

File No. 130645

Committee Item No. 8

Board Item No. 31

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee

Date: 07/17/2013

Board of Supervisors Meeting

Date: July 23, 2013

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

#### OTHER

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Completed by: Victor Young

Date July 12, 2013

Completed by: Victor Young

Date 7/16/13

AMENDED IN COMMITTEE

7/17/13

FILE NO. 130645

RESOLUTION NO.

1 [Lease Amendment - Real Property at 720 Sacramento Street - Ridgeway Apartments, Inc.-  
2 \$26,980 Monthly]

3 **Resolution retroactively authorizing the second lease amendment for approximately**  
4 **9,250 square feet of space at 720 Sacramento Street, San Francisco, with Ridgeway**  
5 **Apartments, Inc., as Landlord, for use by the Department of Public Health at the**  
6 **monthly cost of \$26,980 for the period of July 1, 2013, through June 30, 2018.**

7  
8 WHEREAS, The City is the Tenant under the original lease dated December 1, 1996,  
9 and executed on March 24, 1997, with Landlord's predecessor-in-interest, KHC Investment  
10 Company, authorized under Resolution 331-96, for the premises located at 720 Sacramento  
11 Street comprising 9,250 square feet for use by the Department of Public Health; and

12 WHEREAS, The Landlord and City amended the original Lease in an Amendment to  
13 Lease dated June 29, 2012, as authorized under Resolution No. 252-12; and

14 WHEREAS, The City currently pays a base rent of \$18,645 per month (approximately  
15 \$2.02 per square foot) for the Premises; and

16 WHEREAS, The Lease is scheduled to expire on June 30, 2013; and

17 WHEREAS, The City and Landlord wish to extend the term of the Lease for an  
18 additional five (5) years from July 1, 2013, through June 30, 2018, under a Second  
19 Amendment to the Lease substantially in the form on file with the Clerk of the Board of  
20 Supervisors in File No. 130645 at a monthly rental rate of \$26,980 (approximately \$2.92 per  
21 square foot); and

22 WHEREAS, The Lease shall continue to include the clause indemnifying, holding  
23 harmless, and defending Landlord and its agents from and against any and all claims, costs  
24 and expenses, including without limitation, reasonable attorneys' fees, incurred as a result of  
25 any default by the City in the performance of any of its material obligations under the Lease,

1 or any negligent acts or omissions of the City or its agents, in, on, or about the Premises or  
2 the Property on which the Premises are located, excluding those claims, costs and expenses  
3 incurred as a result of the negligence or willful misconduct of the Landlord or its agents; and

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

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

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

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

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


1 \$323,760 Available for FY 2013-2014  
2 Appropriation No. HMHMCB731943

3   
4 Controller, subject to the enactment of the FY 2013-2014 annual appropriation ordinance.

5 *AVAILABILITY OF FUNDS*

6 RECOMMENDED:

7  for  
8 Director, Department of Public Health

9   
10 Director of Property  
11 Real Estate Division

**Item 8**  
**File 13-0645**

**Departments:**  
Department of Public Health (DPH) and  
Real Estate Division (RED)

## **EXECUTIVE SUMMARY**

### **Legislative Objective**

- The proposed resolution would approve the second amendment to the lease between the Department of Public Health (DPH), as tenant, and Ridgeway Apartments, as landlord, for mental health service clinic space at 760 Harrison Street, to extend the lease for a five-year term from July 1, 2013 through June 30, 2018.

### **Key Points**

- In 1996, the Board of Supervisors approved a lease, from March 24, 1997 through June 30, 2012, between DPH and the KHC Investment Company (predecessor landlord), for approximately 9,250 square feet of clinic space at 720 Sacramento Street that included two five-year options to extend.
- On June 23, 2006, Ridgeway Apartments acquired the property at 720 Sacramento Street from KHC Investment Company.
- Due to administrative oversight, the City missed the opportunity to exercise the two five-year options to extend the initial lease by the June 30, 2012 termination date of the initial lease.
- On June 29, 2012 the Board of Supervisors approved a first amendment to the lease between the landlord, Ridgeway Apartments, and DPH for one year from July 1, 2012 through June 30, 2013, extending the base monthly rent under the existing lease of \$18,645.
- Under the lease, DPH's Chinatown Child Development Center, which is part of DPH Community Programs – Community Behavioral Health Services, occupies the space.

### **Fiscal Impacts**

- Under the proposed five-year amended lease, the annual rent is \$323,760 with the monthly base rent of \$26,980 for all five years of the amended lease, which is \$8,335 or 44% more than the current monthly rent of \$18,645 but is comparable to the market rates of properties in the surrounding area of 720 Sacramento Street.
- In addition to the first year annual rent of \$323,760, DPH will incur an estimated annual operating costs of \$6,475 and utility costs of \$4,625, resulting in first year General Fund costs to DPH of an estimated \$334,860. These funds are included in the FY 2013-14 and FY 2014-15 DPH budget, subject to Board of Supervisors approval.

### **Recommendations**

- Amend the proposed resolution to approve the lease amendment retroactive to July 1, 2013.
- Approve the proposed resolution, as amended.

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

Under Administrative Code Section 23.27, leases with a term of more than one year or rent of more than \$5,000 per month, in which the City is the tenant, are subject to the Board of Supervisors approval, by resolution.

**Background**

In 1996, the Board of Supervisors approved a lease between the Department of Public Health (DPH), as tenant, and KHC Investment Company, as landlord, for 9,250 square feet of clinic space at 720 Sacramento Street from March 24, 1997 through June 30, 2012. The lease included two five-year options to extend. On June 23, 2006 Ridgeway Apartments acquired the property at 720 Sacramento Street from KHC Investment Company. Under the lease, DPH's Chinatown Child Development Center, which is part of DPH Community Programs – Community Behavioral Health Services, occupies the space.<sup>1</sup>

On June 29, 2012 the Board of Supervisors approved a first amendment to extend the lease between the landlord, Ridgeway Apartments, and DPH for one year from July 1, 2012 through June 30, 2013, with the existing base monthly rent of \$18,645.

According to Ms. Claudine Venegas, Senior Real Property Officer, Real Estate Division, the one-year lease extension was necessary because the City missed the opportunity to exercise the two five-year options to extend the lease by the initial lease termination date of June 30, 2012, due to administrative oversight.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would retroactively approve the second amendment to extend the lease, for five years from July 1, 2013 through June 30, 2018 as follows:

<sup>1</sup> Chinatown Child Development Center (CCDC) is a comprehensive, outpatient community behavioral health clinic of the Department of Public Health, Community Programs – Community Behavioral Health Services (CBHS). The CCDC serves children and adolescents, age birth to 18 years, and their families who are residents of San Francisco. The clinic serves low-income families whose children have Medi-Cal, Healthy Families/Healthy Kids, or no insurance coverage. Students receiving special education services are provided free mental health services if found eligible through an assessment process conducted by the SF Unified School District.

**Table 1: Summary of Proposed Second Lease Amendment at 720 Sacramento Street**

Term	5 years (July 1, 2013 through June 30, 2018)
Square feet (approximate)	9,250
Rent per square foot per month	Approximately \$2.92
Total rent per month	\$26,980
Total annual rent	\$323,760
Annual rent increases	None
Utilities and services	The lease is fully serviced except for the separately metered utilities and prorata share of operating expenses paid by the City. <sup>2</sup>
Options to further extend	None

According to Ms. Venegas, monthly rent of \$26,980 was negotiated by the Landlord and the Real Estate Division on behalf of the City at the fair market value of the subject property instead of 95% of the fair market value included in the two five-year options to extend the initial lease because the City missed the opportunity to exercise the options. Ms. Venegas reports that the monthly rent of \$26,980, or approximately \$2.92 per square foot, is comparable to the market rates of properties in the surrounding area of 720 Sacramento Street.<sup>3</sup>

The leased space would continue to be used to provide behavioral health clinic services for DPH's Chinatown Child Development Center.

## FISCAL IMPACTS

Under the proposed five-year lease amendment, the monthly base rent of \$26,980, or approximately \$2.92 per square foot per month, for all five years of the amended lease is \$8,335 or 44.7% more than the current monthly rent of \$18,645. According to Ms. Venegas, monthly rent of \$26,980 was negotiated by the Landlord and the Real Estate Division on behalf of the City at the fair market value of the subject property instead of 95% of the fair market value that the City would otherwise have paid if the City had exercised the five-year option to extend the lease prior to the termination of the initial lease on June 30, 2012. Ninety-Five percent of fair market value of the leased premises is \$2.77 per square foot per square foot per month, or approximately \$0.15 less than the proposed rent of \$2.92 per square foot per month. As previously noted, the original lease included two five-year options, which were inadvertently not extended under the original lease. Had the five-year option been exercised, the City would have saved approximately \$83,250 over the proposed five-year period.

<sup>2</sup> Under the amended lease, DPH's percentage share of property taxes and other operating costs is 74% over the base year costs; however, in no event shall DPH's percentage share for any expense year exceed 2% of the annual rent.

<sup>3</sup> According to Ms. Claudine Venegas, Senior Real Property Officer, Real Estate Division, based on the mid-year CoStar Office Report for the San Francisco office market, the subject property falls within the San Francisco Downtown North submarket cluster and the CoStar report quoted rate for this area is \$35.97 annually or approximately \$2.98 per square foot monthly.

As shown in Table 2 below, the first year total rent and operating costs are \$334,860. Total General Fund monies of \$334,860 are included in DPH's FY 2013-14 budget as previously approved by the Budget and Finance Committee of the Board of Supervisors.

**Table 2: Total First Year Costs for the DPH Lease at 720 Sacramento Street  
From July 1, 2013 through June 30, 2014**

Rent – Approximately \$35 per square foot for 9,250 square feet	\$323,760
Electricity – Estimated \$0.50 per square foot	4,625
Estimated Operating Expenses and Taxes – \$0.70 per square foot	6,475
<b>Total First Year Costs</b>	<b>\$334,860</b>

According to Ms. Venegas, the operating costs may increase during the five-year term as a result of higher costs for services due to inflation and the 2 percent annual adjustment to the assessed value for Property Taxes.

## RECOMMENDATIONS

1. Amend the proposed resolution to approve the lease amendment retroactive to July 1, 2013.
2. Approve the proposed resolution, as amended.





RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2013 JUN 10 AM 11:52

Ak



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator

John Updike  
Director of Real Estate

June 7, 2013

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

Re: Second Amendment to Lease—720 Sacramento Street, San Francisco, California (the "Premises")

Dear Board Members:

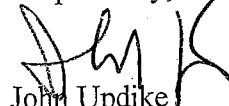
Enclosed for your consideration is a Resolution requesting authorization for a Second Amendment to Lease (the "Amendment") for the above-captioned Premises. The Premises are currently leased on behalf of the Department of Public Health (DPH) through June 30, 2013, to provide mental health counseling and outpatient treatment services to the Chinatown community.

The Amendment will extend the term of the Lease for five years from July 1, 2013, to June 30, 2018, at the fair market monthly rental rate of \$26,980, or approximately \$2.92 per square foot. The current monthly rent for the Premises is \$18,645, or approximately \$2.02 per square foot. All other terms and conditions of the Lease remain unmodified and in full force and effect.

The DPH and the Real Estate Division recommend approval of the Second Amendment to Lease. We are advised that funds are available in Index Code No. HMHMCB 731943.

Should you have any questions or require additional information, please contact Claudine Venegas of my staff at 554-9872, or Tyrone Navarro with the Department of Public Health at 255-3405.

Respectfully,

  
John Updike  
Director of Property

cvh:\720sacto2ndamendbos

Enclosure

cc: Barbara Garcia, Director of Public Health  
Tyrone Navarro, Department of Public Health  
Naomi Kelly, City Administrator

## SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("**Second Amendment**"), dated for reference purposes as of \_\_\_\_\_, 2013, is made and entered into by and between Ridgeway Apartments Inc., a Texas Corporation ("**Landlord**"), and City and County of San Francisco, a municipal corporation ("**City**").

### RECITALS:

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

A. Landlord's predecessor-in-interest, KHC Investment Company, a California general partnership, and City entered into that certain Office Lease dated December 1, 1996 (the "**Original Lease**") for premises located at 720 Sacramento Street, San Francisco, California, comprising approximately 9,250 square feet, as more particularly described in the Original Lease (the "**Premises**"). Landlord acquired the property on June 23, 2006, and assumed all rights, privileges and obligations under the Lease as landlord and owner of the Premises. Landlord and City amended the Original Lease in a first Amendment to Lease dated June 29, 2012 ("**First Amendment**"). The Original Lease, as amended by the First Amendment, is referred to herein as the "**Lease**."

B. The Term of the Lease as extended in the First Amendment is currently scheduled to expire, unless sooner terminated, on June 30, 2013.

C. Landlord and City desire to further 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:

1. **Extension of the Term.** Landlord and City hereby agree to extend the Term of the Lease for an additional five (5) years so that the Expiration Date of the Lease shall be June 30, 2018, unless sooner terminated pursuant to the terms of the Lease. From and after the date hereof, all references in the Lease and this Second Amendment to the "Term" or "term" shall refer to the Term as extended hereby.

2. **Rent.** Commencing on July 1, 2013, and continuing until the expiration or sooner termination of the Term, City shall pay as Base Rent for the Premises the rental rate of twenty six thousand nine hundred eighty dollars (\$26,980) per month.

3. **Condition of Premises.** City shall accept the Premises pursuant to the terms of this Second Amendment in their "AS-IS" condition without any obligation of Landlord to remodel, repair, improve or alter the Premises in any manner. This includes no further obligation for the Landlord to paint or install carpet at Landlord's cost per Section 22.1 of the Lease.

4. **No Options.** The option term(s) of the Lease are hereby declared null and void. This Second Amendment shall not confer upon the City any option rights to extend the Term past June 30, 2018.

5. **No Further Modification.** Except as set forth in this Second 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 Second 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 Second Amendment shall not constitute a waiver or 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 Second Amendment.

6. **Attorneys Fees.** In the event a dispute arises concerning this Second 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 Second 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.

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

8. **Effective Date.** The date on which this Second 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 Second Amendment in accordance with all applicable laws, and (b) this Second Amendment is duly executed and exchanged by the parties hereto for a 5-year term to commence retroactively on July 1, 2013.

9. **Additional Expenses.** City shall not be required to pay any additional charges for the use of the Premises or for the services provided by Landlord under this Lease except as expressly set forth herein or in the Lease to the contrary. Notwithstanding the foregoing, City (acting through the Director of Property) reserves the right to request that Landlord perform, at City's cost, minor lease-related services or incur additional expenses not covered under this Lease. If City requests any such additional services, Landlord and City shall agree, in writing and in advance of any work, on the charges or amounts City shall reimburse Landlord for Landlord's performance of such work. If the parties do not agree upon such amount, then Landlord shall not be required to perform the requested work. If the parties do agree on the amount, then Landlord shall perform the requested work and City shall reimburse Landlord upon completion at the agreed-upon cost.

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, as recently amended, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City

whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, 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 Landlord; each member of Landlord's board of directors, and Landlord's 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 name of each person, entity or committee described above.

**11. Defined Terms.** Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Lease.

**12. Counterparts.** This Second 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 Second Amendment as of the day and year first above written.

**"LANDLORD"**

**RIDGEGATE APARTMENTS INC.,**  
a Texas Corporation

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

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

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

**"CITY"**

**CITY AND COUNTY OF SAN FRANCISCO,**  
a municipal corporation

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

JOHN UPDIKE  
Director of Property

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**  
City Attorney

By: *Carolyn J. Stein*  
Carolyn Johnson Stein  
Deputy City Attorney

FILE NO. 64-96-2

RESOLUTION NO. 331-96

RO #96001

1 [Lease of Real Property]

2 AUTHORIZING A LEASE OF REAL PROPERTY AT 720 SACRAMENTO STREET,  
3 SAN FRANCISCO, FOR THE CHINATOWN CHILDREN'S DEVELOPMENT CENTER  
4 OF THE MENTAL HEALTH DIVISION OF THE DEPARTMENT OF PUBLIC  
5 HEALTH.

6  
7 **RESOLVED,** In accordance with the recommendation of the Health Commission, the  
8 Director of the Department of Public Health, and the Director of Property that the Mayor and the  
9 Clerk of the Board of Supervisors, on behalf of the City and County of San Francisco, as Tenant,  
10 be and they are hereby authorized to execute a lease with KHC Investment Company, as  
11 Landlord, for a portion of the basement, a portion of the ground floor and the entire second and  
12 third floors of the building at 720 Sacramento Street, San Francisco, comprising a net rentable  
13 area of approximately 9,250 square feet, for the Mental Health Division of the Department of  
14 Public Health.

15  
16 The lease shall commence on the date that Landlord satisfactorily completes the required  
17 leasehold improvements or City's Mayor and Board of Supervisors approve the lease, whichever  
18 occurs later, and shall end June 30, 2012. City shall have an option to extend the term for two  
19 additional periods of five (5) years each at ninety-five percent (95%) of the fair market rental.  
20

21 It is understood that City shall occupy said premises for the entire lease term expiring June  
22 30, 2022, if both options to extend the term are exercised, unless funds for rental payments are  
23 not appropriated in any subsequent fiscal year, at which time City may terminate this lease with  
24 advance notice to Landlord.

25 (Real Estate)

Supervisors Teng, Ammiano, Yaki  
BOARD OF SUPERVISORS

1       The base rent shall be \$14,850.00 per month with City paying for separately metered  
2 utilities provided to the premises. Landlord shall pay for all other services to the building. The  
3 base rent of \$14,850.00 shall remain unchanged through June 30, 2002. The monthly base rent  
4 shall be \$15,592.50 for the succeeding five year period and \$18,645.00 for the final five years of  
5 the initial term. Commencing July 1, 1998, City shall pay certain increases in operating expenses  
6 of the subject building over the base year of January 1, 1997 - December 31, 1997.  
7

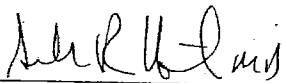
8       Landlord shall agree to complete, at its sole cost and expense, certain alterations duly and  
9 properly required in writing.

10       City shall indemnify, defend and hold harmless ("Indemnify") Landlord and its Agents  
11 from and against any and all claims, costs and expenses, including, without limitation, reasonable  
12 attorneys' fees, (collectively, "Claims"), incurred as a result of (a) City's use of the Premises, (b)  
13 any default by City in the performance of any of its obligations under this Lease, or (c) any  
14 negligent acts or omissions of City or its Agents, in, on or about the Premises or the Property;  
15 provided, however, City shall not be obligated to Indemnify Landlord or its Agents to the extent  
16 any Claim arises out of the active negligence or willful misconduct of Landlord or its Agents. In  
17 any action or proceeding brought against Landlord or its Agents by reason of any Claim  
18 Indemnified by City hereunder, City may, at its sole option, elect to defend such Claim by  
19 attorneys in City's Office of the City Attorney, by other attorneys selected by City, or both. City  
20 shall have the right to control the defense and to determine the settlement or compromise of any  
21 action or proceeding, provided that Landlord shall have the right, but not the obligation, to  
22 participate in the defense of any such Claim at its sole cost. City's obligations under this Section  
23 shall survive the termination of the Lease.  
24  
25

1 Said Lease shall be subject to certification of funds by the Controller pursuant to Section  
2 6.302 of the Charter.

3 The City Attorney shall approve the form of the Lease and any related documents.

4 **APPROVED:**

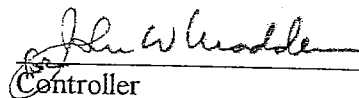
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6 

7 Director, Department of Public Health

8  
9 

10 Director of Property

11  
12 \$133,650 Available

13  
14 

15 Controller

16 Funds subject for availability  
17 and approval in the Annual  
18 Appropriation Ordinance for  
19 FY 1996-97 Budget.

20 MAR 27 1996

21 sa:h:\4664\4664\_res.doc

22  
23 (REAL ESTATE)



cc

Adopted - Board of Supervisors, San Francisco April 15, 1996

Ayes: Supervisors Alioto Ammiano Bierman Hsieh Kennedy Leal  
Shelley Teng Yaki

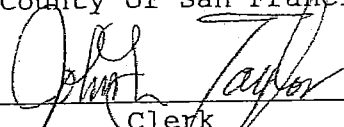
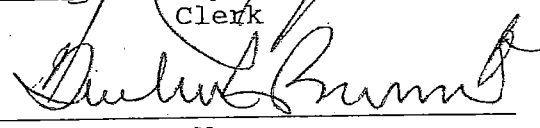
Absent: Supervisor Kaufman

I hereby certify that the foregoing resolution  
was adopted by the Board of Supervisors  
of the City and County of San Francisco

File No.  
64-96-2

APR 17 1996

Date Approved

  
Clerk  
  
Mayor

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: Ridgegate Apartments, Inc., a Texas corporation	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Henry Koo, Director, President	
Contractor address: 735 Montgomery St., Ste. 450, San Francisco, CA 94111	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: Rent : \$26,980 per month
Describe the nature of the contract that was approved: Second Amendment to Lease—720 Sacramento St., San Francisco, CA	
Comments:	

This contract was approved by (check applicable):

☐ the City elective officer(s) identified on this form

☒ a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

☐ the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: 415-554-5184
Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Pl. San Francisco CA 94102	E-mail: Board.of.Supevisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed