

FIRST AMENDMENT TO LEASE

This First Amendment (First Amendment) is made and entered into by and between Debolt, Derrick, McFarland Properties, LLC, a California limited liability company, as Lessor (Lessor) and City of San Diego, a California municipal corporation, as Lessee (Lessee), to be effective when signed by the parties and approved by the San Diego City Attorney (Effective Date).

Recitals

- A. Lessor and Lessee previously entered into that certain lease for a building located at 116 South 20th Street in San Diego, California on file with the Office of the City Clerk as Document No. RR 311627 (Lease).
- B. Lessor and Lessee now wish to amend the Lease to extend the time that Lessee has to elect to exercise Lessee's option to extend the term of the Lease.
- C. Unless otherwise defined herein, capitalized terms as used in this First Amendment shall have the same meanings as given therefor in the Lease.

NOW THEREFORE, based on the Recitals set forth above which are incorporated herein, and for good and valuable consideration, the parties agree to amend the Lease as follows:

Amendment

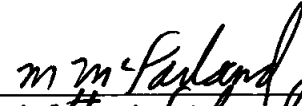
- 1. Paragraph 51.1 of Lease Addendum is deleted in its entirety and replaced with the following:
 - "51.1. In order to exercise the first option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least one (1) month but not more than (12) months prior to the date that the option period would commence, time being of the essence. In order to exercise the second option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least three (3) months but not more than (12) months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options may only be exercised consecutively."
- 2. No Other Changes. All other terms and conditions of the Lease shall remain in full force and effect, and if there are any conflicts between the Lease and this First Amendment, said conflicts shall be resolved in favor of the terms and conditions of this First Amendment.
- 3. Authority. Each individual executing this First Amendment on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this First Amendment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such

legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this First Amendment is binding upon such person or entity in accordance with its terms. Each person executing this First Amendment on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

IN WITNESS WHEREOF, this First Amendment is executed to be effective as of the Effective Date.

LESSOR: DEBOLT, DERRICK, MCFARLAND PROPERTIES,
LLC, a California limited liability company

Date: 12/28/18

By: 
Name: Matt McFarland
Title: COO

LESSEE:
Date: 1/2/19

THE CITY OF SAN DIEGO,
a California municipal corporation

By: 
Name: Cybele Thompson
Title: Director, Real Estate Assets Department

Approved as to Form on this 3rd
day of January, 2018 2019

MARA W. ELLIOTT, City Attorney

By: 
Name: Marco A. Verdugo
Title: Deputy City Attorney

RESOLUTION NUMBER R- 311627
DATE OF FINAL PASSAGE APR 03 2018

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN DIEGO AND THE SAN DIEGO HOUSING COMMISSION FOR THE PROVISION OF TEMPORARY BRIDGE SHELTERS TO ADDRESS THE DUTIES OF THE PARTIES CONCERNING THE TRANSITIONAL STORAGE CENTER, AUTHORIZING THE EXECUTION OF A LEASE FOR A WAREHOUSE LOCATED AT 116 SOUTH 20TH STREET IN SAN DIEGO FOR USE AS THE TRANSITIONAL STORAGE CENTER, MAKING A DETERMINATION THAT THE PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AUTHORIZING THE EXPENDITURE OF FUNDS, AND APPROVING RELATED ACTIONS.

WHEREAS, the San Diego Housing Commission (Housing Commission) administers the agreements for the City of San Diego's Homeless Shelters and Services Programs based on a Memorandum of Understanding (MOU) between the Housing Commission and the City that first took effect on July 1, 2010; and

WHEREAS, the MOU addresses a transitional storage center operated by Think Dignity, which offers 304 lockers and approximately 130 bins to individuals experiencing homelessness who need space to store their personal belongings; and

WHEREAS, the City desires to create additional space for transitional storage center use, to help address demand; and

WHEREAS, the Housing Commission identified Mental Health Systems, Inc. (Contractor) as an entity prepared and qualified to operate an additional transitional storage center (Center) at 116 South 20th Street in San Diego (Premises); and

WHEREAS, the Center is intended to help keep homeless San Diegans' belongings off the streets, sidewalks, and storefronts within the nearby neighborhood by providing a safe place for homeless individuals to keep their belongings as they look for work, attend classes, or meet with service providers or doctors, and the purpose of this program is to have secure, protected space for homeless individuals to store their personal belongings on an ongoing basis, with access to their belongings during hours of operation; and

WHEREAS, the City has negotiated a one-year lease, with two additional one-year extension options, with Debolt, Derrick, McFarland Properties, LLC, for the Premises, under the terms and conditions set forth in that lease on file with the Office of the City Clerk as Document No. RR-311627; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

1. The City Council authorizes the execution of a First Amendment to the Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the Provision of Temporary Bridge Shelters to address the duties of the parties concerning the Center, in substantially the form as it is attached to Housing Authority Report No. HAR18-011 as Attachment No. 2, and as it may be amended upon mutual written agreement of General Counsel for the Housing Commission and the Office of the City Attorney.

2. The Mayor, or designee, is authorized and directed to execute and deliver the lease, on file with the Office of the City Clerk as Document No. RR-311627, between the City of San Diego, as lessee, and Debolt, Derrick, McFarland Properties, LLC, a California limited liability company, as lessor, for approximately 22,000 square feet of warehouse space in the building located at 116 South 20th Street in San Diego, California.

3. The Mayor shall not authorize exercising any option beyond the first year of the lease if the Housing Authority has not approved funds for the center to operate during that option term.

4. The Chief Financial Officer is authorized to expend up to \$64,857.68 for rent of the Premises and as otherwise required by the lease agreement in Fiscal Year 2018, and up to \$12,971.52, which represents 20 percent of the that amount, as contingency for costs including, but not limited to, higher than expected lease operating expenses, for a total amount not to exceed \$77,829.14, upon the Chief Financial Officer furnishing a certificate certifying that the funds necessary for the expenditure are, or will be, on deposit with the City Treasurer.

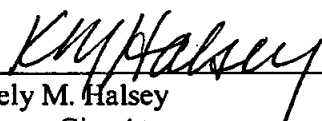
5. The City Council determines that the actions being taken in this Resolution are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Sections 15301, 15303, and 15311 of the State of California CEQA Guidelines, no exception to the categorical CEQA exemption applies, and processing under the National Environmental Policy Act is not required.

6. The City Clerk is directed to file a Notice of Exemption regarding the project with the Clerk of the Board of Supervisors for the County of San Diego.

7. The approvals granted by this Resolution are contingent upon passage of a Housing Authority resolution approving an agreement for the operation of the transitional storage center, signature of the First Amendment to the Memorandum of Understanding, and related actions, which resolution being considered by the Housing Authority concurrently with this Resolution.

APPROVED: MARA W. ELLIOTT, City Attorney

By

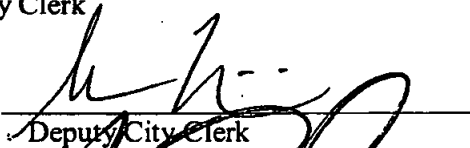

Keely M. Halsey
Deputy City Attorney

KMH:als
03/13/2018
03/22/2018 Rev. Copy
Or.Dept: Mayor
Doc. No.: 1701719_3

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 20 2018.

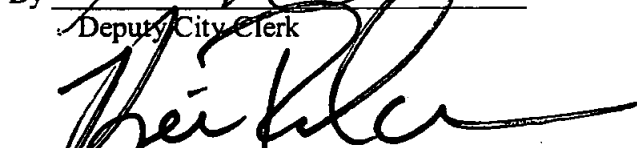
ELIZABETH S. MALAND
City Clerk

By


Deputy City Clerk

Approved:

4/2/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed:

(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAR 20 2018, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	☒	☐	☐	☐
Lorie Zapf	☒	☐	☐	☐
Chris Ward	☒	☐	☐	☐
Myrtle Cole	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Chris Cate	☒	☐	☐	☐
Scott Sherman	☒	☐	☐	☐
David Alvarez	☐	☒	☐	☐
Georgette Gomez	☒	☐	☐	☐

Date of final passage APR 03 2018.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

(Seal)

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 311627