DEPARTMENT: Human Services/Behavioral Health

RECOMMENDED ACTION AND JUSTIFICATION:
It is respectfully requested that your Board approve the correction to the second lease amendment for the lease of the Behavioral Health building.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
Board has previously approved lease amendments.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Negative action will result in a flawed lease.

Financial Impact? ( ) Yes (X) No  Current FY Cost: $
Budgeted In Current FY? (X) Yes ( ) No ( ) Partially Funded
Amount in Budget: $125,700
Additional Funding Needed: $0.00
Source:
Internal Transfer
Unanticipated Revenue
Transfer Between Funds
Contingency
( ) General  ( ) Other

Annual Recurring Cost: $

List Attachments, number pages consecutively
Board Memo – page 1
Corrected lease amendment- pages 2-3

CLERK’S USE ONLY:
Res. No.: 312  Ord. No. ______
Vote – Ayes: 5  Noes: ______
Absent: ______
( ) Minute Order Attached  ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: ________________

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____________________________
Deputy

Revised Dec. 2002
June 30, 2006

TO: Members, Board of Supervisors
   Mike Coffield, Interim CAO
FROM: Cheryle Rutherford-Kelly
RE: Correction to Lease Amendment

Recommendation

It is respectfully requested that your Board approve the correction to the second lease amendment for the lease of the Behavioral Health building.

Background/Current Situation

The second lease amendment to the lease for the Behavioral Health building, 5037 Stroming Road, was signed by the Board on April 5, 2005 under Resolution No. 05-120.

Item 3 of the lease amendment addresses rent increases that are to occur in equal annual payments. There is an error related to the date when the rental amount for the second floor shall reach the same amount as the base rent for the ground floor. The date in the amendment is April 5, 2005. The date should be January 1, 2009.

This error was brought to our attention by the Landlord's agent in a letter dated September 30, 2005. The department's fiscal staff made the appropriate changes to the dollar amounts being paid. However the change was not official and Counsel has correctly noted that it needs to be officially modified. The building is now for sale and an offer to purchase is pending the department's clarification of the rental increase schedule. A revised second amendment is attached for your approval and signature.

Financial

The rental increase for this fiscal year has been incorporated into the budget and future increases will also be budgeted.