Resolution authorizing the renewal of a lease of 20,677 sq. ft. of space including related auxiliary spaces at One Market Plaza for the Department of Telecommunications and Information Services.

BE IT RESOLVED, That in accordance with the recommendation of the Director of the Department of Telecommunications and Information Services (DTIS) and the Director of Property, the Director of Property is hereby authorized to take all actions, on behalf of the City and County of San Francisco, as Tenant, to execute a written amendment to extend the lease (copy of which is on file with the Clerk of the Board, the "Amendment to Extend the Lease") and other related documents with CA-ONE MARKET LIMITED PARTNERSHIP ("Landlord"), for the building commonly known as One Market Plaza, Steuart Tower, San Francisco, California, for the existing premises which comprises an area of approximately 20,677 square feet including related auxiliary spaces and raceway license on the terms and conditions herein; and, be it

FURTHER RESOLVED, That the lease shall commence on the mutual execution and exchange of the Lease Amendment or February 1, 2006, whichever occurs later and terminate on January 31, 2008. The monthly base rent shall be $53,331.29 and shall remain flat for the two year term. In addition to the base rent the City shall pay for its electricity use, its use of the building's chilled water and its pro rata share of any increases in the building expenses and real estate taxes above a base year of 2006; and, be it

FURTHER RESOLVED, That the City shall have two alternative options to extend the term. Option A is for a six month extension of the two year term at a base rental rate of $57,299.99 per month. Option B which is exercisable during the first twelve months of the two
year lease, shall extend the term until June 30, 2013 at an initial Base Rent of $48,568.54 per
month for year 2 and escalated per the following schedule: Year 3, $48,715.84 per month.
Year 4, $48,867.56 per month. Year 5 (first three months), $49,023.83 per month (next nine
months), $52,992.79 per month. Year 6, $53,153.75 per month. Year 7, $53,319.54 per
month. Year 8 (five months), $53,490.30; and, be it

FURTHER RESOLVED, That the lease shall include a clause approved by the City
Attorney, indemnifying and holding harmless the Landlord, from and agreeing to defend the
Landlord against any and all claims, costs and expenses, including, without limitation,
reasonable attorney's fees, incurred as a result of City's use of the premises, any default by
the City in the performance of any of its obligations under the lease, or any acts or omissions
of City or its agents, in, on or about the premises or the property on which the premises are
located, excluding those claims, costs and expenses incurred as a result of the active gross
negligence or willful misconduct of Landlord or its agents; and, be it

FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
with respect to such lease are hereby approved, confirmed and ratified; and, be it

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

FURTHER RESOLVED, That the City shall occupy the entire Premises for the full term
of the lease unless funds for the Department of Telecommunications and Information Services
rental payments are not appropriated in any subsequent fiscal year at which time City may
terminate the lease with reasonable advance written notice to Landlord. Said Lease shall be subject to certification as to funds by the Controller, pursuant to Section 3.105 of the Charter.

$266,656.40 Available
Index No. 750052
Sub Object 03011

Controller

RECOMMENDED:

Department of Telecommunications and Information Services

Director of Property
Real Estate Division

**Real Estate Division**
BOARD OF SUPERVISORS
Resolution

Resolution authorizing the renewal of a lease of 20,677 sq. ft. of space including related auxiliary spaces at One Market Plaza for the Department of Telecommunications and Information Services.

February 28, 2006 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 060096

I hereby certify that the foregoing Resolution was ADOPTED on February 28, 2006 by the Board of Supervisors of the City and County of San Francisco.

3.10.06

Date Approved

Mayor Gavin Newsom

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689