



**Contract Number**

21-183 A2

**SAP Number**

## Real Estate Services Department

<b>Department Contract Representative</b>	Terry W. Thompson, Director
<b>Telephone Number</b>	(909) 387-5000
<b>Contractor</b>	El Prado Development, LLC
<b>Contractor Representative</b>	Frank Lizarraga
<b>Telephone Number</b>	(909) 983-9393
<b>Contract Term</b>	9/1/2020 – 8/31/2047
<b>Original Contract Amount</b>	\$480,000
<b>Amendment Amount</b>	\$4,833,561.29
<b>Total Contract Amount</b>	\$5,313,561.29
<b>Cost Center</b>	652220 1000
<b>GRC/PROJ/JOB No.</b>	3200 4017
<b>Internal Order No.</b>	
<b>Grant Number (if applicable)</b>	

### IT IS HEREBY AGREED AS FOLLOWS:

#### AMENDMENT NO. 2

WHEREAS, El Prado Golf Course, a California Limited Partnership (“PRIOR LESSEE”), as tenant and San Bernardino County (“COUNTY”), as landlord, entered into a Sub-Lease Agreement, Contract No. 21-183, dated September 1, 2020, wherein PRIOR LESSEE sub-leased from the COUNTY a thirty-six hole golf course facility situated on approximately 314.21 acres of improved land and entered into Amendment No. 1 dated May 23, 2023 where PRIOR LESSEE transferred all rights, title and interests to El Prado Development, LLC (“TENANT”) located at 6555 Pine Avenue, Chino, CA, as more specifically described in the Sub-Lease, for a term that expires on August 31, 2025, (collectively the “Sub-Lease”), and;

WHEREAS, TENANT and COUNTY wish to extend the term of the Sub-Lease for twenty-two (22) years from September 1, 2025 through August 31, 2047; and

WHEREAS, subject to and conditioned upon COUNTY’s extension of the Master Lease (County Contract No. 23-629) with United States Army Corps of Engineers (“USACE”) and approval of the Option to Extend by USACE, the TENANT shall have one five-year option to extend the term of the Sub-Lease; and

WHEREAS, TENANT wishes to perform certain maintenance and repairs approved by COUNTY to be completed by the twenty-fourth month of this lease amendment; and

WHEREAS, TENANT agrees to perform a minimum of \$100,000 annually on ongoing Capital Improvements on repairs and maintenance to the Premises, covered by a Performance Bond, that are approved by the COUNTY and by the USACE; and

WHEREAS, COUNTY and TENANT now desire to amend the Sub-Lease agreement for continued use of a certain portion of federal lands leased by the COUNTY from the USACE, which portion is more specifically described in this Sub-Lease, subject to the terms of the Master Lease with, and approval by, the USACE.

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

1. Effective upon full execution of this Amendment, DELETE in its entirety the existing **Paragraph "PREMISES"** on the **Sub-Lease Title Page**, and SUBSTITUTE therefore the following as new **Paragraph "PREMISES"** on the **Sub-Lease Title Page**:

**PREMISES:** The premises, in "AS-IS" condition consists of approximately 314.21 acres of vacant land, includes paved parking, a thirty-six-hole golf course, clubhouse, entrance gate, warehouse/storage building, and chain link perimeter fencing, located at 6555 Pine Avenue, Chino, CA 91710, as defined in "Exhibit A". The Property will be delivered in its current AS-IS condition with Tenant responsible for all costs of the Premises.

2. Effective September 1, 2025, DELETE in its entirety the existing **Paragraph 2. TERM**, and SUBSTITUTE therefore the following as a new **Paragraph 2. TERM**:

**2. TERM:**

- a. The term of said Sub-Lease shall be extended an additional twenty-two years from September 1, 2025, through August 31, 2047.
- b. Subject to and conditioned upon COUNTY's extension of the Master Lease with United States Army Corps of Engineers ("USACE") and approval of the Option to Extend by USACE, TENANT shall have one Option to Extend the term of the Lease for five (5) years. A one-year notice prior to the expiration of the Sub-Lease term shall be sent to COUNTY, of TENANT's intent to exercise its option to extend the term. The rent at the time of the Option to Extend shall be the Fair Market Value at the time the Option to Extend the term is exercised. The monthly rent for five-year extended option period shall be adjusted by good faith negotiation of the parties to the fair market rental rate then prevailing for the Premises based upon the rental rates of comparable leased premises in the surrounding areas in proximity to the Premises. If the parties have been unable to agree upon the said fair market rental rate for the Premises within five (5) months of TENANT'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. If the fair market rental rate is determined by arbitration, the parties have the right to terminate the Sub-Lease by giving termination notice to the other party within thirty (30) days of being notified of the new fair market rental rate.

3. Effective September 1, 2025, DELETE in its entirety the existing **Paragraph 3. FEES**, and SUBSTITUTE therefore the following as a new **Paragraph 3. FEES**:

**3. FEES:**

A. TENANT shall pay to COUNTY a minimum monthly lease fee and a percentage of taxable sales income, on a monthly basis.

(1) Minimum Monthly Fee:

- a. TENANT shall pay to COUNTY Eleven Thousand and 00/100 Dollars (\$11,000.00) per month ("Minimum Monthly Fee"), to increase 4% annually beginning month thirteen of the amended Sub-Lease term which commences September 1, 2025.
- b. TENANT shall pay additional rents beginning month sixty-one (61) of the amended Sub-Lease term which commences September 1, 2025, that is 3% of all taxable sales income derived at the Premises. Taxable sales income includes, but is not limited to, green fees, driving range revenue, cart fees, membership dues, food & beverage revenue and conference/event revenue. These amounts will be determined and verified through an annual audit of the golf course's operations and receipts.

(2) All Sub-Lease payments are due and payable on or before the tenth day of the calendar month following the month to which such payments relate and must be accompanied by the monthly statement of taxable receipts for revenue received by TENANT for this same time period.

(3) On or before the tenth (10th) day of July of each year during the term of the Sub-Lease, TENANT shall submit to COUNTY a statement of all taxable receipts for the preceding fiscal year, designated as July 1st of the preceding calendar year through June 30th of the calendar year in which the statement is to be submitted.

B. If any Minimum Monthly Fee or other amounts are not paid when due and payable, TENANT shall pay to COUNTY an additional amount of Fifty and 00/100 Dollars (\$50.00) for each overdue Minimum Monthly Fee, or other amount as an administrative processing charge. The Parties agree that this administrative charge represents a fair and reasonable estimate of the costs that COUNTY will incur by reason of late payment by TENANT. Acceptance of any administrative charge shall not constitute a waiver of TENANT's default with respect to the overdue Minimum Monthly Fee or other amount or prevent COUNTY from exercising any of the other rights and remedies available to COUNTY. The Minimum Monthly Fee and other amounts not paid when due shall bear simple interest from the date due at the rate of one and one-half percent (1½%) per month until paid in full.

4. Effective upon full execution of this Amendment, DELETE in its entirety the existing **Paragraph 4. SECURITY DEPOSIT, subparagraph A**, and SUBSTITUTE therefore the following as a new **Paragraph 4. SECURITY DEPOSIT, subparagraph A**:

**4. SECURITY DEPOSIT:**

A. On or before the execution of this Sub-Lease Amendment by the COUNTY, TENANT shall pay to COUNTY a deposit in the amount of Eleven Thousand and 00/100 Dollars (\$11,000.00) as set forth herein as TENANT'S Security Deposit, which shall be not be required to be held by COUNTY in an interest bearing account. The Security Deposit shall secure TENANT's faithful performance of TENANT's obligations under this Lease. The COUNTY's Director of the Regional Parks Department may, in the County's sole discretion, determine the form of the Security Deposit.

5. Effective upon full execution of this Amendment, DELETE in its entirety the existing **Paragraph 9. MAINTENANCE/REPAIRS, subparagraph B**, and SUBSTITUTE therefore the following as a new **Paragraph 9. MAINTENANCE/REPAIRS, subparagraph B**:

B. TENANT shall be required to immediately commence maintenance and repairs upon the execution of this amendment as more specifically provided below:

(1) Complete the following maintenance and repair items by the end of month twenty-four (24) of the amended Sub-Lease term which commences September 1, 2025:

a. Golf Course:

- i. Bunkers, cart paths, flood control
- ii. Irrigation repairs to lines and all sprinkler heads
- iii. Driving range / practice areas
- iv. Maintenance building

b. Existing Clubhouse:

- i. Clubhouse structure, including roof, infrastructure and code compliance
- ii. Interior carpet and paint
- iii. Parking lot resurface, including any ADA code compliance matters
- iv. Common area signage

(2) Beginning at the thirty-seventh (37th) month of the amended Sub-Lease term which commences September 1, 2025, the TENANT is required to spend \$100,000 annually on Capital Improvements to the Premises for repair and maintenance matters in order to sustain the condition and quality of the Premises. The \$100,000 annual Capital Improvement Fund shall increase by five percent (5%) annually and be spent strictly on assets that have a minimum useful life of ten (10) years or less, subject to COUNTY approval and, if Capital Improvements are for the erection or alteration of structures, approval by the USACE.

(3) If TENANT does not perform its obligations within the time limitations in this Paragraph 9, COUNTY can, upon written notice to the TENANT, perform the obligations and has the right to be reimbursed for the sum it actually expends (including charges for COUNTY's equipment and personnel) in the performance of TENANT'S obligations.

(4) TENANT, at its cost, shall provide maintenance and janitorial services to the Premises. TENANT shall operate and maintain the Premises, including all equipment and grounds in a first-class manner.

6. Effective upon full execution of this Amendment, DELETE in its entirety the existing **Paragraph 12. IMPROVEMENTS**, and SUBSTITUTE therefore the following as a new **Paragraph 12. IMPROVEMENTS** and **Exhibit "B" TENANT'S IMPROVEMENTS** attached and incorporated herein, as follows:

**12. IMPROVEMENTS:**

A. TENANT shall not make any improvements or alterations to the Premises or TENANT's Improvements as detailed in Exhibit "B" ("TENANT's Improvements") without COUNTY's prior written consent, in its absolute discretion. In the event that TENANT desires to alter TENANT'S Improvements, or the Premises, TENANT shall, along with its consent request, submit all plans and specifications and any other information reasonably requested by COUNTY for said improvements or alterations. All improvements shall be completed in: (i) accordance with the plans and specifications approved by COUNTY, (ii) a good and workmanlike manner, (iii) conformity with all county, city, state and federal regulations, and any and all applicable permits. Any such improvements, alterations and/or upgrades to the Premises shall be at TENANT'S sole cost and expense, with the requirement of a Performance Bond. Notwithstanding the foregoing,

no structures may be erected or alterations made upon the Premises unless and until the type of use, design, and proposed location or alteration thereof shall have been approved in writing by the USACE. The USACE may require the TENANT, upon the completion of each of the proposed developments to furnish complete "as built" construction plans for all facilities. TENANT shall provide COUNTY with not less than ten (10) days' notice prior to the commencement of any work in, on, or under the Premises for the approved Improvements so that COUNTY, at COUNTY'S option, may post a Notice of Non-Responsibility as provided by law. All work shall be completed by duly licensed and insured contractors, which contractors shall be acceptable to COUNTY. In the event TENANT contracts for the construction of any Improvements or portion thereof, TENANT shall comply with the applicable provision of the California Public Contract Code 22000 through 22045 regarding bidding procedure and Labor Code Section 1720.2 and 1170 et seq. regarding general prevailing wages, including the provisions set forth in Exhibit "D", Prevailing Wage Requirements. TENANT shall indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, employees, agents, and volunteers from any claims, actions, losses, damages, and/or liability arising out of the obligations set forth herein. TENANT's indemnity obligation shall survive the TENANT's tenancy and shall not be limited by the existence or availability of insurance. All approvals required by COUNTY in this paragraph, including all sub-paragraphs, shall be granted or denied in COUNTY's sole discretion. Upon termination of this Lease, the TENANT's Improvements shall become the property of the COUNTY without compensation to TENANT. The Premises shall be returned to COUNTY in as good a condition and repair as it was initially received by TENANT, reasonable wear and tear excepted, and TENANT shall repair any damage to the Premises, at the Regional Park, or on adjacent County- leased property caused by TENANT or TENANT'S use of the Premises.

**B. Performance and Payment Bonds.** TENANT shall furnish, or cause its contractor to furnish, to COUNTY for COUNTY's approval, prior to the commencement of any construction of the Tenant's Improvements, a performance bond naming COUNTY as an obligee thereunder. The performance bond shall be issued by a surety qualified to do business in the State of California and shall be in an amount equal to the estimated cost the Tenant's Improvements. The performance bond shall provide that in the event TENANT commences but does not complete the construction of the Tenant's Improvements, COUNTY, at its sole discretion shall draw on the performance bond to cover the cost of either (i) completing the Tenant's Improvements; or (ii) demolishing the Tenant's Improvements returning the Premises in the same condition it was prior to Tenant's Improvements. In lieu of a labor and material (payment) bond for the Tenant Improvements, TENANT agrees to make timely payments to all contractors, subcontractors and material suppliers hired or engaged for the Tenant's Improvements. However, if required by federal or state law or the Master Lease, TENANT shall furnish, or cause its prime contractor to furnish, to COUNTY for COUNTY's approval prior to the commencement of any construction of the Tenant's Improvements, a labor and material payment bond(s). The payment bond(s) shall be issued by a surety qualified to do business in the State of California and shall be in an amount not less than 100 percent of the total amount payable by Tenant pursuant to Tenant's contract(s) for Tenant's Improvements. TENANT shall comply with all applicable provisions of federal or state law or the Master Lease with respect to the payment bond(s).

7. Effective September 1, 2025, DELETE in its entirety the existing **Paragraph 21. TERMINATION**, and SUBSTITUTE therefore the following as a new **Paragraph 21. TERMINATION**:

**21. TERMINATION:** Prior to the twentieth (20<sup>th</sup>) year of the Sub-Lease amended term which commences September 1, 2025, the COUNTY may only terminate for cause under the Default provisions of the Sub-Lease. Beginning in the twenty-first (21<sup>st</sup>) year, the COUNTY and TENANT may terminate this the Sub-Lease for any reason with a 180-Day Notice. TENANT shall perform all necessary removals of improvements or repairs to the Premises on or before the expiration of the Sub-Lease. The Sub-Lease shall terminate immediately if at any time during the term COUNTY ceases to possess a leasehold over the Premises with USACE, and COUNTY shall have no liability to TENANT for any losses or damages as a result of such termination. COUNTY's

Director of Real Estate Services shall have the authority on behalf of COUNTY to provide TENANT with notice of any termination pursuant to this paragraph.

8. Effective upon full execution of this Amendment, DELETE in its entirety the existing **Paragraph 41. RESERVED**, and SUBSTITUTE therefore the following as a new **Paragraph 41. LEVINE ACT CAMPAIGN CONTRIBUTION DISCLOSURE**, and **Exhibit "E" – LEVINE ACT CAMPAIGN CONTRIBUTION DISCLOSURE** attached and incorporated herein, as follows:

**41. LEVINE ACT CAMPAIGN CONTRIBUTION DISCLOSURE:** TENANT has disclosed to the COUNTY using Exhibit "E" – Levine Act Campaign Contribution Disclosure, whether it has made any campaign contributions of more than \$500 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 TENANT's proposal to the COUNTY, or (2) 12 months before the date this Lease was approved by the Board of Supervisors. TENANT acknowledges that under Government Code section 84308, TENANT is prohibited from making campaign contributions of more than \$500 to any member of the Board of Supervisors or other COUNTY elected officer for 12 months after the COUNTY's consideration of the Sub-Lease Amendment.

In the event of a proposed amendment to this Sub-Lease, the TENANT will provide the COUNTY a written statement disclosing any campaign contribution(s) of more than \$500 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 TENANT or by a parent, subsidiary or otherwise related business entity of TENANT.

9. This Second 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 Second Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Second 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 Second Amendment upon request.

**[THE REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY]**

10. All other provisions and terms of the Sub-Lease, including the insurance specifications and requirements, 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 and conditions of this Second Amendment shall control. This Sub-Lease and Second Amendment are subject to all the terms and conditions of the Master Lease between the COUNTY and USACE. In the event of any conflict between the Sub-Lease, this Second Amendment, and the Master Lease with USACE, the terms and conditions of the Master Lease with USACE shall control.

**END OF SECOND AMENDMENT.**

SAN BERNARDINO COUNTY

TENANT:  
EL PRADO DEVELOPMENT, LLC

\_\_\_\_\_  
Dawn Rowe, Chair, 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 Frank Lizarraga

Lynna Monell  
Clerk of the Board of Supervisors  
San Bernardino County

Title Managing Member

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

Approved as to Legal Form

Reviewed for Contract Compliance

Reviewed/Approved by Department

►  
John Tubbs II, Deputy County Counsel

►  
\_\_\_\_\_

►  
Lyle Ballard, Real Property Manager, RESD

Date \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

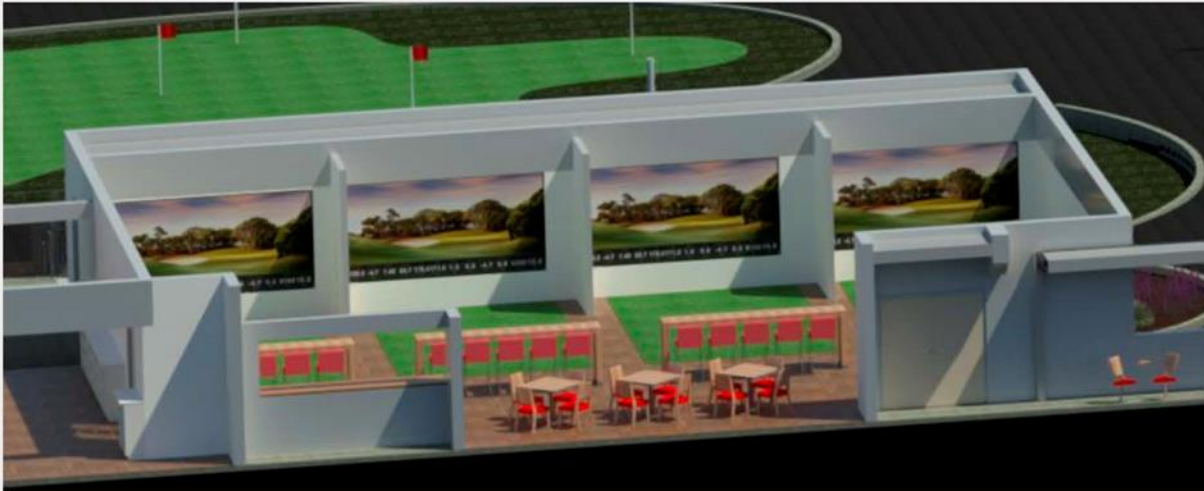
**EXHIBIT "B"**  
**TENANT'S IMPROVEMENTS**



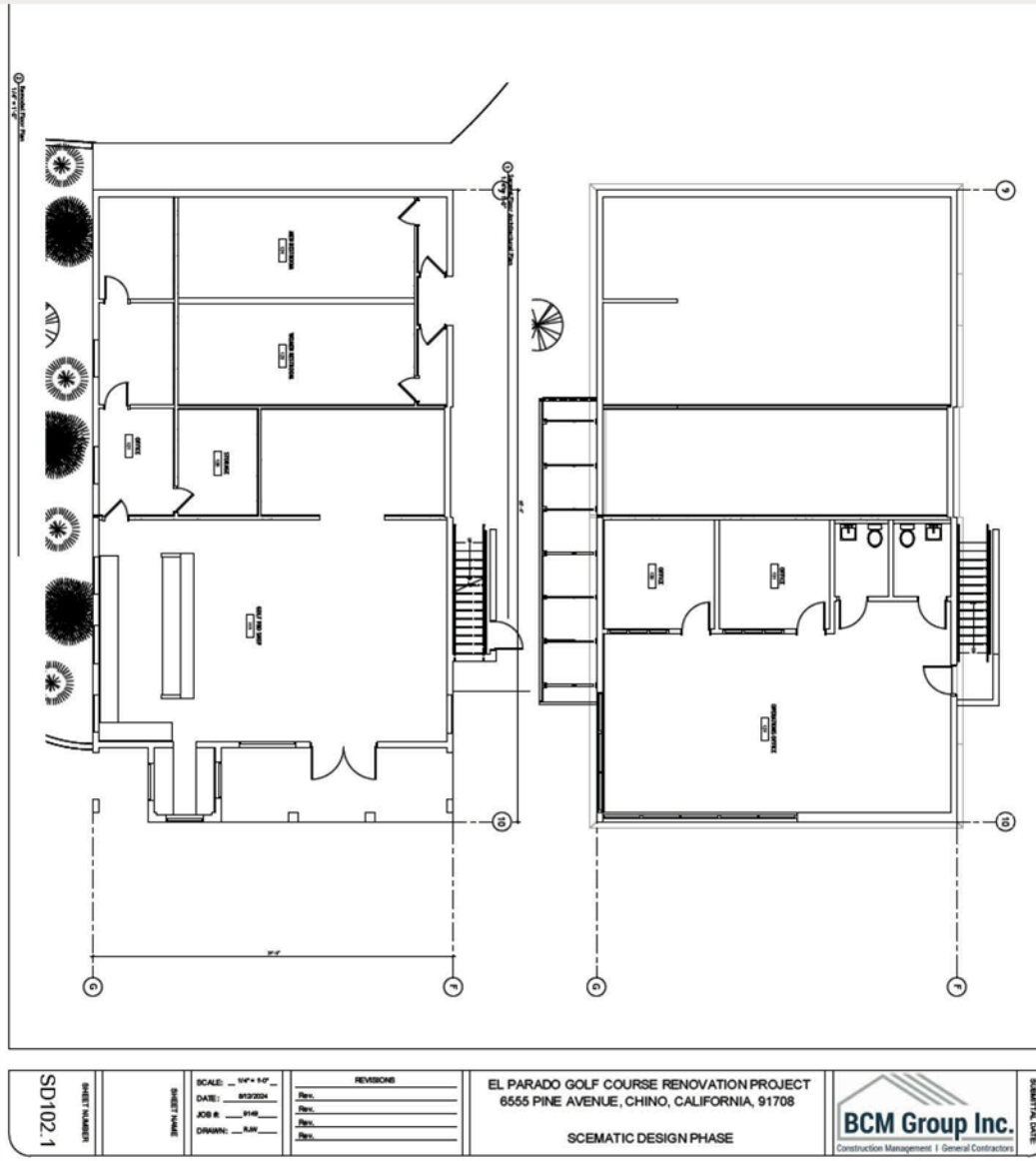
## Improvements



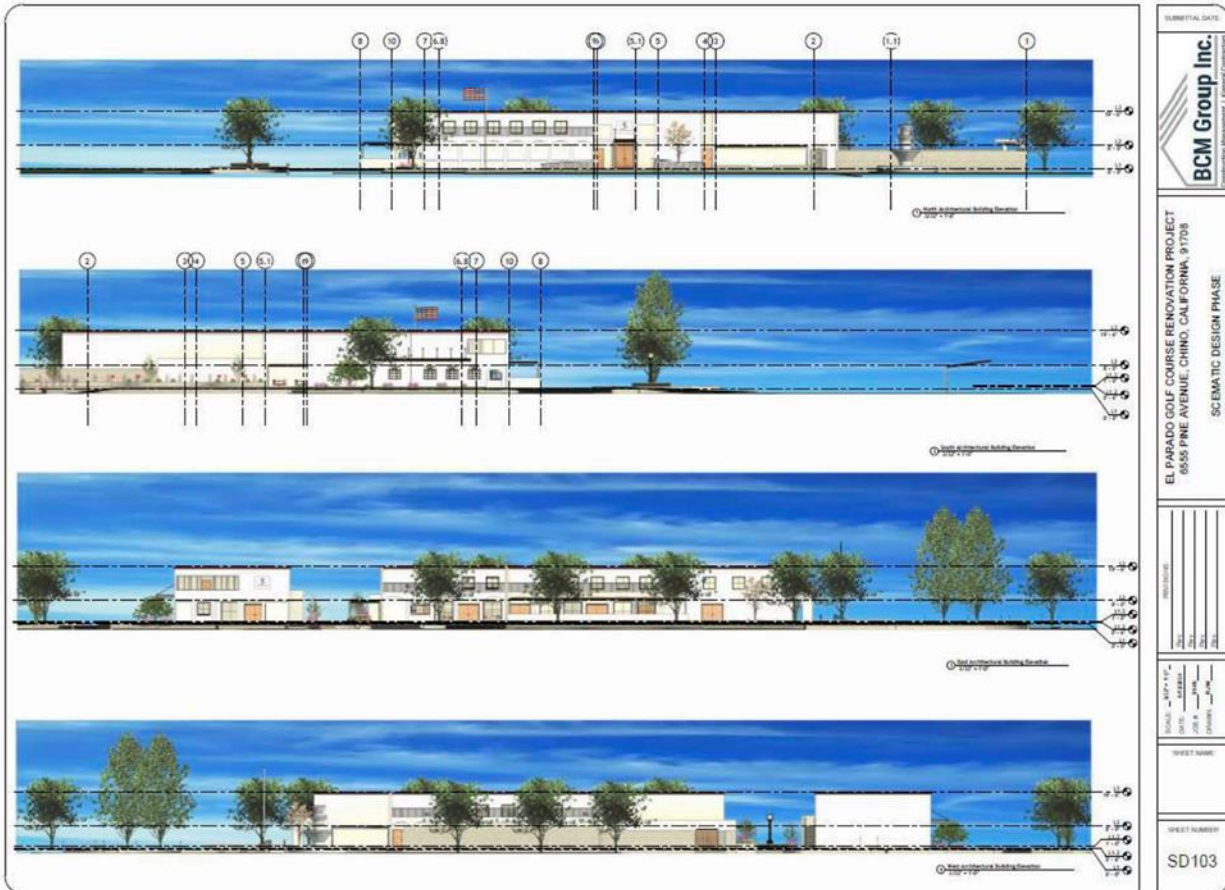


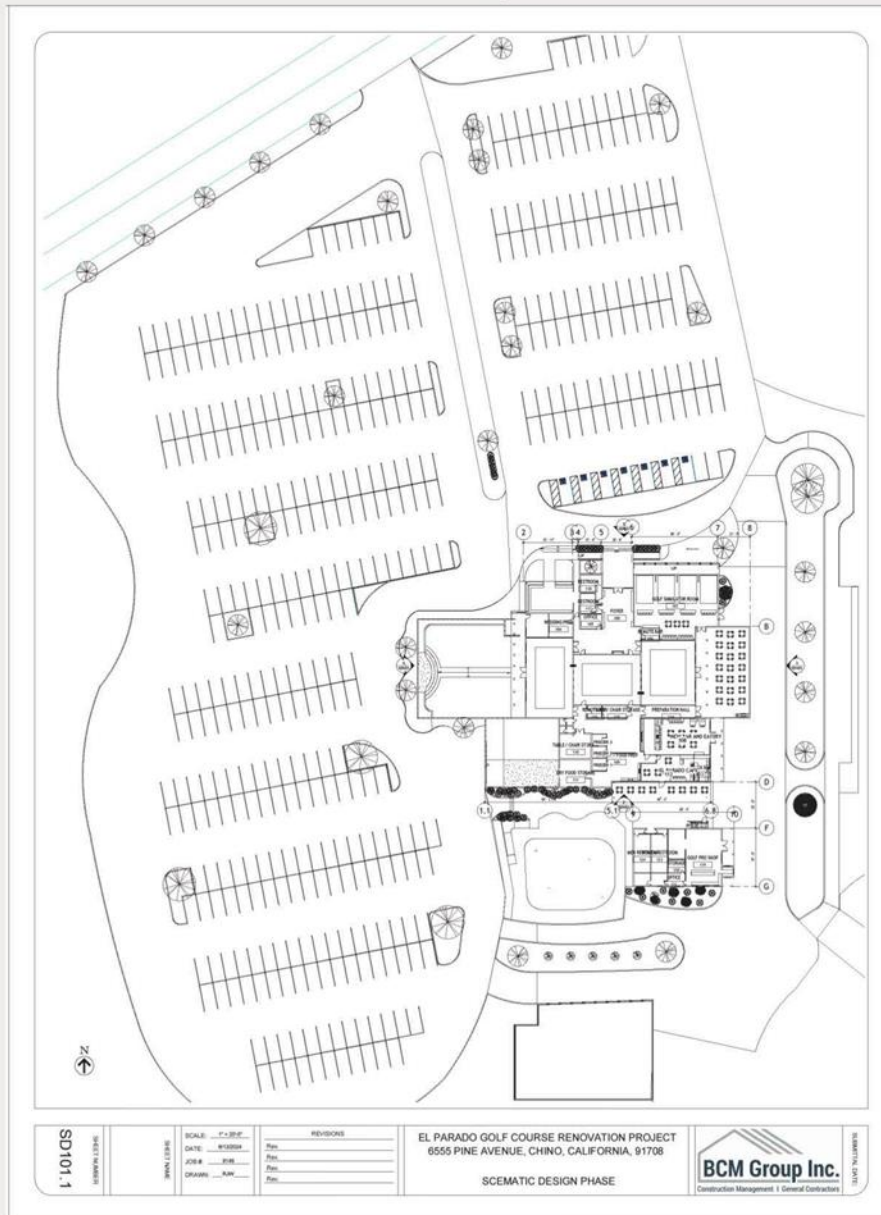






















# Kitchen Improvements





## **(formerly referred to as Senate Bill 1439)**

The following is a list of items that are not covered by the Levine Act. A Campaign Contribution Disclosure Form will not be required for the following:

- Contracts that are competitively bid and awarded as required by law or County policy
- Contracts with labor unions regarding employee salaries and benefits
- Personal employment contracts
- Contracts under \$50,000
- Contracts where no party receives financial compensation
- Contracts between two or more public agencies
- The review or renewal of development agreements unless there is a material modification or amendment to the agreement
- The review or renewal of competitively bid contracts unless there is a material modification or amendment to the agreement that is worth more than 10% of the value of the contract or \$50,000, whichever is less
- Any modification or amendment to a matter listed above, except for competitively bid contracts.

### **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-subsidiary 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.

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





1. Name of TENANT:

*El Prado Development, 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:

*FRANK J. LIZARRAGA / Phyllis Shih*

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):

*N/A*

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

Company Name	Relationship
<i>N/A</i>	

6. Name of agent(s) of TENANT:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)
<i>N/A</i>		

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):
<i>N/A</i>		

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
<i>N/A</i>	



9. Was a campaign contribution, of more than \$500, 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 this Amendment, TENANT certifies that the statements made herein are true and correct. TENANT understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$500 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

Print Name

Date

Print Entity Name, if applicable