



Contract Number

02-303 A8

SAP Number

ORIGINAL

Real Estate Services Department

Department Contract Representative Terry W. Thompson, Director
Telephone Number (909) 387-5000

Contractor 10875 Rancho LLC
Contractor Representative Lana Choi
Telephone Number (323) 402-0882
Contract Term 12/1/2002 – 7/31/2029
Original Contract Amount \$10,473,227.00
Amendment Amount \$ 3,707,126.84
Total Contract Amount \$14,180,353.84
Cost Center 7810001000
GRC/PROJ/JOB No. 5700 1488
Grant Number (if applicable)

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County of San Bernardino, as tenant ("COUNTY") and 10875 Rancho LLC, as successor landlord ("LANDLORD") entered into Lease Agreement No. 02-303 dated April 30, 2002, as amended by the First Amendment dated November 18, 2008, amended by the Second Amendment dated October 20, 2009, amended by the Third Amendment dated June 15, 2010, amended by the Fourth Amendment dated December 7, 2010, amended by the Fifth Amendment dated April 30, 2019, amended by the Sixth Amendment dated January 6, 2020, and amended by the Seventh Amendment dated May 25, 2023 (collectively, the "Lease") wherein LANDLORD leases certain premises located at 10875 Rancho Road in Adelanto, CA 92301("Premises") as more specifically described in the Lease, to COUNTY for a term that expired on June 30, 2024 and has continued on a permitted month-to-month holdover, and,

WHEREAS, COUNTY and LANDLORD now desire to amend Lease to reflect a one (1) month holdover period from July 1, 2024 through July 31, 2024 with LANDLORD'S express consent, extend, following said holdover, the term of the Lease retroactively from August 1, 2024 through July 31, 2029, adjust the rental rate schedule, and amend certain other terms of the Lease as more specifically set forth in this amendment ("Eighth Amendment"); and,

WHEREAS, LANDLORD agrees to paint the interior of the premises at LANDLORD'S sole cost, one time during the Third Extended Term, as per Paragraph 13, MAINTENANCE & REPAIR, Subparagraph A, section 9

of the Fifth Amendment dated April 30, 2019, within 90 days of execution of this Amendment ("Eighth Amendment").

NOW, THEREFORE, in consideration of the mutual covenants and conditions, the parties hereto agree that the Lease is amended as follows:

1. Pursuant to **Paragraph 8, HOLDING OVER**, COUNTY shall, with LANDLORD's express consent granted herein, occupy the Premises on a holdover tenancy for the period from July 1, 2024 through July 31, 2024 at a monthly rental amount of \$54,755 per month.

2. Effective August 20, 2024, DELETE in its entirety the existing **Paragraph 3, TERM**, and SUBSTITUTE therefore the following as a new **Paragraph 3, TERM**:

3. **TERM:** The term of the Lease is extended for five (5) years, commencing retroactively on August 1, 2024, and expiring on July 31, 2029 (the "Third Extended Term").

3. Effective August 20, 2024, DELETE in its entirety the existing **Paragraph 4, RENT**, and SUBSTITUTE therefore the following as a new **Paragraph 4, RENT**:

4. **RENT:**

A. COUNTY shall pay to LANDLORD the following monthly rental payments for the Premises in arrears no later than the last day of each month, commencing when the Third Extended Term commences and continuing for the duration of the Third Extended Term, inclusive of a Monthly Utility Payment, as more specifically set forth below:

Lease Year	Monthly Rental Payments	Monthly Utility Payment	Total Monthly Payment
August 1, 2024 - July 31, 2025	\$55,120.00	\$2,208.33	\$57,328.33
August 1, 2025 - July 31, 2026	\$56,774.00	\$2,274.58	\$59,048.58
August 1, 2026 - July 31, 2027	\$58,477.00	\$2,342.83	\$60,819.83
August 1, 2027 - July 31, 2028	\$60,231.00	\$2,413.08	\$62,644.08
August 1, 2028 - July 31, 2029	\$62,038.00	\$2,485.50	\$64,523.50

B. Rent for any partial month shall be prorated based on the actual number of days of the month. LANDLORD shall accept all rent and other payments from COUNTY under this Lease via electronic funds transfer (EFT) directly deposited into the LANDLORD's designated checking or other bank account. LANDLORD shall promptly comply with directions and accurately complete forms provided by COUNTY required to process EFT payments.

4. Effective August 20, 2024, DELETE in its entirety the existing **Paragraph 6, OPTION TO EXTEND TERM**, and SUBSTITUTE therefore the following as a new **Paragraph 6, OPTION TO EXTEND TERM**:

6. **OPTION TO EXTEND TERM:**

A. LANDLORD gives COUNTY the option to extend the term of the Lease on the same provisions and conditions, except for the monthly rent, for one (1) five-year option period ("Fourth Extended Term") following expiration of the Third Extended Term, by COUNTY giving notice of its intention to exercise the option to LANDLORD prior to the expiration of the preceding term or during any holding over pursuant to Paragraph 8, HOLDING OVER. The rent for the Fourth Extended Term, if exercised by COUNTY, shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing based upon the rental rates of comparable leased property in San Bernardino.

B. The Monthly Rent for the Premises during each Option Term shall be adjusted by good faith negotiation of the Parties to the fair market monthly rental rate then prevailing based on the monthly rental rent ("FMV Rent") of comparable leased premises in the County of San Bernardino. If the Parties have been unable to agree on the FMV Rent for the Premises within five (5) months of COUNTY's exercise of its option, said FMV Rent shall be determined through arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. During the period between the expiration of the then current Lease Term and the determination of the Monthly Rent for the Premises by arbitration, COUNTY shall continue to pay the Monthly Rent for the Premises in the amount due for the month immediately preceding expiration of the then current Lease Term. If the FMV Rent for the Premises is determined by arbitration and COUNTY does not, for any reason, agree with such determination, COUNTY shall have the right to terminate the Lease by providing LANDLORD with written notice not later than thirty (30) days after COUNTY's receipt of the arbitration-determined FMV Rent. In the event COUNTY does not so terminate the Lease, COUNTY shall commence paying the arbitration-determined FMV Rent for the month immediately following COUNTY's receipt of said rate determination and for the duration of the subject Option Term.

5. Effective August 20, 2024, except for the painting of the interior of the Premises stated in the Recitals above, DELETE in its entirety the existing **Subparagraph A, sections (8) and (9), of Paragraph 13, MAINTENANCE & REPAIR**. Subsequent to the agreed upon painting expressed above, no additional painting or flooring will be provided by LANDLORD during the Third Extended Term.

6. Effective August 20, 2024, DELETE in its entirety the existing **Paragraph 16, UTILITIES**, and SUBSTITUTE therefore the following as a new **Paragraph 16, UTILITIES**:

16. **UTILITIES**:

A. LANDLORD shall furnish to the Premises, the Building, and the Property and pay all service charges and related taxes for electric, gas, water, sewer, trash, fire alarm service and all other utilities. COUNTY shall furnish and pay for vending machines and its own telephone service including pay telephones in the Premises. COUNTY shall have the option to provide security services for the interior of the Premises for COUNTY's own purposes, which security services, if opted by TENANT, shall not alter LANDLORD's obligations in Paragraph 13, MAINTENANCE.

B. **Interruptions**. In the event of any interruption of any utilities provided to the Premises, the Building, or the Property and COUNTY determines, in its sole discretion, that COUNTY is unable access the Premises or the Allocated Parking or unable to conduct its operations at the Premises as a result of such interruption, LANDLORD shall immediately restore the affected utility service(s) and Monthly Rent shall be abated for the duration of the interruption in proportion to the Premises or portion thereof that is inaccessible or unusable by COUNTY to conduct its operation and COUNTY shall have the right to deduct the abated amount from the Monthly Rent and other sums next due for the period from the date the interruption commenced until such time that the affected utility is fully restored.

7. Effective August 20, 2024, DELETE the existing **Paragraph 39, RESERVED** and SUBSTITUTE therefore the following as a new **Paragraph 39, CAMPAIGN CONTRIBUTION DISCLOSURE (SB 1439) and Exhibit "H" – Campaign Contribution Disclosure (SB 1439)** attached and incorporated herein, which shall read as follows:

"39. **CAMPAIGN CONTRIBUTION DISCLOSURE (SB 1439)**: LANDLORD has disclosed to the County using "Exhibit H" – Campaign Contribution Disclosure Senate Bill 1439, whether it has made any campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the earlier of: (1) the date of the submission of Landlord's proposal to the County, or (2) 12 months before the date this Lease was approved by the Board of Supervisors. LANDLORD acknowledges that under Government Code section 84308, LANDLORD is prohibited from making campaign contributions of more than \$250

to any member of the Board of Supervisors or other County elected officer for 12 months after the County's consideration of the Lease.

In the event of a proposed amendment to this Lease, the LANDLORD will provide the County a written statement disclosing any campaign contribution(s) of more than \$250 to any member of the Board of Supervisors or other County elected officer within the preceding 12 months of the date of the proposed amendment.

Campaign contributions include those made by any agent/person/entity on behalf of the LANDLORD or by a parent, subsidiary, or otherwise related business entity of LANDLORD."

8. All other provisions and terms of the Lease shall remain the same and are hereby incorporated by reference. In the event of any conflict between the Lease and this Eighth Amendment, the terms and conditions of this Eighth Amendment shall control.

9. This Eighth Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Eighth Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Eighth Amendment (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Eighth Amendment upon request.

END OF EIGHTH AMENDMENT.

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SAN BERNARDINO COUNTY

10875 RANCHO LLC

Dawn Rowe

(Print or type name of corporation, company, contractor, etc.)

Dawn Rowe, Chair, Board of Supervisors

By

Rana Choi

(Authorized signature - sign in blue ink)

Dated: AUG 20 2024

Name

Lana Choi

(Print or type name of person signing contract)

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Title

CEO

(Print or Type)

Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

By



Dated:

07/29/24

Address

8015 Grand Ave Ste 207
Los Angeles CA 90017

FOR COUNTY USE ONLY

Approved as to Legal Form

John Tubbs II
John Tubbs II, Deputy County Counsel

Date 7-24-24

Reviewed for Contract Compliance

Date

Reviewed/Approved by Department

Lyle Ballard
Lyle Ballard, Real Property Manager, RESD

Date 7/24/24

EXHIBIT "H"



Campaign Contribution Disclosure (SB 1439)

DEFINITIONS

Actively supporting the matter: (a) Communicate directly with a member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the County in a proceeding on the matter for the purpose of influencing the County's decision on the matter; or (c) communicates with County employees, for the purpose of influencing the County's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Board or County employees for purposes of influencing the County's decision in a matter.

Agent: A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

Otherwise related entity: An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:

- (1) One business entity has a controlling ownership interest in the other business entity;
- (2) there is shared management and control between the entities; or
- (3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

Parent-Subsidiary Relationship: A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

LANDLORD must respond to the questions on the following page. If a question does not apply respond N/A or Not Applicable.

1. Name of Landlord: 10875 Rancho, LLC

2. Is the entity listed in Question No. 1 a non-profit organization under Internal Revenue Code section 501 (c)(3)?

Yes If yes, skip Question Nos. 3 - 4 and go to Question No. 5.

No

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision: Lana Choi

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s): None

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above):

Company Name	Relationship
10875 Rancho, LLC	

6. Name of agent(s) of Landlord:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)
Lee & Associates	Elizabeth Brown	

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the County or board governed special district:

Company Name	Subcontractor(s):	Principal and/or Agent(s):
None		

8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

Company Name	Individual(s) Name
None	

9. Was a campaign contribution, of more than \$250, made to any member of the San Bernardino County Board of Supervisors or other County elected officer within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No If no, please skip Question No. 10. Yes If yes, please continue to complete this form.

10. Name of Board of Supervisor Member or other County elected officer: _____

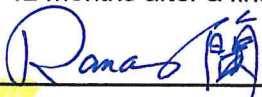
Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing below, Landlord certifies that the statements made herein are true and correct. Landlord understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer while this matter is pending and for 12 months after a final decision is made by the County.



Signature

Lana Choi

Print Name

07/29/24

Date

10875 Rancho LLC

Print Entity Name, if applicable