



**Contract Number**

15-423 A-2

**SAP Number**

## Real Estate Services Department

|                                           |                                 |
|-------------------------------------------|---------------------------------|
| <b>Department Contract Representative</b> | Terry W. Thompson, Director     |
| <b>Telephone Number</b>                   | (909) 387-5252                  |
| <b>Contractor</b>                         | San Antonio Regional Hospital   |
| <b>Contractor Representative</b>          | John T. Chapman, President, CEO |
| <b>Telephone Number</b>                   | (909) 985-2811                  |
| <b>Contract Term</b>                      | 8/1/2015 – 7/31/2023            |
| <b>Original Contract Amount</b>           | \$241,760.00                    |
| <b>Amendment Amount</b>                   | \$158,124.00                    |
| <b>Total Contract Amount</b>              | \$399,884.00                    |
| <b>Cost Center</b>                        | 7810001000                      |
| <b>GRC/PROJ/JOB No.</b>                   | 65003464                        |
| <b>Internal Order No.</b>                 |                                 |

### IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County of San Bernardino ("COUNTY"), and San Antonio Regional Hospital (SUB-TENANT) have previously entered into Sub-Lease Agreement, Contract No. 15-423 dated July 28, 2015, as amended by the First Amendment dated July 24, 2018 (collectively, the "Sub-Lease"), wherein COUNTY agreed to sublease certain premises located at 150 E. Holt Boulevard, Ontario, as more specifically set forth in the Sub-Lease, to the SUB-TENANT for a term that is currently scheduled to expire on July 31, 2020; and,

WHEREAS, the COUNTY and SUB-TENANT now desire to amend the Sub-Lease to reflect the parties' agreement to extend the term of the Sub-Lease for three years from August 1, 2020 through July 31, 2023, add one (1) three-year option to extend the term of the Sub-Lease, adjust the rent schedule, and amend certain other terms of the Sub-Lease as more specifically set forth in this amendment (the "Second Amendment").

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

- Effective August 1, 2020, EXTEND the term of the Sub-Lease as provided in **Paragraph 2, TERM**, for three (3) years from August 1, 2020 through July 31, 2023 (the "Second Extended Term").
- Effective August 1, 2020, DELETE in its entirety the existing **Paragraph 3.A. RENT**, and SUBSTITUTE therefore the following as a new **Paragraph 3.A. RENT**:

3. **RENT:**

A. SUB-TENANT shall pay to COUNTY the following monthly rental payments in advance on the first day of each month, commencing when the Second Extended Term commences and continuing during the Second Extended Term, subject to an approximate two percent (2%) annual increases, as more specifically reflected and included in the amounts set forth below:

August 1, 2020 thru July 31, 2021 – monthly rental amount of \$4,302.00

August 1, 2021 thru July 31, 2022 – monthly rental amount of \$4,392.00

August 1, 2022 thru July 31, 2023 – monthly rental amount of \$4,483.00

3. Effective August 1, 2020, DELETE the existing **Paragraph 4, OPTION TO EXTEND TERM**, and SUBSTITUTE therefore the following as a new **Paragraph 4, OPTION TO EXTEND TERM**:

4. **OPTION TO EXTEND TERM:**

A. Provided that COUNTY, in its sole discretion, exercises its option to extend the term of the MASTER LEASE, COUNTY gives SUB-TENANT the option to extend the term of the Sub-Lease on the same provisions and conditions, except for the monthly rent, for one (1) three-year period ("extended term") following expiration of the Second Extended Term, by SUB-TENANT giving notice of its intention to exercise the option to COUNTY prior to the expiration of the Second Extended Term. The rent for the 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 sub-leased premises in Ontario, CA.

B. If the parties have been unable to agree on the fair market rental rate for the Premises within five (5) months of SUB-TENANT's exercise of its option for the 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 and the determination of the fair market rental rate for the Premises by arbitration, SUB-TENANT shall continue to pay the monthly rent for the Premises in the amount due for the month immediately preceding expiration of the then current term of the Sub-lease provided that once the fair market rental rate has been determined, SUB-TENANT shall commence paying the arbitration-determined fair market rent for the month immediately following SUB-TENANT's receipt of said rate determination and for the duration of the extended term and also pay, within thirty (30) days after the date the fair market rent is determined by arbitration, the difference between rate due for the month immediately preceding the expiration of the then current term and the arbitration determined rent for the period between the commencement of the extended term and the date the fair market rent is determined by arbitration. The parties agree to equally split any fees/costs charged by the arbitration association to determine the fair market rent.

4. Effective August 1, 2020, DELETE the existing **Paragraph 16, NOTICES**, and SUBSTITUTE therefore the following as a new **Paragraph 16, NOTICES**:

16. **NOTICES:** Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be in writing and either served personally, delivered by a reputable overnight courier service, or sent by postage prepaid, first-class United States mail, certified or registered, return receipt requested. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the addresses set forth below. Either party may change its address by notifying the other party of the change of address. Notices shall be deemed delivered upon the earlier of: (i) actual receipt if such notice is personally delivered; (ii) the date of delivery if such notice is delivered by a reputable overnight courier service; or (iii) the date of delivery or refusal of the addressee to accept delivery if such notice is sent by postage pre-paid, first-class United States mail, certified or registered, return receipt requested. Any notices received after 5 pm local time on a business shall be deemed delivered on the following business day.

SUB-TENANT's Notice Address: San Antonio Regional Hospital  
999 San Bernardino Road  
Upland, CA 91786

COUNTY'S Notice Address: County of San Bernardino  
Real Estate Services Department  
385 N. Arrowhead Avenue, Third Floor  
San Bernardino, CA 92415-0180

5. Effective August 1, 2020, ADD the following as a new **Paragraph 45, HOLDING OVER:**

45. **HOLDING OVER:** Subject to the MASTER LEASE, in the event the SUB-TENANT shall hold over and continue to occupy the Premises with the express written consent of the COUNTY, the tenancy shall be deemed to be a tenancy from month-to-month upon the same terms and conditions, including monthly rent, as existed and prevailed at the time of the expiration of the term of this Sub-Lease. Notwithstanding **Paragraph 31, COUNTY OR SUB-TENANT'S RIGHT TO TERMINATE SUB-LEASE**, either party shall have the right to terminate the Sub-Lease with not less than thirty (30) days prior written notice to the other party during any holdover tenancy.

6. All other provisions and terms of Sub-Lease shall remain the same and are hereby incorporated by reference. In the event of any conflict between the Sub-Lease and this Second Amendment, the terms of this Second Amendment shall control.

**END OF SECOND AMENDMENT.**

**COUNTY OF SAN BERNARDINO**

**SAN ANTONIO REGIONAL HOSPITAL**

\_\_\_\_\_  
Curt Hagman, Chairman, Board of Supervisors

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

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

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_

Name John T. Chapman

Title President and Chief Executive Officer

Dated: \_\_\_\_\_

Approved as to Legal Form

\_\_\_\_\_  
Agnes Cheng, Deputy County Counsel

Date 7/6/2020

Reviewed for Contract Compliance

\_\_\_\_\_

Date \_\_\_\_\_

Reviewed/Approved by Department

\_\_\_\_\_  
Jim Miller, Real Property Manager, RESD

Date \_\_\_\_\_