

1 [Real Property Lease Extension - AIM TWO - 755 and 759 South Van Ness Avenue -  
2 \$541,258.20 Annual Base Rent]

3 **Resolution authorizing the Director of Real Estate to exercise a Lease Extension for**  
4 **the real property located at 755 and 759 South Van Ness Avenue for office space and**  
5 **the adjacent parking lot with AIM TWO, as landlord, for a four-year extension term**  
6 **commencing upon approval by the Board of Supervisors and the Mayor at the**  
7 **monthly base rent of \$45,104.85 for a total annual base rent of \$541,258.20.**

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9 WHEREAS, The City, on behalf of the Department of Public Health entered into a  
10 lease with AIM TWO, as Landlord, for the Premises comprising approximately 13,545  
11 square feet of office area located at 755 and 759 South Van Ness Avenue and the adjacent  
12 parking lot comprising approximately 3,675 square feet for an initial term commencing  
13 December 1, 2013; and

14 WHEREAS, The lease includes one additional four (4) year extension period subject  
15 to enactment of a resolution by the Board of Supervisors and Mayor; and

16 WHEREAS, The Real Estate Division on behalf of the Department of Public Health,  
17 negotiated the 95% of fair market monthly base rent of \$45,104.85 or \$3.33 per square  
18 foot, net of utilities for the Premises for the four (4) year extension term with no other  
19 change to the existing terms of the lease; now, therefore, be it

20 RESOLVED, That in accordance with the recommendation of the Director of the  
21 Department of Public Health and the Director of Real Estate, the Director of Real Estate is  
22 hereby authorized to take all actions on behalf of the City and County of San Francisco, as  
23 Tenant, to exercise the four (4) year extension term commencing upon approval by the  
24 Board of Supervisors and Mayor in their sole discretion based on the terms and conditions  
25 herein, and, be it

1 FURTHER RESOLVED, That commencing upon approval of the lease extension  
2 period, the full service monthly rent for the four (4) year extension term shall be \$45,104.85,  
3 (\$3.33 per square foot); and, be it

4 FURTHER RESOLVED, That City agrees to indemnify, defend and hold harmless  
5 Landlord and its agents from and against any and all claims, costs and expenses,  
6 including, without limitation, reasonable attorneys' fees, incurred as a result of (a) City's use  
7 of the premises, (b) any default by City in the performance of any of its obligations under  
8 this lease, or (c) any negligent acts or omissions of City or its agents, in, on or about the  
9 Premises or the property; provided, however, City shall not be obligated to indemnify  
10 Landlord or its agents to the extent any claim arises out of the active negligence or willful  
11 misconduct of Landlord or its agents; and, be it

12 FURTHER RESOLVED, That any action taken by any City employee or official with  
13 respect to the exercise of the extension provision contained in the lease is hereby ratified  
14 and affirmed; and be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Real  
16 Estate to enter into any amendments or modifications to the lease (including without limitation,  
17 the exhibits) that the Director of Real Estate determines, in consultation with the City Attorney,  
18 are in the best interest of the City, do not increase the rent or otherwise materially increase  
19 the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes  
20 of the lease or this resolution, and are in compliance with all applicable laws, including City's  
21 Charter; and, be it

22 FURTHER RESOLVED, That City shall occupy said Building for the four (4) year  
23 extension term expiring on the fourth anniversary of the date of approval by the Board and  
24 Mayor, unless funds for rental payments are not appropriated in any subsequent fiscal  
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1 year, at which time City may terminate this lease with written notice to Landlord, pursuant  
2 to Section 3.105 of the Charter of the City and County of San Francisco.

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\$541,258.20 Available  
Fund ID: 10000  
Department ID: 251962  
PS Project ID: 10001670  
Authority ID: 10000  
Account ID: 530110  
Activity ID: 0001

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Controller

RECOMMENDED:

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Andrico Q. Penick,  
Director of Real Estate

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Gregory Wagner, Director  
Department of Public Health