



October 7, 2019

427 W. 8<sup>th</sup> St., L.P.  
Via Email

RE: 427 W. 8<sup>th</sup> St., Los Angeles

Dear Lessor:

This proposal is intended to outline the initial terms and conditions of a potential Lease agreement and shall not obligate either party contractually and no such obligation shall arise unless and until a mutually satisfactory Lease agreement is fully executed and delivered to all parties.

1. Landlord: 427 W. 8th St., L.P.
2. Tenant: Kelvin Xuna, an individual
3. Premises: An approximate 13,000 square foot section of a larger building located at 427 W. 8<sup>th</sup> St., Los Angeles, CA consisting of 2<sup>nd</sup> and 3<sup>rd</sup> floors only (the "Premises").
4. Lease Term: One hundred twenty-six (126) months commencing January 1, 2020.
5. Base Rent & Increases: The initial Base Rent shall be \$22,130.00 per month (\$1.70/sf) Gross. Rent shall increase at the fixed rate of three percent (3%) per annum during the initial term.
6. Free Rent: Rent shall be abated for months two (2) through seven (7) of the initial lease term.
7. Option to Extend: Tenant shall be granted two (2) ten (10) year options to extend the Lease upon at least six (6) months and no more than twelve (12) month's prior written notice to Landlord. Rent shall be adjusted at the rate of 3% fixed per annum.
8. Utilities & Repairs: Tenant shall be responsible for paying all utilities separately metered to the Premises. Tenant shall be responsible for all repairs and maintenance concerning the Premises.
9. Security Deposit: Subject to Landlord's review and approval of Tenant's financials, but in no event less than one (1) month's Base Rent. Total monies due upon execution of Lease shall be \$44,260.00 representing first month's rent and security deposit.

- 10. Landlord's Work/  
Tenant Improvements: Deliver Premises vacant of all tenants and Furness heating appliance for each.
- 11. Lessee's Work: Lessee, at Lessee's sole cost and expense, shall complete the following improvements:
  - A. Refurbish unit including painting.
  - B. Refurbish restroom.
- 12. Use: The Premises shall be used as a Single Room Occupancy Hotel in all facets for servicing Los Angeles County permittable under City, County, State and/or Federal law.
- 13. Commission: David Muir of DAUM Commercial Real Estate Services represents Landlord and Tenant in this transaction and shall be paid a brokerage commission by Landlord pursuant to a separate agreement (see Exhibit "A").
- 14. American with Disabilities Act: Tenant shall be responsible for meeting any and all ADA compliance requirements within the Premises which arise due to Tenant's intended or actual use.
- 15. Expiration: This proposal shall remain in effect until 5:00pm PDT on Wednesday, October 9, 2019 at which time it shall be null and void.


Sincerely,  
DAUM Commercial Real Estate Services

David Muir  
Executive Vice President

**Agreed & Accepted:**  
**LANDLORD:**

**Agreed & Accepted:**  
**TENANT:** *Kelvin Xuna*

By: \_\_\_\_\_

By:  \_\_\_\_\_

Date: \_\_\_\_\_

Date: *10/7/19* \_\_\_\_\_