

## AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE ("Amendment") is made and entered into effective as of 4/29, 2012, by and between Ridgeway Apartments Inc., a Texas Corporation ("Landlord"), and City and County of San Francisco, a municipal corporation ("City").

### RECITALS:

THIS AMENDMENT is made with reference to the following facts and circumstances:

A. Landlord and City entered into that certain Office Lease dated December 1, 1996 (the "Lease"), pursuant to which Landlord's predecessor-in-interest, KHC Investment Company, a California General Partnership ("KHC Investment"), leased to City and City leased from KHC Investment certain "Premises", as described in the Lease, known 720 Sacramento Street, San Francisco, California. Landlord acquired the property on June 23, 2006, and, accordingly, Landlord assumed all rights, privileges and obligations under the Lease as landlord and owner of the Premises.

B. The Term of the Lease is scheduled to expire, unless sooner terminated, on June 30, 2012.

C. Landlord and City desire to extend the Term of the Lease with respect to the Premises, and amend the Lease upon the terms and conditions as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows (capitalized terms used herein but not herein defined shall have the meaning ascribed to them in the Lease):

1. Extension of the Term. Landlord and City hereby agree to extend the Term of the Lease for an additional one (1) year so that the Expiration Date of the Lease shall be June 30, 2013, unless sooner terminated pursuant to the terms of the Lease. From and after the date hereof, all references in the Lease and this Amendment to the "Term" or "term" shall refer to the Term as extended hereby.

2. Rent. Commencing on July 1, 2012, and continuing until the expiration or sooner termination of the Term, City shall continue to pay the current rental rate as Base Rent for the Premises the sum of eighteen thousand six hundred forty five dollars (\$18,645) per month.

3. Condition of Premises. City shall accept the Premises pursuant to the terms of this Amendment in their "AS-IS" condition without any obligation of Landlord to remodel, repair, improve or alter the Premises in any manner.

4. No Options. The option term(s) of the Lease are hereby declared null and void. This Amendment to Lease shall not confer upon the City any option rights to extend the Term past June 30, 2012.

5. Section 23.25 (Tropical Hardwood Ban) is hereby amended and restated to read in its entirety as follows:

"Tropical Hardwood and Virgin Redwood Ban. (a) Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, neither Landlord nor any of its contractors shall provide any items to City in the construction of the Leasehold Improvements or otherwise in the performance of this Lease which are tropical hardwood, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. (b) The City and County of San Francisco urges companies not to import, purchase, obtain or use

for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood products."

6. No Further Modification. Except as set forth in this Amendment, all of the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. The Lease as amended by this Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein. The execution of this Amendment shall not constitute a waiver of relinquishment of any rights that City may have relating to the Lease. Landlord and City hereby ratify and confirm all of the provisions of the Lease as amended by this Amendment.

7. Attorneys Fees. In the event a dispute arises concerning this Amendment, the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Amendment, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

8. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

9. Conflicts of Interest. Through its execution of this Amendment, Landlord acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Landlord becomes aware of any such fact during the Term of the Lease, Landlord shall immediately notify City.

10. Notification of Limitations on Contributions. Through its execution of this Amendment, Landlord acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Landlord acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Landlord further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Landlord's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Landlord; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Landlord. Additionally, Landlord acknowledges that Landlord must inform each of the persons described in the preceding sentence of the prohibitions

contained in Section 1.126. Landlord further agrees to provide to City the names of each person, entity or committee described above.

11. Applicable Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

12. Effective Date. The date on which this Amendment shall become effective is the date upon which (a) City's Mayor and Board of Supervisors, in their sole and absolute discretion, adopt a resolution approving this Amendment in accordance with all applicable laws, and (b) this Amendment is duly executed and exchanged by the parties hereto.

13. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

*[SIGNATURES ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

"LANDLORD"

RIDGEGATE APARTMENTS INC.,  
a Texas Corporation

By:

Its:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

"CITY"


CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_

  
JOHN UPDIKE  
Acting Director of Property

**APPROVED AS TO FORM:**

DENNIS J. HERRERA  
City Attorney

By:   
Carolynn J. Stein  
Deputy City Attorney

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

"LANDLORD"

RIDGEGATE APARTMENTS INC.,  
a Texas Corporation

By:

Its:

By: 

Name: Chad Etkin

Title: Secretary

"CITY"

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

By: \_\_\_\_\_  
JOHN UPDIKE  
Acting Director of Property

**APPROVED AS TO FORM:**

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_  
Carolyn J. Stein  
Deputy City Attorney

1 [Real Property Lease Amendment - 720 Sacramento Street]

2  
3 **Resolution authorizing the amendment of the lease at 720 Sacramento Street for the**  
4 **Department of Public Health to extend the term by one year.**

5  
6 WHEREAS, The City and County of San Francisco, a municipal corporation, is the  
7 Tenant under the lease dated December 1, 1996, and executed on March 24, 1997 with KHC  
8 Investment Company, as landlord (the "Lease"), authorized under Resolution 331-96, for the  
9 premises located at 720 Sacramento Street (the "Premises") consisting of 9,250 sq. ft. for use  
10 by the Department of Public Health; and

11 WHEREAS, Ridgeway Apartments, Inc. ("Landlord") is successor to the landlord's  
12 interest in the Lease; and

13 WHEREAS, The City currently pays a base rent of \$18,645 per month (approximately  
14 \$2.02 per square foot) for the Premises; and

15 WHEREAS, The Lease is scheduled to expire on June 30, 2012; and

16 WHEREAS, City and Landlord wish to extend the term of the Lease for an additional  
17 one (1) year through June 30, 2013, under an amendment to the Lease substantially in the  
18 form on file with the Clerk of the Board of Supervisors in File No. 120719 (the "Lease  
19 Amendment"), at the current monthly rental rate of \$18,645; and

20 WHEREAS, That during the extended term, the Lease shall continue to include the  
21 clause indemnifying, holding harmless, and defending Landlord and its agents from and  
22 against any and all claims, costs and expenses, including without limitation, reasonable  
23 attorneys' fees, incurred as a result of any default by the City in the performance of any of its  
24 material obligations under the Lease, or any negligent acts or omissions of the City or its  
25 agents, in, on, or about the Premises or the property on which the Premises are located,

1 excluding those claims, costs and expenses incurred as a result of the negligence or willful  
2 misconduct of the Landlord or its agents; and

3 WHEREAS, The Lease Amendment is subject to enactment of a resolution by the  
4 Board of Supervisors and the Mayor, in their respective sole and absolute discretion,  
5 approving and authorizing such amendment; now, therefore, be it

6 RESOLVED, That in accordance with the recommendation of the Director of the  
7 Department of Public Health and the Acting Director of Property, the Acting Director of  
8 Property is hereby authorized to execute the Lease Amendment; and, be it

9 FURTHER RESOLVED, That all actions heretofore taken by any City employee or  
10 official with respect to such Lease Amendment are hereby approved, confirmed and ratified;  
11 and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Acting Director  
13 of Property to enter into any amendments or modifications to the Lease Amendment that the  
14 Acting Director of Property determines, in consultation with the City Attorney, are in the best  
15 interest of the City, do not materially increase the rent or otherwise materially increase the  
16 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of  
17 the Lease Amendment, and are in compliance with all applicable laws, including the City  
18 Charter; and, be it

19 FURTHER RESOLVED, That the City shall continue to occupy the Premises for the  
20 extended term unless funds for the Department's rental payment are not appropriated at  
21 which time the City may terminate the Lease with advance notice to Landlord. Said Lease  
22 shall continue to be subject to certification as to funds by the Controller, pursuant to Section  
23 6.302 of the City Charter.

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1 \$223,740 Available for FY 2012-2013  
2 Appropriation No. BMHMCB731943

3   
4 Controller, subject to the enactment of the FY 2012-2013 annual appropriation ordinance.

5 RECOMMENDED:

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7 Director, Department of Public Health

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9 Acting Director of Property  
10 Real Estate Division

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**City and County of San Francisco**  
**Tails**  
**Resolution**

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

**File Number:** 120719

**Date Passed:** June 26, 2012

Resolution authorizing the amendment of the lease at 720 Sacramento Street for the Department of Public Health to extend the term by one year.

June 25, 2012 Land Use and Economic Development Committee - RECOMMENDED AS COMMITTEE REPORT

June 26, 2012 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar and Wiener

Absent: 1 - Olague

File No. 120719

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Date Approved