



Contract Number
13-876 A-2

SAP Number

Real Estate Services Department

Department Contract Representative	Terry W. Thompson, Director
Telephone Number	(909) 387-5252
Contractor	NetREIT World, LLC
Contractor Representative	Gary Katz, SVP of Presidio Property Trust, Inc., its Member
Telephone Number	760-471-8536
Contract Term	11/1/2013 – 10/31/2023
Original Contract Amount	\$567,708.00
Amendment Amount	\$265,777.00
Total Contract Amount	\$833,485.00
Cost Center	7810001000
GRC/PROJ/JOB No.	65002798
Internal Order No.	

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County of San Bernardino ("COUNTY"), as tenant, and NetREIT World, LLC ("LANDLORD"), as landlord, entered into Lease Agreement Contract No. 13-876 dated October 8, 2013, as amended by the First Amendment dated September 11, 2018 (collectively, the "Lease"), wherein LANDLORD leases certain premises located at 1535 East Highland Avenue Suites C&D, San Bernardino, CA, as more specifically described in the Lease, to the COUNTY for a term that is currently scheduled to expire on October 31, 2020; and,

WHEREAS, the COUNTY and LANDLORD now desire to amend the Lease to extend the term of the Lease for three (3) years from November 1, 2020 through October 31, 2023 due to the COUNTY's exercise of an existing option to extend the term of the Lease, add two (2) three-year options to extend the term, adjust the rental rate schedule, and amend certain other terms of the Lease as more specifically set forth in this amendment ("Second Amendment").

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

1. Effective November 1, 2020, pursuant to the COUNTY's exercise of its option in **Paragraph 6, OPTION TO EXTEND TERM**, EXTEND the term of the Lease as provided in **Paragraph 3, TERM**, for three (3) years from November 1, 2020 through October 31, 2023 (the "First Extended Term").

2. Effective November 1, 2020, 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 in arrears on or before the last day of each month, commencing when the First Extended Term commences, continuing during the First Extended Term, subject to an approximate three percent (3%) annual increase, as more specifically reflected and included in the amounts set forth below:

November 1, 2020 to November 30, 2020 – monthly rental amount of \$0.00
December 1, 2020 to October 31, 2021 – monthly rental amount of \$7,355.00
November 1, 2021 to October 31, 2022 – monthly rental amount of \$7,587.00
November 1, 2022 to October 31, 2023 – monthly rental amount of \$7,819.00

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.

3. Effective November 1, 2020, 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:** LANDLORD gives COUNTY the option to extend the term of the Lease on the same provisions and conditions, except for the monthly rent, for two (2) three-year option periods following the expiration of the then current term (each an "extended term"), by COUNTY giving notice to exercise each option to LANDLORD not less than ninety (90) days prior to the expiration of the then current term. The rent for each extended term 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 County of San Bernardino. If the parties have been unable to agree upon the said fair market rental rate within five (5) months of COUNTY's notice to exercise an option for an extended term, said fair market rental rate 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 term of the Lease and the determination of the monthly rent for the Premises by arbitration, COUNTY shall continue to pay the monthly rent for the Premises in effect for the month immediately preceding the expiration of the then current term of the Lease. If the fair market rental rate is determined by arbitration, COUNTY shall commence paying the arbitration-determined fair market rental rate for the month immediately following COUNTY's receipt of the arbitration-determined fair market rental rate and for the duration of the extended term.

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4. All other provision 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 Second Amendment, the terms and conditions of this Second Amendment shall control.

END OF SECOND AMENDMENT.

COUNTY OF SAN BERNARDINO

NETREIT WORLD, LLC

▶

Curt Hagman, Chairman, Board of Supervisors

By ▶ _____
(Authorized signature - sign in blue ink)

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

Name Gary Katz

Title Senior Vice President

Lynna Monell
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

Dated: _____

Address 1282 Pacific Oaks Place

Escondido, CA 92029

FOR COUNTY USE ONLY

Approved as to Legal Form

Reviewed for Contract Compliance

Reviewed/Approved by Department

▶

Agnes Cheng, Deputy County Counsel

▶

▶

Jim Miller, Real Property Manager, RESD

Date _____

Date _____

Date _____