

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



ORIGINAL

Contract Number

17-466 A2

SAP Number

Real Estate Services Department

Department Contract Representative	Terry W. Thompson, Director
Telephone Number	(909) 387-5000
Contractor	Housing Authority of the County of San Bernardino
Contractor Representative	Rishad Mitha
Telephone Number	909-332-6315
Contract Term	March 13, 2018 – May 31, 2040
Original Contract Amount	\$ 504,048
Amendment Amount	\$1,350,237
Total Contract Amount	\$1,854,285
Cost Center	7810001000
GRC/PROJ/JOB No.	5900 3717
Internal Order No.	
Grant Number (if applicable)	09CH011719-05

IT IS HEREBY AGREED AS FOLLOWS:

This **SECOND AMENDMENT TO LEASE AGREEMENT** ("Second Amendment") is made as of May 20, 2025 ("Effective Date"), by and between the HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO, a public body, corporate and politic ("LANDLORD"), and the COUNTY OF SAN BERNARDINO, a political subdivision of the State of California ("COUNTY"), who are collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the Parties have previously entered into a Lease Agreement, Contract No. 17-466, dated June 27, 2017 ("Lease"), wherein LANDLORD agreed to lease certain real property to the COUNTY on the terms and conditions stated in the Lease;

WHEREAS, the Parties entered into that certain First Amendment to the Lease ("First Amendment") on March 18, 2018 to change the lease contingency date and to amend certain other terms of the Lease as further set forth therein; and

WHEREAS, the Parties now desire to enter into this Second Amendment to amend the Lease by increasing the leased area comprising the Interior Space, as that term is defined in the Lease, to add an additional 4,787 square foot areas to the existing 1,512 square foot space, adjusting the rent, extend the Term of the Lease to May 31, 2040, and describe the process for COUNTY to plan for and develop COUNTY-desired improvements to the expansion area of the Interior Space to accommodate additional classroom amenities for COUNTY's educational needs, adjust the monthly rental payments and amend other terms of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as of the Effective Date first written above, the Lease Agreement, Contract No. 17-466, as amended by the First Amendment is amended as follows:

1. Effective June 1, 2025, DELETE in its entirety the existing Paragraph 2, PREMISES LEASED, and Exhibit "A" – PREMISES, shall be replaced in its entirety with the following new Paragraph 2, PREMISES LEASED and Exhibit "A" attached and incorporated herein, to read as follows:

"2. PREMISES LEASED:

A. LANDLORD leases to COUNTY and COUNTY leases from LANDLORD certain premises of (i) approximately 6,299 square feet of office and classroom space for COUNTY's exclusive use ("Interior Space") comprising the entirety of the single story building ("Building") and (ii) approximately 18,100 square feet of land ("Leased Land"), which Leased Land shall be for COUNTY's exclusive use as an exterior playground area on said land ("Playground Space") and as office and classroom space within two (2) modular buildings to be installed by COUNTY on said land ("Modular Buildings") for a total of approximately 24,399 square feet leased (the Interior Space and the Leased Land shall collectively be referred to as the "Premises"), located on the real property commonly known as 1755 Maple Street, San Bernardino, California ("Property"). The Premises is more particularly depicted in Exhibit "A", attached hereto and incorporated herein by reference. The parties hereby agree that the Premises shall not be re-measured at any time during the term of the Lease, including any extensions thereof.

B. Along with the Premises, LANDLORD grants to COUNTY, at no additional cost for the Initial Term and any extensions thereof: (i) the right to the use of all parking spaces, in the parking lot located on the Property, and (ii) the right of ingress and egress to the Premises and the parking lot at the Property."

2. Effective June 1, 2025, the existing Paragraph 3 TERM, as amended by the First Amendment, shall be amended as to Subsections A and B thereunder to extend the original Initial Term to May 31, 2040, and Landlord's right to terminate the Lease for housing redevelopment-related purposes, with all other Subparagraphs thereunder remaining unmodified, which amended Subparagraphs A and B shall read as follows:

"3. TERM:

A. Initial Term. The Lease's initial term ("Initial Term") shall commence on March 13, 2018 ("Commencement Date") and end on May 31, 2040 ("Ending Date"). The Code of Federal Regulations, 45 CFR § 1303.50 – Third party leases and occupancy agreements- requires that the Lease, when COUNTY Preschool Services Department Head Start Program receives federal funds to renovate a facility or modular unit on real property the COUNTY does not own, provide for the right of continued use and occupancy of the leased premises during an entire term of at least fifteen years.

B. Termination Upon Redevelopment of Premises. Should LANDLORD determine in its discretion that it desires to redevelop the Premises for its housing-related needs before the end of the Term, LANDLORD may terminate this Lease after the 15th year following the issuance of a certificate of occupancy for the Tenant Improvements, with no right of LANDLORD to terminate pursuant to this Subparagraph 3.B before such time, subject to the following provisions:

(1) LANDLORD shall provide at least twelve (12) months' prior written notice ("Redevelopment Termination Notice") to COUNTY of its intent to exercise its rights to terminate the Lease pursuant to this Subparagraph 3.B. The Lease shall remain in place until the expiration of twelve (12) months following the delivery date of the Redevelopment Termination Notice ("Remainder Period") to allow time for COUNTY to relocate its activities on the Premises.

COUNTY may request an extension of the Remainder Period for up to an additional six (6) months if it can demonstrate to LANDLORD that it is unable to provide for relocation of its activities within the twelve (12) month period, despite its good faith efforts.

(2) Any termination pursuant to this Subparagraph 3.B. after fifteen (15) years from the date of the issuance of a certificate of occupancy for the Tenant Improvements shall not require LANDLORD to provide any reimbursement for any of the Tenant Improvements.

(3) Pay COUNTY its reasonable relocation expenses, as determined by LANDLORD or its relocation consultant.

(4) As a further accommodation to COUNTY, LANDLORD shall incorporate the Head Start activities performed by COUNTY on the Premises as part of LANDLORD's redevelopment of the Premises; provided such activities may continue to be fully funded in the redeveloped Premises.

(5) COUNTY shall continue to pay Rent during the Remainder Period and until such time as COUNTY fully vacates the Premises; provided that COUNTY, in its sole discretion, may terminate this Lease and vacate the Premises before the end of the Remainder Period; provided COUNTY give LANDLORD written notice of such termination at least thirty (30) days prior to the effective date of termination, at which time COUNTY shall fully vacate the Premises.

(6) LANDLORD shall either relocate COUNTY to a new facility, or secure an alternate location while redevelopment is in progress, with no breaks in the services the COUNTY provides to the public."

3. Effective June 1, 2025, DELETE in its entirety the existing Paragraph 4, RENT, and replace in its entirety with the following new Paragraph 4, RENT, to read as follows:

"4. **RENT:**

A. Premises. COUNTY shall pay to LANDLORD at the address set forth in Paragraph 25, the following monthly rental payments for the Interior Space in arrears not later than the last day of each month, commencing on the Effective Date of this Amendment.

Lease Year	Monthly Rent
June 1, 2025 - May 31, 2026	\$7,340.00
June 1, 2026 - May 31, 2027	\$7,560.00
June 1, 2027 - May 31, 2028	\$7,787.00
June 1, 2028 - May 31, 2029	\$8,021.00
June 1, 2029 - May 31, 2030	\$8,261.00
June 1, 2030 - May 31, 2031	\$8,509.00
June 1, 2031 - May 31, 2032	\$8,764.00
June 1, 2032 - May 31, 2033	\$9,027.00
June 1, 2033 - May 31, 2034	\$9,298.00
June 1, 2034 - May 31, 2035	\$9,577.00
June 1, 2035 - May 31, 2036	\$9,864.00
June 1, 2036 - May 31, 2037	\$10,160.00
June 1, 2037 - May 31, 2038	\$10,465.00
June 1, 2038 - May 31, 2039	\$10,779.00
June 1, 2039 - May 31, 2040	\$11,102.00

B. Payment. 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 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.

C. **Procurement Registration.** LANDLORD agrees to register through the San Bernardino County's Electronic Procurement Network (ePro) system at <https://epro.sbcounty.gov/eepro/> or the SAP system."

4. Effective June 1, 2025 DELETE in its entirety the existing **Paragraph 6, OPTION TO EXTEND TERM**, which shall be of no further force or effect.

5. Effective June 1, 2025 DELETE in its entirety the existing **Paragraph 13, MAINTENANCE. Subparagraphs 13.A.(5), (6), (7), (8), and (9)** as such that LANDLORD shall not be required to provide the services set forth in those deleted Paragraphs and replace with the following new **Subparagraphs 13.A.(5) and (6)**:

"A. . . .

(5) LANDLORD shall, at LANDLORD's sole cost and expense, keep the Leased Land free from insects, pests or vermin at all times as reasonably possible; provided that COUNTY, at its sole cost and expense, shall be solely responsible for keeping the Interior Space free from insects, pests or vermin at all times as reasonably possible. Prior to employing a licensed exterminator, COUNTY shall notify LANDLORD in writing specifying the work to be done and the name of the contractor for LANDLORD's prior written approval, which approval shall not be unreasonably withheld.

(6) At COUNTY's request and sole cost, LANDLORD will include the Property as part of its after-hours (4:30 p.m. through 7:30 a.m.) security services contract it maintains, which is shared with other sites owned or operated by LANDLORD near the Property such that such security personnel shall periodically patrol the Property as part of their patrol services for any illegal or illicit activities at or around the Property during after-hours and contact the local law enforcement agency to address any concerns observed. Should COUNTY request such after-hours security services from LANDLORD, LANDLORD shall advise COUNTY of the added costs to provide COUNTY such services, including any periodic adjustment of such costs and, if COUNTY agrees, COUNTY shall pay LANDLORD the entirety of such added costs and such payment shall be made by COUNTY to LANDLORD at the same time and in addition to the Rent payments made by COUNTY under Paragraph 4 above. COUNTY further acknowledges and agrees that any security of the Interior Space or the Premises as a whole shall be provided by COUNTY at its own cost and expense, whether or not COUNTY requests after-hours security services from LANDLORD pursuant to this Paragraph."

6. Effective June 1, 2025, DELETE in its entirety the existing **Paragraph 14, ALTERATIONS**, and replace with the following new **Paragraph 14, ALTERATIONS AND IMPROVEMENTS**, to read as follows:

"14. ALTERATIONS AND IMPROVEMENTS:

A. **Approval.** Any improvements to the Interior Space and exterior for the purpose of providing for additional classroom facilities and related amenities in support of COUNTY's functions, as such improvements are further described in Exhibit "B" to this Lease ("Tenant Improvements"), shall be performed by COUNTY, at its sole cost and expense. Except as specified below, prior to making any Tenant Improvements, COUNTY shall provide to LANDLORD's Director of Development copies of plans and specifications for its proposed Tenant Improvements ("Plans and Specifications") for LANDLORD's review and approval, which shall not be unreasonably withheld or delayed. COUNTY shall not commence construction of any Tenant Improvements which require LANDLORD's approval until LANDLORD approves the Tenant Improvements in writing. COUNTY shall notify the LANDLORD in a timely manner of any changes in the proposed Tenant Improvements. COUNTY shall pay LANDLORD's actual and reasonable costs incurred for review of the

Plans and Specifications for the proposed Tenant Improvements. COUNTY shall be solely responsible for constructing any Tenant Improvements in accordance with the approved Plans and Specifications.

- B. Standard of Construction. Notwithstanding the provisions of Section 41, all Tenant Improvements will be constructed by COUNTY, at COUNTY's sole cost and expense, in a good and workmanlike manner that conforms to all applicable laws, and by licensed and bondable contractors reasonably acceptable to LANDLORD. COUNTY shall only use good grades of materials. LANDLORD may monitor construction of the Tenant Improvements. LANDLORD's right to review Plans and Specifications and to monitor construction shall be solely for its own benefit, and LANDLORD shall have no duty to see that such Plans and Specifications or construction comply with the Laws.
- C. Permits. COUNTY shall obtain any and all applicable permits and governmental approvals required for all Tenant Improvements performed by COUNTY and shall immediately provide to LANDLORD copies thereof. COUNTY shall provide a Certificate of Occupancy upon completion of the Tenant Improvements.
- D. Laws. COUNTY shall cause all work performed in connection with the Tenant Improvements to be performed in a workman like manner, in accordance with sound building practices, and in compliance with (i) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter; and (ii) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and COUNTY shall be responsible to the LANDLORD for the procurement and maintenance thereof, as may be required of COUNTY and all entities engaged in work on the Tenant Improvements.
- E. COUNTY Construction Obligations. COUNTY may utilize the services of LANDLORD's retained architect, Sillman, pursuant to the on-call contract between Sillman and LANDLORD, or such other architectural firm LANDLORD may designate ("Architect") to develop the plans for the Tenant Improvements. Should COUNTY utilize Architect's services, COUNTY shall timely pay all invoices issued to LANDLORD for services related to the Tenant improvements, including services performed before the date of the Second Amendment. Any interest or penalties accrued in any delayed payment shall be COUNTY's responsibility. Should COUNTY delay payment beyond thirty (30) days of the date of any invoice, LANDLORD may suspend further services by Architect related to the Tenant Improvements until COUNTY pays all outstanding invoices. COUNTY, at its own cost and expense, shall retain and provide LANDLORD with the identities and mailing addresses of all persons, contractors, subcontractors or material suppliers performing Tenant Improvements prior to beginning such work, and LANDLORD may post on and about the Premises notices of non-responsibility pursuant to applicable law.
- F. Liens. No liens may be filed against the Premises. COUNTY shall promptly pay and discharge all claims for work or labor done, materials furnished, or services rendered in the construction of the Tenant Improvements and shall keep the Premises free and clear of all mechanics' and materialmen's liens in connection therewith. COUNTY shall file a valid notice of cessation or notice of completion upon cessation of the construction of the Initial County Improvements for a continuous period of thirty (30) days or more. Upon completion of any Tenant Improvements, COUNTY shall deliver to LANDLORD sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant Improvements and final lien waivers from all such contractors and subcontractors.

- G. Insurance. At all times during the construction of the Tenant Improvements, COUNTY shall require the general contractor to carry liability, builders' risk, and workers compensation insurance in a form and amounts acceptable to the LANDLORD and to name the LANDLORD as an additional insured on such insurance. COUNTY shall carry appropriate builder's risk insurance and update its property insurance as necessary to cover the Initial County Improvements. COUNTY shall provide certificates of insurance in amounts and from an insurance company reasonably satisfactory to LANDLORD.
- H. Prevailing Wages. In connection with all work on the Premises, COUNTY shall comply with applicable prevailing wage laws under the California Labor Code, as further set forth in Exhibit "F".
- I. Trade Fixtures. COUNTY, at its own cost and expense and without LANDLORD's prior approval, may install equipment, machinery and trade fixtures (collectively "Trade Fixtures") typically and customarily installed at classroom facilities, and the construction, erection, and installation thereof complies with all applicable laws. LANDLORD agrees that all trade fixtures, machinery, equipment, or other property of any kind and nature kept or installed upon the Premises by COUNTY shall not become the property of LANDLORD or a part of the realty no matter how affixed to the Premises and may be removed by COUNTY at any time. Prior to the expiration or termination of this Lease, COUNTY, at its sole expense, may remove its Trade Fixtures; provided such removal may be accomplished without damage to the Premises or Tenant Improvements thereon.
- J. Notice of Nonresponsibility. COUNTY shall provide the LANDLORD with at least five (5) days' prior written notice of the date for the commencement of the construction of the Tenant Improvements in order to permit the LANDLORD to post, file, and record such Notices of Nonresponsibility as may be necessary to protect the LANDLORD and the Premises from claims by contractors."

7. Effective June 1, 2025, DELETE in its entirety the existing Paragraph 16. UTILITIES and SUBSTITUTE therefore the following Paragraph 16. UTILITIES to read as follows:

"16. UTILITIES:

A. LANDLORD shall furnish to the Premises and COUNTY shall pay all service charges and related taxes for electrical, gas, water, trash, and fire alarm service. 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 expeditiously, subject to any delays by applicable utility providers outside of LANDLORD's control, 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."

8. Effective June 1, 2025, DELETE in its entirety the existing Paragraph 22, COUNTY'S DEFAULT and SUBSTITUTE therefore the following Paragraph 22, COUNTY'S DEFAULT to read as follows:

22. COUNTY'S DEFAULT: The occurrence of any one or more of the following events shall

constitute a material default of the Lease by COUNTY: (i) vacating or abandoning the Premises for more than thirty (30) consecutive days while Monthly Rent is concurrently in arrears; or (ii) failure by COUNTY to perform any material provisions of the Lease to be performed by COUNTY, including the payment of Monthly Rent, where such failure is not cured within thirty (30) days following COUNTY's receipt of written notice of default from LANDLORD; provided, however, if the nature of the default is such that it cannot reasonably be cured within thirty (30) days, COUNTY shall not be in default of the Lease if COUNTY commences to cure the default within the thirty (30) day period and thereafter diligently and in good faith prosecutes such cure to completion. The purpose of this notice requirement is to extend the notice requirements of the unlawful detainer statutes of California. Pursuant to 45 CFR § 1303.50, the regional grants management officer of the U.S. Department of Health and Human Services (HHS) is designated to receive a copy of any notice of default given to the COUNTY under the terms of the agreement at the following address: 90 7th Street, 9th floor, San Francisco, CA 94103. The responsible HHS official has the right to cure any default under the lease within the designated period to cure default; and, has the right to transfer the lease to another interim or replacement Head Start agency grantee of federal Children and Families Head Start Program funds.

9. Effective May 20, 2025, ADD Exhibit "H" – OHS Lease Rider, attached and incorporated herein. COUNTY hereby agrees that any obligation of any kind to the United States Department of Health and Human Services, Administration for Children and Families under the OHS Lease Rider for relocation or payment for the Improvements or Modular Unit thereunder shall be borne solely by COUNTY and not LANDLORD.

10. **Continuing Effect of Agreement.** Except as amended by this Amendment, all provisions of the Lease shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Lease" appears in the Lease, it shall mean the Lease as amended by this Amendment.

11. **Adequate Consideration.** The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

12. **Counterparts.** This Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument. The parties shall be entitled to sign and transmit an electronic signature of this Second Amendment (whether by facsimile, PDF, or other mail 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.

13. **Corporate Authority.** The persons executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES APPEAR ON NEXT PAGE]

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SAN BERNARDINO COUNTY

▶ *Dawn Rowe*
Dawn Rowe, Chair, Board of Supervisors

Dated: MAY 20 2025
SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

By *Lyana Lanell*
Lyana Lanell
Clerk of the Board of Supervisors
San Bernardino County
Deputy



HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

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

By ▶ *Mania Razo*
(Authorized signature - sign in blue ink)

Name Mania Razo
(Print or type name of person signing contract)

Title Executive Director
(Print or Type)

Dated: June 10, 2025

Address 715 E. Brier Drive
San Bernardino, CA 92408

FOR COUNTY USE ONLY

Approved as to Legal Form
▶ *John Tubbs II*
John Tubbs II, Deputy County Counsel
Date 5-13-25

Reviewed for Contract Compliance
▶ _____
Date _____

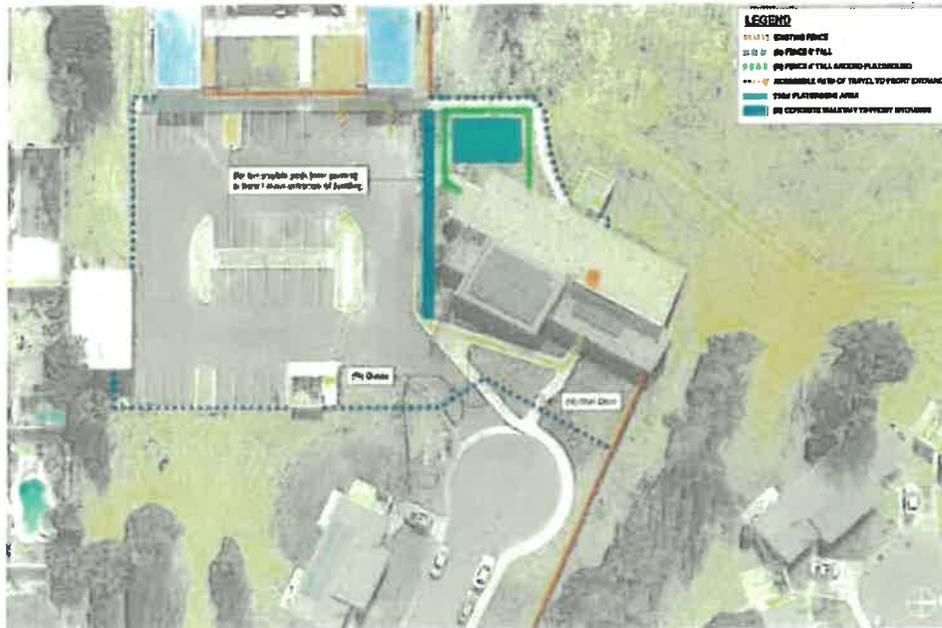
Reviewed/Approved by Department
▶ *Terry W. Thompson*
Terry W. Thompson, Director, RESD
Date 5/14/25

[Handwritten initials]

EXHIBIT "A"

PREMISES

The Premises is comprised of approximately 6,299 square feet of office and classroom space for COUNTY's exclusive use ("Interior Space") comprising the entirety of the single story building ("Building") and (ii) approximately 18,100 square feet of land ("Leased Land"), which Leased Land shall be for COUNTY's exclusive use as an exterior playground area on said land ("Playground Space") and as office and classroom space within two (2) modular buildings to be installed by COUNTY on said land ("Modular Buildings") for a total of approximately 24,399 square feet leased (the Interior Space and the Leased Land shall collectively be referred to as the "Premises"), located on the real property commonly known as 1755 Maple Street, San Bernardino, California ("Property").



PROPOSED SITE PLAN

SCALE: 1" = 40' 0"

EXHIBIT "B"
TENANT IMPROVEMENTS



PROPOSED FLOOR PLAN LAYOUT
SCALE: 1/4" = 1'-0"

EXHIBIT "H"

OHS LEASE RIDER

This Lease RIDER ("Rider"), made as of May 20, 2025, by and between Housing Authority of the County of San Bernardino ("Lessor"), San Bernardino County ("Tenant"), and United States Department of Health and Human Services, Administration for Children and Families ("HHS/ACF") attaches to the lease between Lessor and Recipient/Grantee entered into on May 20, 2025, for the real property located at 1755 Maple Street, San Bernardino, California 92411 ("Lease"). HHS/ACF is not a party to the attached Lease, but joins in execution of this document solely to evidence its consent to the provisions hereof.

WITNESSETH:

WHEREAS, Lessor is the owner of real property located at 1755 Maple Street, San Bernardino, California 92411 and described in Exhibit A attached hereto and hereby incorporated into this Rider (the "Property");

WHEREAS, On _____, the United States Department of Health and Human Services, Administration for Children and Families ("HHS/ACF") awarded Grant Number _____ in the amount of _____ to Tenant for the purpose of operating a Head Start facility in San Bernardino, California.;

WHEREAS, Tenant has agreed to lease the above-described Property ("Leased Premises") from Lessor for the purpose of operating a Head Start facility, pursuant to a lease, a copy of which is attached hereto as Exhibit B (the "Lease"), which establishes a leasehold interest (the "Leasehold") for the benefit of the Tenant;

WHEREAS, HHS/ACF has approved Tenant's planned use of its award of Head Start grant for placement of a modular unit on Leased Premises or to fund leasehold improvements on the Leased Premises, which consist of either construction of a facility on the Property or major renovation of the Leased Premises (the "Improvements"), and;

WHEREAS, HHS/ACF has and will continue to have a Federal Interest (defined below) in the Leasehold and Improvements because the Tenant has used Federal grant funds awarded by HHS/ACF to place a modular unit on the Leased Premises or make Improvements to the Leased Premises. The Federal Interest includes any future HHS/ACF awards made for Improvements to the Leasehold.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows:

1. Definitions: Under this Rider, the following terms are defined as follows:

- (a) Event of Default: The term "Event of Default" means an event of default under the Lease.
- (b) Federal Interest: The term "Federal Interest," in the context of the Lease, is the interest of HHS/ACF in the Leasehold that secures the remaining value of the Improvements.
- (c) Lessor: The term "Lessor" means and/or its heirs, assignees, and successors under this Rider and the Lease.
- (d) Modular Unit: The term "Modular Unit" means a portable prefabricated structure made at another location and moved to a site for use by a Head Start recipient/grantee to carry out a Head Start program, regardless of the manner or extent to which the modular unit is attached to the underlying real property.
- (e) Parties: The term "Parties" shall refer to Lessor, Tenant, and their respective heirs, successors, and assignees under this Rider and the Lease.
- (f) Tenant: The term "Tenant" means and/or its heirs, assignees, and successors under this Amendment and the Lease.

2. Federal Interest.

- (a) This Lease Rider evidences a Federal Interest in the Leasehold that secures the right of the federal awarding agency to recover the remaining value of the Improvements in the event that a lease is terminated prior to expiration of its full term, including costs associated with relocation or replacement of a modular unit following such termination.
- (b) The Federal Interest in the Leasehold of a facility on which the Tenant has made major renovations with Federal Head Start funds or placement of a modular unit on the Leased Premises continues for a period of at least 15 years and the Federal Interest in the Leasehold of land on which the Tenant has constructed a facility with Federal Head Start funds continues for a period of at least 30 years notwithstanding any termination of the lease prior to completion of its original term.
- (c) In the event of termination prior to completion of the original term of the Lease, the value of the Improvements will be determined by applying the remaining term of the Lease expressed as a percentage of the entire term and applying the resulting percentage to the amount of Federal Head Start funds awarded to the Recipient/Grantee for the Improvements. The value of the Improvements at the time of termination and any costs associated with relocation or replacement of a modular unit following such termination is subject to disallowance at the discretion of the awarding agency.

3. Tenant's Obligations.

- (a) The Tenant agrees not to sublease, assign, or otherwise transfer the Leased Premises, or use the Leased Premises for any non-grant purpose, without the express written approval of the responsible HHS/ACF official.
- (b) The Tenant agrees to provide HHS/ACF with notice:
 - (1) Of any Event of Default by the Tenant, on the date of the discovery of such Event of Default; and/or
 - (2) That the Lessor has notified the Tenant of its intent to exercise the remedy of cancellation, termination, and/or other remedies, on the day that the Tenant receives such notice from the Lessor.

4. Lessor's Promise To Notify HHS/ACF.

The Lessor agrees to provide HHS/ACF with notice:

- (a) Of any Event of Default by the Tenant, as soon as the Lessor first knows of such default;
- (b) That the Lessor intends to exercise its remedy of cancellation, termination, and/or any other remedy, on the day that Lessor notifies the Tenant that it intends to exercise such remedy or remedies;
- (c) That the Lessor intends to mortgage the Leased Premises; and/or
- (d) Of any lien or other encumbrance affecting title that has been attached to the Leased Premises, as soon as practicable after Lessor first knows of any such lien or other encumbrance affecting title.

5. Addresses For Notification To HHS/ACF.

Whenever notice to HHS/ACF is required under this Rider, the Lessor and the Tenant promise to provide both telephonic and written notification (by registered mail, return receipt requested) to the following HHS/ACF offices, or to their successors:

- (a) Jennifer Curtiss
Office of Grants Management
Administration for Children and Families
U.S. Department of Health and Human Services
601 East 12th, Suite 3
Kansas City, MO 64106
Telephone Number: 816-426-2991
- (b) Tala Hooben
Director, Office of Head Start
Administration for Children and Families
330 C St., S.W.
Washington D.C. 20201
Telephone Number: 202-401-3441
- (c) Office of the General Counsel, Children, Families, and Aging Division
United States Department of Health and Human Services
330 Independence Avenue, S.W., Rm. 4276
Washington, DC 20201
Telephone Number: (202) 690-8005

In addition, if the offices listed above have a change of name, address, and/or telephone number, the Lessor and the Tenant further agree to take all reasonable action necessary to discover and notify the appropriate government offices listed in this section.

6. Contents of Notification to HHS/ACF.

The Lessor and the Tenant agree to include the following information in the written notice to HHS/ACF whenever such notice is required under this Rider:

- (a) The full names, addresses, and telephone numbers of the Lessor and the Tenant and the address of the Leased Premises;
- (b) The following statement, prominently displayed at the top of the first page of the notice:

The Federal Interest in certain real property or equipment purchased or improved by the Office of Head Start may be at risk. Immediately give this notice to the appropriate government official.
- (c) The date and the nature of the default and the manner in which the default may be cured and/or an explanation of other circumstances that required the notice;
- (d) In the event that the Lessor will be exercising the remedy of cancellation, termination, and/or other remedies, the date or expected date of the cancellation and/or exercise of any remedy or remedies.
- (e) Of any notice of foreclosure or other action to enforce a remedy against the Leased Premises by a third party on the day that Lessor receives notice of such foreclosure or other action.

7. Tenant's Promise to Notify Lessor of Changes in HHS/ACF's Address.

The Tenant agrees to give the Lessor written and telephonic notice of any change of name, address, and/or telephone number of an HHS/ACF office listed in Section 5. If one or more of the HHS/ACF offices listed in Section 5 stops operating, the Tenant agrees to give the Lessor written and telephonic notice of the name, address, and telephone number of the succeeding Federal office(s) to which notice must be given.

8. HHS/ACF's Rights in Event of The Tenant's Default.

If an Event of Default occurs, the Parties agree that HHS/ACF may intervene to ensure that the default is cured by the Tenant, HHS/ACF, or another entity designated by HHS/ACF and that the Lessor shall accept the payment of money or performance of any other obligation by HHS/ACF or its designee, for the Tenant, as if such payment of money or performance had been made by the Tenant. In the event of default, HHS/ACF or its designee has the right to take possession of any modular unit on the leased property and remove it to another location. Unless otherwise specified in Section 8, HHS/ACF shall have sixty (60) days from the date of receipt of notice of the default that has been served in full compliance with Sections 4 through 7 above in which to intervene and to attempt to cure the default. If HHS/ACF fails to respond to any notice of default from Lessor, HHS/ACF's Federal Interest and the Tenant's obligation to repay the remaining value of the Improvements are preserved pursuant to 45 C.F.R. § 1303.49(a)(4).

9. Special Period for Curing Certain Non-Monetary Defaults.

With respect to non-monetary defaults that cannot with due diligence be cured within sixty (60) days from the date of receipt of notice of default that has been served in full compliance with Sections 4 through 7 above, if Tenant, HHS/ACF, or another entity designated by HHS/ACF promptly commences to cure the default within the sixty (60) day period and thereafter continues to attempt to cure the it with due diligence, then the party attempting to cure the default shall have the right to such additional time as may be reasonably necessary to finish curing the default.

10. Delay of Exercise of Remedies Pending Cure.

In the event of a default under the Lease, Lessor agrees that it shall not commence cancellation or termination of the Lease or any other remedies that affect ownership or possession of the Leased Premises until after (i) HHS/ACF has been properly served, in full compliance with Sections 4 through 7, with notice of default and intent to exercise remedies, and (ii) one of the following events has occurred:

(a) The responsible HHS/ACF official informs the Lessor in writing that HHS/ACF has decided not to cure the default; or

(b) HHS/ACF fails to timely cure the default within the period of time set forth in Sections 8 or 9.

11. HHS/ACF's Right to Substitute Another Entity Under the Lease.

Notwithstanding any other provision of this Rider or the Lease, the Parties recognize and hereby consent that, in an Event of Default, or the withdrawal or termination of the Tenant from the Federal grant, the Lease may be assumed by an entity designated by HHS/ACF. The Lessor will have the right to approve the entity HHS/ACF designates to assume the Lease, but such approval will not be withheld except for good cause and will not be unreasonably delayed. Any interim or replacement recipient/grantee must, as a precondition to its occupancy of the Leased Premises, execute an Assumption Agreement approved by Lessor and HHS/ACF.

12. Tenant Shall Cooperate With Substitution.

The Tenant covenants and agrees that, in the event HHS/ACF designates another entity, either on an interim or permanent basis, to assume the Tenant's rights, obligations, and liabilities under the grant and the Lease, the Tenant will relinquish to such designee possession and all property interests that the Tenant might have in the Leased Premises, subject to any compensation to which the Tenant may be entitled.

13. Substitution by HHS/ACF Shall Not Constitute an Event of Default.

Notwithstanding any other provisions of this Rider or the Lease, the Parties agree that any substitution of recipients/grantees by HHS/ACF, either on an interim or permanent basis, shall not constitute a default under this Rider or an Event of Default. The Parties further agree that any such substitution by HHS/ACF that is made in accordance with this Rider shall not trigger termination of the Lease or any other remedy under this Rider or the Lease.

14. Notice of Federal Interest in the Leasehold.

This Rider also serves to notify all potential sellers, purchasers, transferors, transferees, mortgagees, creditors, and any other persons or entities who have or may seek to obtain an interest of any kind in the Property of the Federal Interest in the Leasehold.

In accordance with the terms of the Federal grant, the Head Start Act, 42 U.S.C. §§ 9831-9852c, 45 C.F.R. Parts 75 and 1303, and relevant decisions of the United States courts, the restrictions on the use of the Leased Premises include, but are not limited to, the following:

- (a) The Leased Premises may not be used for any purpose inconsistent with that authorized by the Head Start Act and applicable regulations.
- (b) Leased Premises may not be encumbered, used as collateral, sold or otherwise transferred by the Tenant to another party without the written permission of the responsible HHS/ACF official.
- (c) The grant conditions and requirements cannot be altered or nullified through a transfer of ownership.

Further information regarding the Federal Interest in the Leasehold can be obtained from the HHS/ACF Regional Office of Grants Management, at the address provided in Section 5(a).

15. Binding on Heirs, Successors And Assigns.

This Rider shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of each Party but does not otherwise create, and shall not be construed as creating, any rights enforceable by any person not a party to this Rider.

16. Entire Agreement.

This Rider constitutes the entire agreement among the Parties regarding the Federal Interest in the Leasehold, and any other statement, promise, representation or agreement, either written or oral, made by any party or agents of any party, that is not contained in this written Rider shall not be enforceable.

17. Integration and Modification.

No modification, waiver, amendment, or discharge of this Rider shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is sought. No provision of this Rider shall be modified or limited by course of conduct or usage of trade except by an executed written agreement. In the event of a conflict between this Rider and the Lease, the terms of this Rider shall govern.

18. Severability.

In the event that any of the agreements, terms, or provisions contained in this Rider shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining agreements, terms, and provisions contained herein shall not be in any way affected, prejudiced, or disturbed.

19. Knowing and Voluntary Agreement.

The Parties have entered into this Rider voluntarily and with a complete and thorough understanding of its terms, meaning, and effect. Each of the undersigned is signing the Rider voluntarily and freely, without coercion, having had the opportunity to read and raise questions about its meaning prior to signing.

20. Counterparts.

This Rider may be executed in any number of counterparts and by different parties in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

21. Due Authorization.

The persons executing this Rider on behalf of a Party represent and warrant to the other Party that he or she has been duly authorized by such Party to so execute this Rider.

IN WITNESS WHEREOF, the Parties have executed this Rider pursuant to authority duly given, as of the date first above written.

[Signature pages follow.]

HOUSING AUTHORITY OF THE COUNTY OF SAN BERNARDINO

Signature: _____

Title

Name

**STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO COUNTY**

On this _____, 2025, the undersigned, a Notary Public in and for said State, personally appeared, _____, _____ of _____, personally known to me on the basis of satisfactory evidence to the individual, whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Seal

Notary Public signature

Commission Expires: _____

SAN BERNARDINO COUNTY



Dawn Rowe, Chair, 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
San Bernardino County

By _____

Deputy

**UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

Signature: _____

Grants Management Officer

On this , before me, the undersigned, a Notary Public in and for said , personally appeared , of the United States Department of Health and Human Services, Administration for Children and Families, personally known to me on the basis of satisfactory evidence to the individual, whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Seal

Notary Public signature

Commission Expires: _____

EXHIBIT A

The property legal description from public records is:

TR NO 4006 LOTS 9 THRU 15 23.43 AC