

1 [Amendment to Lease of Real Property at 3119 Mission Street]

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3 **Resolution authorizing the Amendment to Lease at 3119 Mission Street for the**  
4 **Human Services Agency.**

5

6 WHEREAS, The City, on behalf of the Department of Human Services, entered into  
7 a Lease dated as of April 3, 1998 (the "**Lease**") with K LW, LLC, a California limited liability  
8 company ("**Landlord**"), as landlord, for the premises ("**Premises**") comprising  
9 approximately 3,100 square feet at 3119 Mission Street, San Francisco with nine (9)  
10 adjacent parking stalls,

11 WHEREAS, the Lease provided for a 5-year initial term that expired on March 15,  
12 2003 and a 5-year extension option that was exercised and expired on March 15, 2008 but  
13 was further extended until December 31, 2008 pursuant to a letter agreement dated April 9,  
14 2008; and

15 WHEREAS, The Real Estate Division at the request of the Department of Human  
16 Services (now called the Human Services Agency) negotiated modifications to amend the  
17 Lease to extend its term and add 2,465 square feet of space at 3127 Mission Street (the  
18 "**3127 Mission Street Premises**") as hereafter set forth; now, therefore, be it

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

1 effectuate the purposes of the Amendment to Lease or this resolution, and are in  
2 compliance with all application laws, including City's Charter; and be it

3 FURTHER RESOLVED, That the Amendment to Lease shall take effect as of the  
4 date (the "**Effective Date**") that is the later of (a) the date Landlord delivers the 3127  
5 Mission Street Premises with the leasehold improvements substantially completed pursuant  
6 to and as specified in the Amendment to Lease, or (b) the date City's Mayor and Board of  
7 Supervisors enact a resolution approving the Amendment to Lease, and

8 FURTHER RESOLVED, That the Amendment to Lease shall modify the Lease to  
9 provide that the 3127 Mission Street Premises and its entire 2,465 square foot area are  
10 thereby incorporated into the Lease resulting in the "rentable area" subject to the Lease  
11 being expanded from 3,100 to 5,565 rentable square feet with no parking stalls; and be it

12 FURTHER RESOLVED, That in accordance with the Amendment to Lease,  
13 the term of the Lease shall be extended for a term ("**Extended Term**") commencing on the  
14 Effective Date and expiring on June 30, 2015; and be it

15 FURTHER RESOLVED, That the Amendment to Lease shall increase the base  
16 monthly rent for the Extended Term to \$9,580 per month, or \$114,960 per year, subject to  
17 annual Consumer Price Index adjustments commencing on January 1, 2010 of no less than  
18 3% and no more than 6%; and be it

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

22 FURTHER RESOLVED, That, as provided in the Lease prior to amendment, the City  
23 agrees to indemnify, defend, and hold harmless Landlord and its agents from and against  
24 any and all claims, costs, and expenses, including, without limitation, reasonable attorneys  
25 fees, incurred as a result of (a) City's use of the Premises or the adjacent parking lot, (b)

1 any default by City in the performance of any of its obligations under the Lease, or (c) any  
2 negligent acts or omissions of City or its agents, in, on, or about the Premises or the  
3 property, provided, however, City shall not be obligated to indemnify Landlord or its agents  
4 to the extent any claim arises out of the active negligence of willful misconduct of Landlord  
5 or its agents; and, be it

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

9 FURTHER RESOLVED, That City shall occupy the Premises as described in the  
10 Amendment to Lease for approximately a six-and-a-half (6.5)-year term expiring June 30,  
11 2015 unless funds for rental payments are not appropriated in any subsequent fiscal year,  
12 at which time City may terminate the Amendment to Lease with written notice to Landlord  
13 pursuant to Section 3.105 of the Charter of the City and County of San Francisco.

14 RECOMMENDED:

\$57,900 Available  
Index No.

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17 \_\_\_\_\_  
Director of Property

18 \_\_\_\_\_  
Controller

19 \_\_\_\_\_  
20 Director,  
Human Services Agency