human Services, Mental Health Division
 Leased Property Analysis / May 2013

Maintenance	Landlord to maintain the building and mechanical systems. Landlord inspecting HVAC systems annually. Landlord inspecting property bi-monthly to make necessary repairs.	Landlord to maintain the building and mechanical systems. Landlord not inspecting HVAC systems annually. Landlord not inspecting the property bi-monthly to make necessary repairs.
Parking	Landlord to provide 90 parking stalls	Landlord to provide 60 stalls County estimates renting 30 additional stalls over 125 months at \$75,000 (\$20/stall/mo)
Telephones / Wiring	Landlord to provide \$27,540 allowance towards wiring	No allowance given to County. Landlord shall pay to move keycard entry system.
Building Access	24/7	24/7
HVAC / Utilities	Landlord to maintain, repair and/or replace as necessary	Landlord to maintain, repair and/or replace as necessary
Cancellation Option	Landlord has agreed to a 90 day termination notice. Further, the County shall pay Landlord a termination penalty equal to free rent, leasing commissions and \$150,000 straightlined over 60 months. Penalty only applies in first 60 months of Lease term.	Landlord has agreed to a 180 day termination notice. Further, the County shall pay Landlord a termination penalty equal to \$150,000 straightlined over 60 months. Penalty only applies in first 60 months of Lease term.
Holdover	Twelve (12) months at the then current rent.	Holdover limited to 90 days maximum at 125% of the then current rent. If negotiations progress similar to this go around, this will cost the County an additional \$5,800 per month.
Restoration	None.	None.
Compliance / ADA	Property to meet current ADA standards per 3rd party study. Landlord responsible for ADA changes in common areas after commencement.	Landlord has not agreed to complete the ADA work requested by the County. Estimated cost to complete and project manage is \$250,000. Landlord unwilling to meet County's need for full program accessibility.
Insurance	Tenant has right to self insure. Landlord penalized for lacking adequate insurance.	Tenant has right to self insure. Landlord not penalized for lacking adequate insurance.
Brokers	Landlord to pay Tenant's brokers fee.	Landlord <u>NOT</u> paying Tenant's brokers fee County to incur cost of County's broker's fee.
Right to Cure	Tenant received requested Right to Cure language.	Landlord removed requested Right to Cure language. Lessee requested 30 day Right to Cure period.
HIPAA	Tenant received requested HIPAA compliance language.	Landlord removed requested HIPAA compliance language.