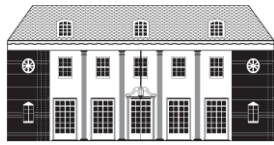


## University Mound Ladies Home



Established in 1884

University Mound Ladies Home

350 University Street  
San Francisco, CA 94134  
415.239.6696  
RCFE lic # 380500678

July 22, 2014

Supervisor David Campos  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, Ca 94102-4689

Dear Supervisor Campos,

This letter is a follow up to the letter sent to you and the entire Board last week with regard to University Mound and the pending offer of a right of first refusal to AgeSong, Inc. granted by the University Mound Ladies Home. That right was granted with the hope of effecting a satisfactory transaction that could keep the facility open to its current residents, renew the endowment and continue the mission of UMLH as it was envisioned more than 130 years ago.

In light of the desire to keep the City abreast of our efforts, we wanted to inform you that on July 16 AgeSong exercised the right of first refusal with an offer that matched the terms and conditions of the pending sale agreement to Alta Vista School. Thus, AgeSong is now in contract to purchase the building at 350 University Street with a contingency period that expires on August 6 and an end date (date on which the transaction must be closed) of August 15. AgeSong has indicated to us that it is attempting to close the purchase transaction as soon as possible with the intent of keeping as many of the remaining 22 residents at UMLH as possible.

One of the challenges and difficulties for AgeSong—or any potential buyer—is the political uncertainty involving the Urgency Ordinance that Supervisor Campos introduced on July 15. While veiled as a vehicle to temporarily halt changes to the “character and the balance of uses in the (Portola) neighborhood” while the City evaluates permanent zoning changes (presumably by the Planning Commission), the proposed Urgency Ordinance has the real effect of chilling – and potentially killing – any potential sale transaction today or into the future. Limitations or restrictions on the use of property diminish real estate value and the ability to finance the purchase of property. The pending AgeSong transaction, the Alta Vista School transaction, which remains as a back-up, or any other potential sales transaction is – or will be—impacted by this.

The AgeSong transaction, if successfully closed, shows the promise to achieve our primary goal when we sought a buyer for the facility— to continue the mission of the UMLH. As a result, we respectfully request that the City does not do anything that could jeopardize or further interfere with UMLH's current or future contractual agreements. This is especially true of any legislation and/or zoning revisions that could impact the value of the property and the ability to bring to close any potential transactions.

Sincerely,

The UMLH Board of Trustees