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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Memo

To Board of Education

From Jacqueline P. Minor, General Counsel

Board Meeting Date August 12, 2015

Subject **Addendum To The Third Amendment To Lease At 1000 Broadway**

Action **Approval By The Board of Education of Addendum to the Third Amendment to Lease at 1000 Broadway to Include Suite 440 Inadvertently Omitted from the Lease Amendment Approved by the Board on May 13, 2015 as Enactment No 15-0643**

Background/ Discussion On May 15, 2015, the Board approved Third Amendment to the Lease with Sparklight, LLC at 1000 Broadway. The Third Amendment inadvertently omitted Suite 440 which is necessary to accommodate District employees. The Addendum adds Suite 440 to the Lease under the same terms and conditions, terminating on August 31, 2019, the same date as the expansion lease at 1000 Broadway. Suite 440 has 9,963 rentable square feet for the period from September 1, 2015 to August 31, 2019 at a cost not to exceed approximately \$27,000 per month as more specifically set forth in the Lease Addendum.

Fiscal Impact Approximately \$324,000 per year

Attachment **Addendum to the Third Amendment to Lease at 1000 Broadway**

ADDENDUM "A" TO THIRD AMENDMENT TO LEASE

THIS ADDENDUM "A" to the THIRD AMENDMENT TO LEASE ("Third Amendment") entered into as of September 1, 2015, by and between SPARKNIGHT, LLC, a Florida limited liability company ("**Landlord**") and OAKLAND UNIFIED SCHOOL DISTRICT, a California public school district ("**Tenant**"), identifies additional space to be occupied by Tenant under the Third Amendment as follows below. The leasing of the additional space included in this Addendum "A" shall be on the same terms and conditions set forth in the Lease and all Amendments and in particular the Third Amendment.

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, additional space (as defined below). Landlord shall deliver, and Tenant shall accept, possession of the space known as Suite 440 with 9,963 rentable square feet on the fourth floor of the Building ("**Suite 440**"). Suite 440 and the components thereof are shown on the attached **Addendum A Exhibit 1**. From and after delivery of possession to Tenant, Suite 440 (along with the Existing Premises) shall be deemed to be a part of the Premises for all purposes under the Lease. The leasing of Suite 440 shall be on the same terms and conditions set forth in the Lease, except as otherwise set forth in this Addendum "A". Landlord and Tenant agree that the Premises and the various components of the Premises, including the Existing Premises and Suite 440, will be deemed to contain the applicable rentable square footage amounts set forth in this Amendment.

1. Rent.

1.1 Base Rent for Suite 440. The monthly Base Rent to be paid by Tenant to Landlord with respect to Suite 440 shall be as follows:

Period	Monthly Base Rent
September 1, 2015-October 31, 2015	\$0 (Monthly Base Rent abatement)
November 1, 2015-August 31, 2016	\$25,405.65
September 1, 2016-August 31, 2017	\$26,167.82
September 1, 2017-August 31, 2018	\$26,952.85
September 1, 2018-August 31, 2019	\$27,761.44

1.2 Additional Rent; Tenant's Prorata Share.

(a) Additional Rent Suite 440. In addition to Base Rent and other amounts payable by Tenant, Tenant shall pay to Landlord Tenant's Prorata Share of Operating Expenses and Tax increases with respect to Suite 440, as provided in Section 3.2 of the Original Lease as previously amended by the First Amendment, the Second Amendment, the Third Amendment with calendar year 2015 to be the "Base Tax Year" and the "Base Expense Year" for this purpose and with estimated monthly payments to commence September 1, 2016. Tenant's Prorata Share with respect to Suite 440 shall be 3.01%.

(b) **Tenant's Prorata Share.** Tenant's Prorata Share of increases in Operating Expenses and Taxes with respect to Suite 440 shall be the calculated using the same formula as under paragraph 4.2 (d) of the Third Amendment to Lease.

2. Delivery; Condition of Suite 440.

2.1 Suite 440. Landlord shall use commercially reasonable efforts to deliver possession of Suite 440 to Tenant, and Tenant agrees to accept delivery of Suite 440, on or before September 1, 2015. Landlord, at its cost, shall perform the following work (collectively, "**Landlord's Work**"): shampooing the carpet, and painting or patching walls where necessary, all performed in a professional manner. Tenant agrees that Landlord and Landlord's employees and contractors shall have access to Suite 440 and other portions of the Premises in connection with the performance of Landlord's Work. Landlord shall use commercially reasonable efforts to substantially complete Landlord's Work before September 1, 2015. If Landlord has not completed Landlord's Work before Landlord delivers possession of Suite 440 to Tenant, Landlord shall use commercially reasonable efforts to complete Landlord's Work so as to minimize any material interference with the performance of Tenant's Work; To the extent Landlord has not delivered possession of Suite 440 to Tenant on or before September 1, 2015 as anticipated under this **Section 2.1**, the Lease Expiration Date shall not be extended, Tenant shall have no right to terminate the Lease, and Landlord shall not be liable to Tenant for any loss or damage resulting from such delay or from the failure of the delivery of possession of Suite 440 to occur on any particular date; provided, however, the dates for the abatement of monthly Base Rent and for the commencement of payment of monthly Base Rent as set forth in **Section 2.1(b)** above shall be extended on a daily basis for each day beyond September 1, 2015 that Landlord is delayed in delivering possession of Suite 440 to Tenant so that Tenant receives the full two (2) months of abated monthly Base Rent anticipated under **Section 2.1(b)** above. The other dates in **Section 2.1(b)** shall remain unchanged.

(a) Tenant has elected not to perform any work on Suite 440. In the event Tenant elects to modify the space, Tenant shall follow and be bound by the existing process set-forth in the Third Amendment, Exhibit B-1 Construction Rider, incorporated herein and made a part of this Forth Amendment.

(b) Notwithstanding anything in the Lease to the contrary, in the event that Tenant decides to use the existing server room in Suite 440 to house computer, networking or other electronic equipment, Tenant agrees, at its sole cost and expense, to assess the need for and thereafter make all necessary upgrades and repairs to the HVAC equipment in said server room to provide sufficient ventilation for Tenant's equipment.

3. Acceptance. Tenant acknowledges and agrees that it is leasing the Premises in their "as is" condition, and that Landlord is not responsible for making any repairs or improvements, except for Landlord's Work as provided in **Section 2.1** above. Tenant further acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with regard to the Premises, the Building, the Real Property or Tenant's business. On delivery by Landlord as provided in this Addendum "A" to The Third Amendment. Tenant shall take possession of Suite 440 and immediately do all work or construction necessary to complete

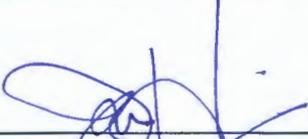
Suite 440 for the operation of Tenant's business, subject to Landlord's prior written approval and to all other applicable provisions of the Lease and all Amendments.

4. **Ratification; Effect of Addendum "A"**. Except as specifically set forth in this Addendum "A", the provisions of the Lease and all Amendments thereto are hereby ratified and shall remain unchanged and in full force and effect.

Executed as of the day and year first written above.

TENANT:

OAKLAND UNIFIED SCHOOL DISTRICT,
a California public school district

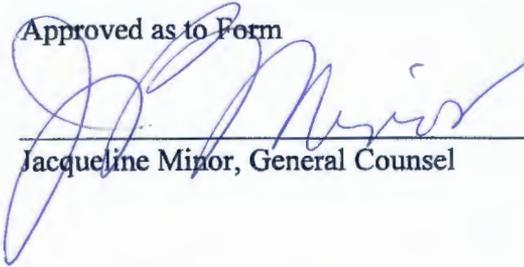


President, Board of Education



Superintendent and Secretary, Board of
Education

Approved as to Form



Jacqueline Minor, General Counsel

LANDLORD:

SPARKNIGHT, LLC, a Florida limited
liability company

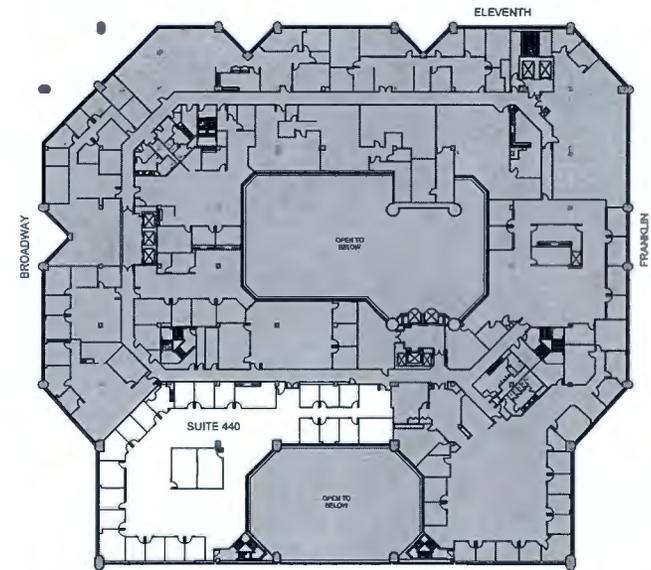
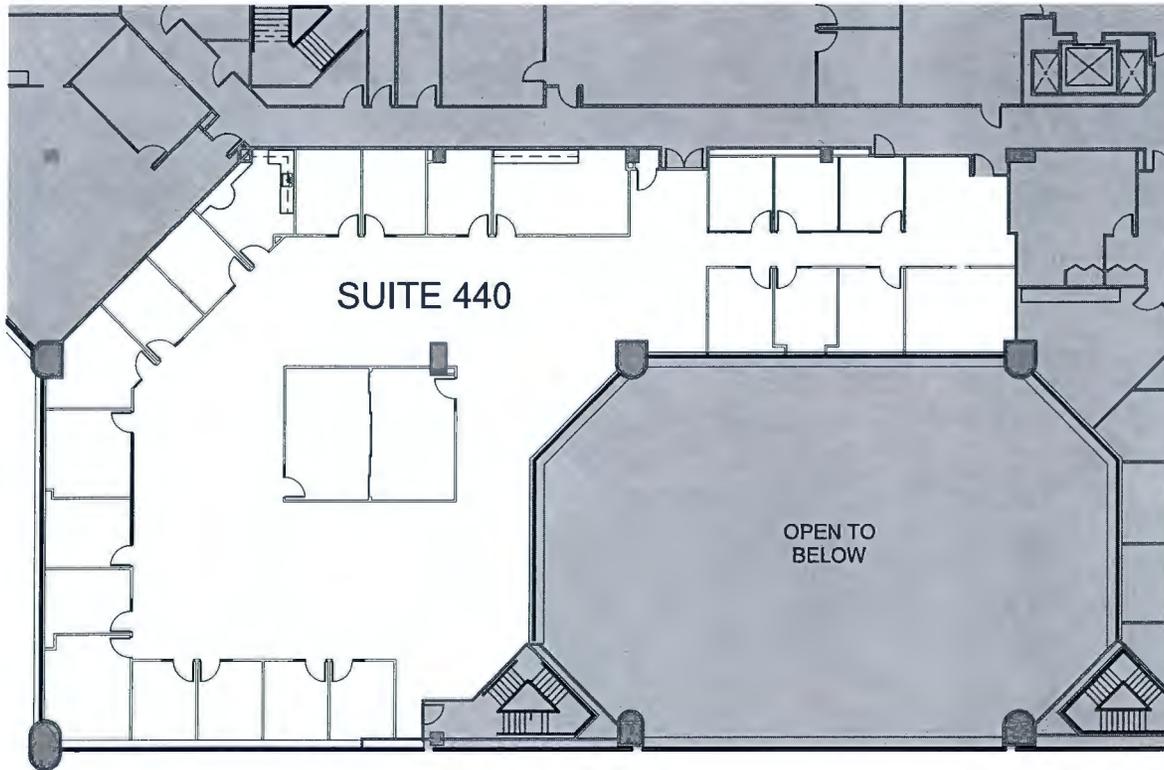
By: World Gateway Investments, Inc.
Its Managing Member

By: 

Name: CHRIS LIEW
Title: PRES

File ID Number: 15-1592
Introduction Date: 8/12/15
Enactment Number: 15-1297
Enactment Date: 8/12/15
By: 012

LEASE EXHIBIT A-2
SUITE 440
9,963 RSF



4TH FLOOR



Project Name:
TRANS PACIFIC CENTRE
 1000 BROADWAY, SUITE 440, OAKLAND, CA

Drawing Title:
LEASE EXHIBIT - A-2, SUITE 440

Date:
06/16/2015
 Scale:
N.T.S.

Sheet:
A-2