



Contract Number

11-11 A5

SAP Number

Real Estate Services Department

Department Contract Representative	Terry W. Thompson, Director
Telephone Number	(909) 387-5252
Contractor	Lugonia Redlands, LLC
Contractor Representative	Yoon Ja Han, Managing Manager
Telephone Number	(818) 251-9911
Contract Term	5/1/2011 – 12/31/2024
Original Contract Amount	\$533,916
Amendment Amount	\$166,584
Total Contract Amount	\$700,500
Cost Center	
GRC/PROJ/JOB No.	65002630
Internal Order No.	

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, San Bernardino County ("COUNTY"), as tenant, and Lugonia Redlands, LLC ("LANDLORD"), as landlord, entered into Lease Agreement, Contract No. 11-11 dated January 11, 2011, as amended by the First Amendment dated September 1, 2011, the Second Amendment dated April 19, 2016, the Third Amendment dated October 31, 2017, and the Fourth Amendment dated December 17, 2019 (collectively, the "Lease") wherein LANDLORD leases certain premises known as Suite K at 800 East Lugonia Avenue, Redlands, CA, as more specifically described in the Lease, to the COUNTY for a term that is currently scheduled to expire on December 31, 2021; and,

WHEREAS, the COUNTY and the LANDLORD now desire to amend the Lease to extend the term of the Lease for three (3) years for the period from January 1, 2022 through December 31, 2024, add one three-year option to extend the Lease, adjust the rental rate schedule, and amend certain other terms of the Lease as more specifically set forth in this amendment ("Fifth Amendment").

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

1. Effective January 1, 2022, DELETE in its entirety the existing **Paragraph 3, TERM**, and SUBSTITUTE therefore the following as a new **Paragraph 3, TERM**:

“3. **TERM:** The term of the Lease between COUNTY and LANDLORD for the Premises is extended for three (3) years, commencing on January 1, 2022 and expiring on December 31, 2024 (the “Third Extended Term”).”

2. Effective January 1, 2022, 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 for the Premises in arrears no later than the last day of each month, commencing when the Third Extended Term commences and continuing for the duration of the Third Extended Term, as more specifically set forth below:

Lease Year	Total Monthly Rental Payments
January 1, 2022 thru December 31, 2022	\$4,491.00
January 1, 2023 thru December 31, 2023	\$4,626.00
January 1, 2024 thru December 31, 2024	\$4,765.00

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 January 1, 2022, 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 one (1) three-year option to extend the term of the Lease on the same provisions and conditions, except for the monthly rent (“extended term”) following expiration of the then current term, by COUNTY giving notice to exercise the option to LANDLORD on or prior to the expiration of the then current term or at any time during any holding over pursuant to **Paragraph 8, HOLDING OVER**. 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 leased premises in the County of San Bernardino.

If the parties have been unable to agree upon the said fair market rental rate within five (5) months of the COUNTY’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 of the Lease and the determination of the fair market rental rate 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, and COUNTY does not, for any reason, agree with such determination, COUNTY shall have the right to terminate the Lease by providing LANDLORD with written notice not later than thirty (30) days after COUNTY’s receipt of the arbitration-determined fair market rental rate. In the event COUNTY does not so terminate the Lease, 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. The parties agree to equally split the cost of the arbitration filing, hearing, and arbitrator fee; all other costs for the arbitration, including, but not limited to, any attorneys’ fees shall be the sole responsibility of each party.”

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4. All other provisions 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 Fifth Amendment, the provisions and terms of this Fifth Amendment shall control.

END OF THE FIFTH AMENDMENT.

SAN BERNARDINO COUNTY

LUGONIA REDLANDS, 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 Yoon Ja Han
(Print or type name of person signing contract)

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

Title Managing Member
(Print or Type)

By _____
Deputy

Dated: _____

Address 21800 Oxnard Street, #500
Woodland Hills, CA 91637

FOR COUNTY USE ONLY

Approved as to Legal Form

Reviewed for Contract Compliance

Reviewed/Approved by Department

►
Agnes Cheng, Deputy County Counsel

►
Date _____

►
Lyle Ballard, Real Property Manager, RESD

Date _____

Date _____

Date _____