

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

November 18, 2025

FROM

**TERRY W. THOMPSON, Director, Real Estate Services Department
THOMAS W. SONE, Public Defender**

SUBJECT

Amendment to Lease Agreement with MPND Holdings, LLC for Office Space in Rancho Cucamonga

RECOMMENDATION(S)

1. Find that approval of Amendment No. 2 to Lease Agreement No. 14-856 with MPND Holdings, LLC for office space, is an exempt project under the California Environmental Quality Act Guidelines, Section 15301 – Existing Facilities (Class 1).
2. Approve **Amendment No. 2 to Lease Agreement No. 14-856** with MPND Holdings, LLC, through the use of an alternative procedure as allowed per County Policy 12-02 – Leasing Privately Owned Real Property for County Use, to:
 - a. Extend the term of the lease three years for the period of December 1, 2025, through November 30, 2028, following a permitted holdover for the period of March 1, 2025, through November 30, 2025.
 - b. Adjust the rental rate schedule, add a one-year option to extend, revise the termination language, and update standard lease agreement language.
 - c. Continue leasing approximately 14,390 square feet of office space for the Public Defender located at 9411 Haven Avenue, in Rancho Cucamonga.
 - d. Increase the total lease amount by \$1,488,747, from \$3,332,736 to \$4,821,483, inclusive of \$273,267 for the holdover period.
3. Authorize the Director of the Real Estate Services Department to approve and execute a termination notice, if necessary, to complete this transaction or fulfill lease requirements during the term, subject to County Counsel review.
4. Direct the Real Estate Services Department to file the Notice of Exemption in accordance with the California Environmental Quality Act.

(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of Amendment No. 2 (Amendment) to Lease Agreement No. 14-856 (Lease) will not result in the use of Discretionary General Funding (Net County Cost). The total cost of this Amendment is \$1,488,747. Lease payments will be made from the Real Estate Services Department (RESA) Rents budget (7810001000) and reimbursed from the Public Defender (PD) budget (4910001000). Sufficient appropriation is included in the 2025-26 budget and will be included in future recommended budgets. Annual Lease costs are as follows:

**Amendment to Lease Agreement with MPND Holdings, LLC for Office Space in Rancho Cucamonga
November 18, 2025**

Year	Lease Cost
*March 1, 2025 - November 30, 2025	\$273,267
December 1, 2025 - November 30, 2026	\$97,164
December 1, 2026 - November 30, 2027	\$405,108
December 1, 2027 - November 30, 2028	\$413,208
Total Cost	\$1,488,747

*Holdover period

BACKGROUND INFORMATION

On October 21, 2014 (Item No. 38), the Board of Supervisors (Board) approved the Lease for 14,390 square feet of office space located at 9411 Haven Avenue in Rancho Cucamonga (Premises), to be occupied by PD. The original lease term was January 1, 2015, through December 31, 2024.

Subsequently, on February 10, 2015 (Item No. 43), the Board approved Amendment No. 1 to adjust the Lease commencement and expiration dates to March 1, 2015, and February 28, 2025, respectively, due to construction delays related to the tenant improvements.

In July 2024, PD requested that RESD negotiate a lease extension for the Premises. Negotiations paused in early 2025 due to the Landlord’s request for a rent increase, citing inflation, market rate adjustments, and broader economic conditions. Following further review, PD directed RESD to accept the proposed rental rate of \$2.17 per square foot per month and proceed with a three-year extension, with one additional one-year option, to ensure continuity of services in the Rancho Cucamonga area.

This Amendment provides a three-year extension of the Lease term, from December 1, 2025, through November 30, 2028, following a permitted holdover period from March 1, 2025, through November 30, 2025. The holdover period occurred while RESD and PD evaluated the potential purchase of this property or a comparable facility in the Rancho Cucamonga area. During that time, space planning and coordination efforts were underway, and the Lease remained in holdover until those options were fully considered. It was ultimately determined that the County should exercise a three-year option to ensure continued occupancy while broader space planning needs are finalized. The Amendment also adjusts the rental rate schedule, adds one additional one-year option to extend, revises the termination language, and updates standard lease agreement language.

RESD staff has reviewed the recommended action pursuant to the California Environmental Quality Act (CEQA) and determined that it is exempt under Section 15301 (Existing Facilities). Accordingly, no further action is required under CEQA.

Summary of Lease Terms

Lessor: MPND Holdings, LLC
Mark Mahfoud, President

Location: 9411 Haven Avenue, Rancho Cucamonga

Size: 14,390 square feet of office space

Term: Three years, commencing on December 1, 2025

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Options:	One (1) one-year Option
Rent:	Cost per square foot per month: \$2.30* full-service gross Monthly: \$33,097 Annual: \$397,164 *Mid-range for comparable facilities in the Rancho Cucamonga area per the competitive set analysis on file with RESD
Annual Increases:	Approximately 2%
Improvement Costs:	None
Custodial:	Provided by Lessor
Maintenance:	Provided by Lessor
Utilities:	Provided by Lessor
Insurance:	The Certificate of Liability Insurance as required by the Lease will be obtained by RESD prior to occupancy
Holdover	In the event the County shall holdover and continue to occupy the premises with the consent of the Landlord, expressed or implied, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including rent, as existed, and prevailed at the time of the expiration of the term of this Lease
Right to Terminate:	County has the right to terminate with 90-days' notice at any time during the extended term
Parking:	Sufficient for County needs

PROCUREMENT

Policy 12-02 provides that the Board may approve the use of an alternative procedure to the use of a Formal Request for Proposal (RFP) process whenever the Board determines that compliance with the Formal RFP requirements would unreasonably interfere with the financial or programmatic needs of the County, or when the use of an alternative procedure would otherwise be in the best interest of the County.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on September 9, 2025; Public Defender (Diana Lovelace, Chief of Administration, 382-3950) on October 8, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on October 8, 2025; and County Finance and Administration (Celia McDonald, 387-4286, and Eduardo Mora, 387-4376, Administrative Analysts) on October 30, 2025.

(BR: 531-2674)

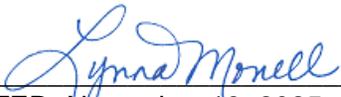
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San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 18, 2025



cc: RESD - Thompson w/agree
 Contractor - c/o RESD w/agree
 File - w/agree
MBA 11/25/2025