

MEMORANDUM OF UNDERSTANDING

(Central Shops)

THIS MEMORANDUM OF UNDERSTANDING (this "**MOU**"), dated for reference purposes only as of December , 2015 (the "**Agreement Date**"), is by and between the City and County of San Francisco, through its Public Utilities Commission ("**SFPUC**"), the City and County of San Francisco General Services Agency's Office of Contract Administration ("**OCA**"), and the City and County of San Francisco General Services Agency's Real Estate Division ("**RED**" or collectively "**OCA**"), all three entities collectively, the "**Parties**".

RECITALS

A. In 1946, the City and County of San Francisco ("**City**") Board of Supervisors ("**Board**") passed Resolution No. 4744 (Series of 1939) requiring the City to purchase certain real property "for the construction, operation, and maintenance of the North Point Sludge Treatment Plant near Islais Creek," now commonly known as the Southeast Water Pollution Control Plant ("**SEP**").

B. In 1946, pursuant to Board Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased Assessor's Block 5262 in its entirety [Board Resolution No. 5518 (Series of 1939)].

C. Between 1946 and 1948, pursuant to Board Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased the portion of Assessor's Block 5270 east of the Southern Pacific Railroad tracks [Board Resolution Nos. 5385, 5437 and 5963, and Board Ordinance No. 4849 (all Series of 1939)].

D. Until August 1, 1996, the San Francisco Department of Public Works had jurisdiction over and maintained the City's wastewater system including all municipal sewage treatment and disposal systems and other related facilities located within the City.

E. Effective August 1, 1996, jurisdiction over the City's wastewater system, including sewerage facilities, assets and properties, including a portion of Assessor's Block 5262 was transferred to the SFPUC.

F. Currently, the City's Central Fleet Maintenance Shop is located on the northwest corner of the intersection of Jerrold Avenue and Quint Street, on a portion of Block/Lot 5262-009 (previously designated as Block 5262 and as a portion of Block 5270), commonly known as 1800 Jerrold Avenue (the "**Transfer Site**"). The Transfer Site is more fully described in the attached **Exhibit A** and depicted on the attached **Exhibit B**.

G. The Transfer Site, is currently used as an automobile and truck maintenance and repair shop, including ancillary shops, and offices for the City’s fleet, commonly referred to as the “**Central Shops**,” which is under the jurisdiction of OCA.

H. The Transfer Site is located adjacent to the SFPUC’s SEP, also on Block/Lot 5262-009, among other parcels, which the City owns under the SFPUC’s jurisdiction.

I. The SEP facilities are old, and require substantial maintenance, repair and replacement. The SFPUC is undertaking scheduled repair and replacement projects at the SEP and throughout the City in the near term, and has immediate need for additional space for storage of equipment and vehicles and temporary relocation of existing uses in the vicinity of the SEP. In the longer term, the SFPUC anticipates a continuing need for more space for capital improvement projects related to existing facilities and upgrades to the sewage system. Due to the existing intensive competition for available industrial land in the City, particularly in proximity to SFPUC’s existing utility plants and facilities, the SFPUC now seeks to secure land necessary to support its current and future obligation to provide essential utility services.

J. OCA is willing to consent to a jurisdictional transfer of the Transfer Site to the SFPUC, provided it receives compensation to enable occupancy of functionally equivalent facilities and related necessary relocation expenses.

K. The SFPUC desires to acquire jurisdiction over the Transfer Site, subject to approval of a jurisdictional transfer consistent with this MOU by the Commission, Board of Supervisors and Mayor.

L. OCA desires to transfer jurisdiction of the Transfer Site to the SFPUC, subject to the Board of Supervisors’ and Mayor’s approval of a jurisdictional transfer consistent with this MOU.

M. In a letter dated November 9, 2015 to the Director of Real Estate, the San Francisco Planning Department found that the proposed jurisdictional transfer of the Transfer Site from OCA to the SFPUC was consistent with the City’s General Plan and Planning Code Section 101.1(b).

N. The SFPUC’s Bureau of Environmental Management determined the proposed jurisdictional transfer of 1800 Jerrold to the SFPUC is categorically exempt as a Class 32: In-Fill Development categorical exemption under section 15332 of the California Environmental Quality Act (CEQA).

O. The Planning Department sent notification on October 13, 2015 of the Project receiving environmental review and received no public comments by the end of the specified comment period.

P. On October 28, 2015 the Planning Department concurred with the categorical exempt determination for the proposed Jurisdictional Transfer.

Q. The City’s Director of Property has determined the current fair market value of the Transfer Site is less than the reasonable and necessary costs to vacate the Transfer Site and relocate Central Shops to functionally equivalent facilities. Therefore, the Director of Property has determined that SFPUC must pay OCA the reasonable cost of the Central Shops’ relocation and the cost of

functionally equivalent facilities, as set forth in the memorandum dated November 3, 2015 in exchange for the jurisdictional transfer of the Transfer Site to the SFPUC.

R. The Director of Property recommends the City (i) enter into purchase and sale agreements to acquire the properties at 555 Selby and 1975 Galvez in San Francisco (“**Acquisition Sites**”); (ii) enter into a ten-year lease of the property at 450 Toland in San Francisco (“**Leased Site**”), and (iii) enter into agreements with consultants to undertake development, design and construction of improvements on the acquired and leased properties to accommodate vacation of the Transfer Site and relocation of Central Shops functions no later than July 31, 2017 (collectively “**GSA Project**”).

S. On December 1, 2015, the SFPUC introduced a Resolution at the Board of Supervisors (Board File No. 151215) to authorize the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California Limited Liability Company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between City and Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California corporation, for the real property located at 1975 Galvez Avenue for \$5,000,000; and finding the proposed transactions are in conformance with the City’s General Plan, and the eight priority policies of Planning Code, Section 101.1 (“Proposed Resolution”). The SFPUC seeks to enter into these transactions to further the proposed jurisdictional transfer of the Transfer Site, subject to the final adoption of an Ordinance authorizing the jurisdictional transfer of the Transfer Site, subject to this MOU, and the agreements to undertake development, design and construction of improvements on the Acquisition Sites and Leased Site (“Proposed Ordinance”). However, if the Board approves the Proposed Resolution, the SFPUC intends to execute the Lease and the Purchase and Sale Agreements for SFPUC Wastewater Enterprise purposes, and such action is not contingent on final approval of the Proposed Ordinance.

T. If both the Proposed Resolution and the Proposed Ordinance become effective, the Acquisition Sites acquired by the City for the relocation of Central Shops will be placed under the jurisdiction of GSA, subject to one condition. If Central Shops fails to occupy, vacates, or ceases to use the acquired property for Central Shop functions (the “Triggering Event”), GSA will owe payment to SFPUC within thirty (30) days after the Triggering Event in an amount equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy (“TCO”), with a first year value of \$50,000,000. For example purposes only, should the TCO date be June 1, 2017, and the Triggering Event date be June 1, 2037, the payment amount due SFPUC shall be \$16,666,666 (20 years of 30 years total = 0.33 remaining life, $\$50,000,000 \times 0.33 = \$16,666,666$).

U. OCA and the SFPUC understand and acknowledge that OCA will incur substantial costs in vacating the Transfer Site and relocating Central Shops.

V. OCA desires to accept, and the SFPUC desires to transfer the funds necessary to replace the Transfer Site with facilities that will provide functional equivalent utility for Central Shops.

W. Upon the Board of Supervisors' approval of legislation authorizing the acquisition of the proposed Acquisition Sites, the execution of a lease of the Leased Site, and agreements necessary to complete the development, design and construction of functionally equivalent relocation facilities, subject to the MOU, then upon vacation of Central Shops (OCA) from the Transfer Site and final payment of the Balance Transfer, as defined and pursuant to Section 3. c.iv., requiring the SFPUC to incur or pay the projected reasonable and necessary costs of relocating Central Shops in the total amount of Seventy-Three Million Dollars Seven Hundred Thousand dollars (\$73,700,000), jurisdiction of the Transfer Site will automatically transfer from OCA to the SFPUC.

X. OCA is willing transfer and the SFPUC is willing to accept the transfer, subject to the approval of the Board of Supervisors, consistent with the terms and conditions set forth in this MOU.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Transfer of Jurisdiction.
 - a. RED shall submit the Proposed Ordinance to the Board of Supervisors to obtain approval of the jurisdictional transfer, subject to the terms and conditions of this MOU and agreements necessary to complete the development, design and construction of functionally equivalent relocation facilities necessary for the jurisdictional transfer of the Transfer Site.
 - b. If the Proposed Resolution authorizing the acquisition of the proposed Acquisition Sites, the execution of a lease of the Leased Site, and the Proposed Ordinance , are approved and final, then:
 - i. The Acquisition Sites and Lease Site will be placed under OCA's jurisdiction and control in order to effect the improvements contemplated by this MOU, and OCA will retain jurisdiction over the Acquisition Sites if SFPUC obtains jurisdiction over the Transfer Site, subject to the condition that if Central Shops fails to occupy, vacates, or ceases to use the acquired property for Central Shop functions (the "Triggering Event"), GSA will owe payment to SFPUC within thirty (30) days after the Triggering Event in an amount equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy ("TCO"), with a first year value of \$50,000,000. For example purposes only, should the TCO date be June 1, 2017, and the Triggering Event date be June 1, 2037, the payment amount due SFPUC shall be \$16,666,666 (20 years of 30 years total = 0.33 remaining life, $\$50,000,000 \times 0.33 = \$16,666,666$); and
 - ii. Upon payment of the Balance Transfer by the SFPUC as set forth in Section 3 below,

(the “**Closing Date**”), jurisdiction over the Transfer Site shall automatically transfer to the SFPUC, and OCA jurisdiction over the Acquisition Sites and control of the Lease Site shall be final, subject to the condition set forth above in subsection 2.b.i., and RED shall prepare, execute and file all applicable documentation to effect the transfer and memorialize the jurisdictional transfer of the Transfer Site in the City’s real estate records (the “**Final Closing**”).

3. Transfer Price; Allocation of Transfer Price; Timing of Transfer of Funds; Transaction Costs.

a. Transfer Price. In consideration for the jurisdictional transfer of the Transfer Site, and jurisdiction over the Acquisition Sites, the SFPUC shall incur or pay OCA an amount (the “**Transfer Price**”) equal to \$73,700,000 as provided in Section 3(b) below. The SFPUC has no obligation to pay any amount above the Transfer Price to OCA related to the relocation of Central Shops from the Transfer Site.

b. Allocation of Transfer Price. SFPUC Funds will be expended in the following manner.

- i. No more than \$11,500,000 to acquire 555 Selby Street and 1975 Galvez Avenue, and relocate the existing tenant.
- ii. No more than \$6,900,000 towards the cost of the ten-year lease of 450 Toland.
- iii. No more than \$55,000,000 for the construction of a new maintenance shop building at Selby and Galvez; and tenant improvements at 450 Toland.
- iv. No more than \$300,000 for reimbursement of moving expenditures.

Any deviation to this allocation shall require the prior written approval of the SFPUC General Manager and the City’s Controller, which shall not be unreasonably withheld.

c. Timing of Transfer of Funds. The SFPUC has available funds appropriated in the amount of \$73,700,000 to be applied towards costs incurred and payment of the Transfer Price. Each future transfer is conditioned upon the SFPUC’s approval of all demands for payment prior to the disbursement of funds by OCA for expenditures, including but not limited to, contracts, invoices, and construction draws and change orders, and City Controller shall be consulted as appropriate prior to fund transfers.

i. The SFPUC shall incur the cost of Eleven Million Five Hundred Thousand Dollars (\$11,500,000) upon final approval of the Proposed Resolution for the purchase and sale agreements for the Acquisition Sites and the cost of entering into the Lease for 450 Toland; and if the Proposed Ordinance is final and approved by the Board and the Mayor, SFPUC will Transfer funds in the amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000) minus the costs incurred to that date for the Lease of 450 Toland (“**Initial Transfer**”).

- ii. The SFPUC shall make a second installment payment of Twenty Three Million Two Hundred Thousand Dollars (\$23,200,000) (“**Second Transfer**”) to OCA upon the issuance of building permits and notice to proceed on construction at the Acquisition Sites and Lease Site.
 - iii. The SFPUC shall make a third installment payment of Twenty Four Million Dollars (\$2,000,000) (“**Third Transfer**”) to OCA upon 50% completion of improvements at the Acquisition Sites.
 - iv. The SFPUC shall pay the balance of the Transfer Price or Six Million Five Hundred Thousand Dollars (\$6,500,000) (“**Balance Transfer**”) to OCA within ten (10) business days following Central Shop’s and DT’s vacation of the Transfer Site. Once the Transfer Price is fully paid, jurisdiction of the Transfer Site shall automatically transfer from GSA to the SFPUC.
- d. Transaction Costs. Any costs charged by RED and any costs charged by the City Attorney’s Office to negotiate and draft transaction documents related to and arising from the jurisdictional transfer of the Transfer Site and effect the Final Closing pursuant to Section 2 shall be borne by the SFPUC.

4. Rights and Obligations of the Parties.

- a. The Parties agree to cooperate and work together in good faith to accomplish the purpose and intent of the MOU.
- b. If OCA receives the transfer of funds according to the schedule set forth above, Central Shops and DT shall vacate the Transfer Site by the earlier of 30 days following issuance of both TCO’s for the Acquisition Sites or June 30, 2017. OCA shall remove all debris from the Transfer Site, except those items within a building, currently stored in service bays under a roof, or set forth on **Exhibit C**, before vacating the Transfer Site. For purposes of this Section, the term “debris” shall include any other discarded equipment, vehicles, personal property, lumber, equipment, trash, rubbish, or building materials lying on or about the Transfer Site.
- c. To accomplish the objectives of this MOU, OCA shall seek approval by the Board of Supervisors and Mayor of authorization for agreements necessary to complete the acquisitions, lease and improvements required to achieve functional equivalent facilities for the Central Shops operations and relocation on the timeline set forth herein. Because substantial SFPUC funds are at risk pending completion of those functionally equivalent facilities, SFPUC shall have the right to:
 - (i) Designate a representative who shall attend regular GSA Project status meetings between OCA, RED and their representatives, agents and contractors; and
 - (ii) Be advised by OCA, RED and their representatives in advance of any decision that

would either increase the cost or delay by more than ten (10) days the completion of the functionally equivalent facilities on either the Acquisition Sites or the Leased Site, or could potentially result in termination of any of the agreements entered into by OCA that are necessary to accomplish the vacation of Central Shops or DT from the Transfer Site, and OCA and RED shall also so advise the City Controller.

- d. Prior to the date of Central Shop's vacation of the Transfer Site, the SFPUC, its employees, agents, consultants, contractors, authorized representatives, invitees and guests (collectively, "**PUC Affiliates**") may access and use the Transfer Site for any necessary geotechnical and environmental investigations, provided that the SFPUC does not unreasonably interfere with Central Shop's operations. Each party will appoint a contact person to coordinate access.
- e. Prior to the vacation of the Transfer Site, the SFPUC shall not construct or place any permanent structures or improvements in, on, under or about the Transfer Site, nor shall the SFPUC make any alterations or additions to any existing structure or improvement on the Transfer Site.

5. Termination Default.

- a. If the SFPUC fails to pay the full Transfer Price consistent with this MOU, OCA may, at their option, terminate this MOU and the SFPUC's right of possession and transfer by giving not less than thirty (30) days' notice to the SFPUC ("**Termination Notice**"). Any such Termination Notice shall identify the effective date of the termination ("**Termination Date**"), which shall be a date not less than thirty (30) days after delivery of the Termination Notice to the SFPUC. Any funds paid by the SFPUC to OCA as a portion of the Transfer Price shall be returned to the SFPUC, minus OCA's and RED's reasonable costs and expenses arising from and related to this MOU, the amounts paid under the Purchase and Sale Agreements for Acquisition Sites, the amounts paid under the Lease for the Leased Site, if any, and unrecoverable costs incurred upon termination of the agreements related to the improvements to be constructed on the Acquisition Sites or Leased Site, if any, supported by written documentation delivered to the SFPUC no later than ninety (90) days following the Termination Date.
- b. If OCA fails to attain TCOs for new locations by June 30, 2017, or if there is a delay in the construction schedule for the functionally equivalent facilities of more than 30 days, the SFPUC, at its option, may terminate this MOU by giving not less than thirty (30) days' notice to OCA and RED ("**Termination Notice**") and retain jurisdiction over the Acquisition Sites and control of the Lease Site, or may assume the rights and obligations under the agreements entered into by OCA to accomplish the completion of the functionally equivalent facilities. Any such Termination Notice shall identify the effective date of the termination ("**Termination Date**"), which shall be a date not less than thirty (30) days after delivery of the Termination Notice to OCA and RED. Any

funds paid by the SFPUC to OCA or RED as a portion of the Transfer Price shall be returned to the SFPUC, minus OCA's and RED's reasonable costs and expenses arising from and related to this MOU, the amounts paid under the Purchase and Sale Agreements for Acquisition Sites, the amounts paid under the Lease for the Leased Site, if any, and unrecoverable costs incurred upon termination of the agreements related to the improvements to be constructed on the Acquisition Sites or Lease Site, if any, no later than sixty (60) days following the Termination Date. Alternatively, in the SFPUC's sole discretion, the SFPUC may assume the rights and obligations under those agreements entered into by OCA for improvements to the Acquisition Sites or the Leased Site, for the relocation of Central Shops, or otherwise to recover the benefit of SFPUC expenditures.

- c. "Reasonable costs and expenses" shall mean, for the purpose of this Section, the reasonable costs and expenses actually incurred by OCA and RED: (i) to investigate relocation sites; (ii) to negotiate and execute Purchase and Sale Agreements for Acquisition Sites; (iii) to negotiate and execute a Lease for the Leased Site; (iv) to hire consultants to implement and manage the Central Shops improvements at the Acquisition Sites and Leased Site ("Project Management") and (v) any funds paid under any purchase and sale agreements or relocation lease.

7. Allocation of Liability.

- a. Upon the jurisdictional transfer of the Transfer Site, the SFPUC assumes responsibility for any damage to the property of the SFPUC or for any bodily injury to or death of any such persons, resulting or arising from the condition of the Transfer Site or its use by the SFPUC, and the SFPUC expressly assumes responsibility for any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including without limitation, reasonable attorneys' and consultants' fees and costs (together, "**Claims**"), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with any such property damage, injury or death, or the physical or environmental condition of the Transfer Site and any related improvements or any law or regulation applicable thereto or the suitability of the Transfer Site for SFPUC's intended use.
- b. OCA and the SFPUC acknowledge that this MOU is subject to termination and in view of such fact, OCA and the SFPUC each expressly assumes the risk of making any expenditure in connection with this MOU, even if such expenditures are substantial.
- c. Upon jurisdictional transfer, the SFPUC accepts the Transfer Site in its "AS IS" condition, without representation or warranty of any kind by OCA or RED or their employees, agents, consultants, contractors, and authorized representatives, subject to the obligations of OCA to remove debris pursuant to Section 4.b., and further subject to all applicable laws, rules and ordinances governing the use of the Transfer Site. Without limiting the foregoing, this MOU is made subject to any and all existing and future covenants,

conditions, restrictions, easements, encumbrances and other title matters affecting the Transfer Site, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

8. Conditions to Jurisdictional Transfer. Notwithstanding anything to the contrary contained herein (but subject to the remedies set forth in Section 5), the SFPUC shall have no obligation to make the Balance Transfer unless and until all of the following conditions are satisfied:

- (a) Central Shops and DT have vacated the Transfer Site as set forth in Section 4.
- (b) Prior to the Final Closing, OCA shall have maintained the Transfer Site in substantially the same condition it was in as of December 1, 2015, and OCA shall not, without first obtaining the SFPUC's prior written approval, have taken any of the following actions: (i) constructed any additional improvements on the Transfer Site, (ii) encumbered all or any part of the Transfer Site with any lien, transfer, grant, lease, license, or other encumbrance, or entered into any contract affecting the Transfer Site, except for operation contracts necessary under applicable Federal, State, and local law and regulations for the safe operation of the facilities and contracts that are terminable on thirty (30) days' notice or less, or (iii) caused or authorized any use of the Transfer Site different from the use of the Transfer Site as of the Agreement Date.
- (c) SFPUC's Commission and the Board of Supervisors and the Mayor (as necessary and if required), shall have approved the appropriation of funds for SFPUC payment of the Transfer Price for the Transfer Site.

9. Approval Contingency. This MOU shall only be effective as of the date that all of the following conditions are met: (i) all Parties hereto have executed this MOU; (ii) the SFPUC's Commission, acting in its sole discretion, approves the Resolution requesting the jurisdictional transfer, authorizes execution of this MOU, and requests appropriations as necessary; and (iii) the Board of Supervisors and Mayor, acting in their sole discretion, approve the Proposed Resolution authorizing the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California Limited Liability Company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between City and Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California corporation, for the real property located at 1975 Galvez Avenue for \$5,000,000, and (iv) the Board of Supervisors and Mayor adopt the Proposed Ordinance, and it becomes final, authorizing the jurisdictional transfer of the Transfer Site to the SFPUC, subject to the terms of this MOU, approves appropriations as necessary, and agreements necessary to complete the development, design and construction of

functionally equivalent relocation facilities, as necessary to implement the terms and intent of this MOU.

10. No Assignment. This Agreement is personal to each of the named Parties, and shall not be assigned, conveyed or otherwise transferred by any Party under any circumstances. Any attempt to assign, convey or otherwise transfer this MOU shall be null and void and cause the immediate termination and revocation of this MOU.

11. Notices. All notices, demands, consents or approvals which are or may be required to be given by either party to the other under this MOU shall be in writing and shall be delivered in person, via email, Interdepartmental Delivery, or sent by United States Postal Service, postage prepaid, or reputable commercial courier, and addressed as follows:

If to RED:	Real Estate Division Office of the Director 25 Van Ness, Suite 400 San Francisco, CA 94102 Attn: Director of Real Estate Telephone: (415) 554-9850
If to SFPUC:	San Francisco Public Utilities Commission Real Estate Services 525 Golden Gate Avenue, 10 th Floor San Francisco, California 94102 Attn: General Manager Telephone: (415) 554-3155
With a copy to:	San Francisco Public Utilities Commission Real Estate Services 525 Golden Gate Avenue, 10 th Floor San Francisco, California 94102 Attn: Real Estate Director Telephone: (415) 487-5210 RES@sfwater.org
If to OCA:	General Services Agency Office of Contract Administration City Hall, Room 430 1 Dr. Carlton B. Goodlett Place San Francisco, California 94102 Attn: Director Telephone: (415) 554-6743 oca@sfgov.org

or such other address that a party may from time to time designate by notice to the other Parties given pursuant to the provisions of this Section. Telephone numbers are provided to facilitate communication and shall not be a sufficient method of delivering notice. Any correctly addressed notice sent by a method that provides confirmation of delivery shall be deemed delivered on the first date of confirmed delivery or confirmed attempted delivery.

12. Authority. All matters requiring RED's approval shall be approved by the Director of RED or his or her designee. All matters requiring OCA's approval shall be approved by the Director of the Office of Contract Administration or his or her designee and, by the Board of Supervisors, if required. All matters requiring the SFPUC's approval shall be approved by the SFPUC's Commission, if required, or by the General Manager, or his or her designee, if authorized.
13. Identification and Application of Additional Funding Sources. The SFPUC shall have the right to apply for any federal, state or local funds that may be available to pay for the costs of implementing the MOU. OCA shall cooperate to provide any materials or documents held by OCA or RED necessary to submit such applications or to qualify for distribution of such funds.
14. Cooperation. Subject to the terms and conditions of this MOU, staff of all Parties to this MOU shall use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to carry out the purposes of this MOU as expeditiously as practicable, including, without limitation, performance of further acts and the execution and delivery of any additional documents in form and content reasonably satisfactory to all Parties (subject to any necessary approvals). Notwithstanding anything to the contrary in this MOU, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the actions described in this MOU. In addition to any conditions described in this MOU, the Parties' obligations are expressly subject to the receipt of all legally required approvals following environmental review.
15. Miscellaneous. (a) This MOU may be amended or modified only by a writing signed by the Director of RED, or his or her designee, the Director of the OCA, or his or her designee, and the SFPUC, through its General Manager, or his or her designee, and the Controller, or his or her designee. (b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such written waiver. (c) This MOU (including all exhibits) contains the entire understanding between the Parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) Notwithstanding anything to the contrary set forth herein, no officer, director, or employee of RED, OCA or the SFPUC has the authority to bind his or her department to take any action to be performed by his or her department under this MOU unless and until the SFPUC's Commission and the Board of Supervisors and the Mayor, as applicable, approves of the action. (e) All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state and/or federal laws.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed as of the last date written below.

CITY AND COUNTY OF SAN FRANCISCO

RED: REAL ESTATE DIVISION
Of the General Services Agency

By: _____
John Updike, Director

Date: _____

OCA: OFFICE OF CONTRACT ADMINISTRATION
Of the General Services Agency

By: _____
Jaci Fong, Director

Date: _____

PUBLIC UTILITIES COMMISSION

By: _____
Harlan L. Kelly, Jr., General Manager

Date: _____

APPROVED BY:

PUBLIC UTILITIES COMMISSION
PURSUANT TO RESOLUTION NO. __

By: _____
Donna Hood, Commission Secretary

Date: _____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

SITE MAP

EXHIBIT C

Description	L x W x H in Ft.
Hazardous Materials Cabinet	10x10x6
Hazardous Materials Cabinet	6x8x10
Waste Oil Tank	6x6x5
Generator	12x6x5
Guard Shack	8x10x10