



London N. Breed, Mayor
Carmen Chu, City Administrator



Andrico Q. Penick
Director of Real Estate

March 12, 2021

Mr. Clarence Lau
BC Capp, LLC
45 San Jacinto Way
San Francisco, CA 94127
Sent Via Email to: lauclarence@hotmail.com

Re: Letter Agreement for Extended Term - Lease of 165 Capp Street - HSH

Dear Mr. Lau:

The City and County of San Francisco, on behalf of its Department of Homelessness and Supportive Housing ("HSH"), (the "City"), leases an approximately 6,500 square foot building located at 165 Capp Street in San Francisco (the "Building") from BC Capp, LLC ("Landlord") under a lease dated February 25, 2016 with a Commencement Date of September 22, 2016. (the "Lease"). The Lease is currently scheduled to expire on September 21, 2021.

Pursuant to Section 3.3 of the Lease, and subject to subsequent approval by the City's Board of Supervisors, the City hereby notifies Landlord of its Exercise of Option to Extend on the following previously negotiated terms. Please note that the current lease term is at a rental rate of \$270,684/year (\$41.64/sq. ft.) or \$22,557.08/month (\$3.47/sq. ft.).

- Extended Term period shall extend the Lease through September 30, 2026;
- Extended Term Year 1 monthly rental rate shall be the current rate of \$22,557.08 with no rent payable for October 2021.
- Each October 1st beginning on October 1, 2022, the monthly rent shall be increased by 3%, in accordance with the existing lease terms.
- Should the legislative process require a formal amendment to the existing lease, Landlord agrees to negotiate in good faith such amendment, provided such amendment does not materially change the intent of the above business terms.

Kindly acknowledge Landlord's concurrence by obtaining its signature where indicated below on this letter, and returning to my staff member Sandi Levine at sandi.levine@sfgov.org. Upon receipt of the countersigned letter, Sandi will begin the legislative confirmation process.

Office of the Director of Real Estate • 25 Van Ness Avenue, Suite 400 • San Francisco, CA 94102
(415) 554-9850 • FAX: (415) 552-9216

Please contact Sandi with any questions you may have, she can be reached via email (sandi.levine@sfgov.org) or telephone (415-361-1555).

Respectfully,

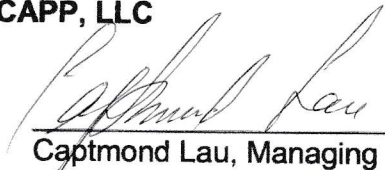


Andrico Penick
Director of Property

Landlord Acceptance:

BC CAPP, LLC

By:


Captmond Lau, Managing Member

Date:

3/19/2021