



London Breed, Mayor
Naomi M. Kelly, City Administrator

Andrico Q. Pennick
Director of Real Estate

February 13, 2019

Mr. Shing Choo
Choo Laguna LLC
PO Box 31817
San Francisco, CA 94131

RE: Conditional Option Exercise in Connection With the Office Lease ("Lease") on the First Floor of the Building Located at 258A Laguna Honda Blv., San Francisco, CA ("Premises").

Dear Mr. Choo,

In connection with the Office Lease dated May 21, 2014 (the "Lease"), by and between the City and County of San Francisco, a municipal corporation acting by and through its Real Estate Division ("City") and Choo Laguna LLC, a California limited liability company ("Landlord"), this letter confirms City's timely conditional exercise of its Extension Option (as defined in the Lease) and the Base Rent (as defined in the Lease) for the Extended Term (as defined in the Lease) established by City and Landlord under Section 4.2 of the Lease.

If City's Board of Supervisors approves City's exercise of the Extension Option, the Extended Term will commence on July 1, 2019, and expire on June 30, 2024, and Base Rent for the Extended Term shall be as follows:

<u>Period of Extended Term</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>	<u>Monthly Base Rental Rate Per Rentable Square Foot of Premises</u>
7/1/19 – 6/30/20	\$51,192.00	\$4,266.00	\$2.37
7/1/20 - 6/30/21	\$52,727.00	\$4,393.98	\$2.44
7/1/21 – 6/30/22	\$54,309.59	\$4,525.80	\$2.51
7/1/22 – 6/30/23	\$55,938.88	\$4,661.57	\$2.59
7/1/23 – 6/30/24	\$57,617.05	\$4,801.42	\$2.67

I will send another letter once the Board of Supervisors considers the Extension Option. If approved, that letter will confirm City's exercise of the Extension Option is no longer conditional. If not approved, that letter will confirm the termination of the Lease on June 30, 2019.

Please countersign this letter below to confirm your agreement to these matters and return your original, countersigned copy to City.

Sincerely,



Andrico Q. Penick 2/20/19.

Director of Property

ACKNOWLEDGED AND AGREED

The undersigned acknowledges the City's conditional exercise of its Extension Option and agrees to the Extended Term Base Rent described in this letter.

CHOO LAGUNA LLC, a
California limited liability company

By: 

Name: SHING HORNNG CHOO

Title: MANAGER