

1 [Amendment to Leases of Real Property at 3120 Mission and 3425 Cesar Chavez Streets]

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3 **Resolution authorizing the Amendment to Leases at 3120 Mission and 3425 Cesar**  
4 **Chavez Streets for the Department of Human Services.**

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6 WHEREAS, The City, on behalf of the Department of Human Services, entered into  
7 a Lease dated as of April 24, 2001 (the "**Lease**") with KLW, LLC, as landlord, for the  
8 premises ("**Premises**") comprising approximately 37,000 square feet with ten (10) free  
9 parking stalls located at 3120 Mission Street and providing for a 7-year term that expires on  
10 July 1, 2008; and

11 WHEREAS, The City, on behalf of the Department of Human Services, entered into  
12 a Lease dated as of May 15, 2003 (the "**3425 Cesar Chavez Street Lease**") with KLW,  
13 LLC, as landlord, for the premises (the "**3425 Cesar Chavez Street Premises**") comprising  
14 approximately 2,251 square feet located at 3425 Cesar Chavez Street and providing for a  
15 month-to-month term, and

16 WHEREAS, The Real Estate Division at the request of the Department of Human  
17 Services negotiated modifications to amend the Lease and the 3425 Cesar Chavez Street  
18 Lease (collectively, the "**Leases**") as hereafter set forth; now, therefore, be it

19 RESOLVED, That the Board of Supervisors authorizes the Director of Property to  
20 take all actions, on behalf of the City, to enter into any amendments or modifications  
21 (including without limitation, the exhibits) to the Leases (the "**Amendment to Leases**") on  
22 the terms and conditions herein and form approved by the City Attorney that the Director of  
23 Property determines, in consultation with the City Attorney are in the best interest of the  
24 City, do not increase the rent or otherwise materially increase the obligations or liabilities of  
25 the City, are necessary or advisable to effectuate the purposes of the Amendment to

1 Leases or this resolution, and are in compliance with all application laws, including City's  
2 Charter; and be it

3 FURTHER RESOLVED, That the Amendment to Leases shall take effect as of the  
4 date (the "**Effective Date**") that is the later of (a) July 1, 2008, or (b) the date City's Mayor  
5 and Board of Supervisors enact a resolution approving the Amendment to Leases, and

6 FURTHER RESOLVED, That the Amendment to Leases shall modify the Lease to  
7 provide that the 3425 Cesar Chavez Street Premises and its entire 2,251 square foot area  
8 are thereby incorporated into the Lease resulting in the "rentable area" subject to the Lease  
9 being expanded from 37,000 to 39,251 rentable square feet with ten (10) free parking  
10 stalls; and be it

11 FURTHER RESOLVED, That in accordance with the Amendment to Leases,  
12 the term of the Lease shall be extended for a term ("**Extended Term**") commencing on the  
13 Effective Date and expiring on June 30, 2015 and, concurrently, the 3425 Cesar Chavez  
14 Lease (including its provision relating to the surrender of the 3425 Cesar Chavez Street  
15 Premises) shall immediately terminate; and be it

16 FURTHER RESOLVED, That the Amendment to Leases shall reduce the base  
17 monthly rent for the Extended Term to \$98,128 per month, or \$2.50 per rentable square  
18 foot, subject to annual Consumer Price Index adjustments commencing on July 1, 2009 of  
19 no less than 3% and no more than 6%; and be it

20 FURTHER RESOLVED, That the Amendment to Leases shall modify other  
21 provisions of the Lease with respect to the parties' respective obligations relating to the  
22 use, maintenance, and repair of the Premises, as more particularly described in the  
23 Amendment to Leases; and be it

24 FURTHER RESOLVED, That, as provided in the Lease prior to amendment, the City  
25 agrees to indemnify, defend, and hold harmless Landlord and its agents from and against

1 any and all claims, costs, and expenses, including, without limitation, reasonable attorneys  
2 fees, incurred as a result of (a) City's use of the Premises, (b) any default by City in the  
3 performance of any of its obligations under the Lease, or (c) any negligent acts or  
4 omissions of City or its agents, in, on, or about the Premises or the property, provided,  
5 however, City shall not be obligated to indemnify Landlord or its agents to the extent any  
6 claim arises out of the negligence of willful misconduct of Landlord or its agents; and, be it

7 FURTHER RESOLVED, That any action taken by any City employee or official with  
8 respect to the exercise of the Amendment to Leases as set forth herein is hereby ratified  
9 and affirmed; and, be it

10 FURTHER RESOLVED, That City shall occupy the Premises as described in the  
11 Amendment to Leases for a seven (7)-year term expiring June 30, 2015 unless funds for  
12 rental payments are not appropriated in any subsequent fiscal year, at which time City may  
13 terminate the Amendment to Lease with written notice to Landlord pursuant to Section  
14 3.105 of the Charter of the City and County of San Francisco.

15 RECOMMENDED:

\$1,177,536 Available  
Index No. 45ADOH

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Director of Property

19 \_\_\_\_\_  
Controller

20 \_\_\_\_\_  
21 Director,  
22 Department of Human Services